

**YAPI VE KREDİ BANKASI A.Ş.**

**PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
AT 31 DECEMBER 2009**

**(Convenience Translation of Publicly Announced Consolidated  
Financial Statements and Independent Auditor's Report  
Originally Issued in Turkish,  
See in Note I. of Section Three)**

**CONVENIENCE TRANSLATION OF  
THE INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Yapı ve Kredi Bankası A.Ş.:

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

*Disclosure for the Responsibility of the Bank's Board of Directors:*

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for selecting and applying appropriate accounting policies in compliance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette No. 26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency ("the BRSA") on accounting and financial reporting principles.

*Disclosure for the Responsibility of the Authorized Audit Firm:*

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our independent audit is conducted in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that our audit provides a reasonable basis for our opinion.

*Independent Auditors' Opinion:*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Yapı ve Kredi Bankası A.Ş. and its consolidated subsidiaries as of 31 December 2009 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

*Additional Paragraph for Convenience Translation:*

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Zeynep Uras, SMMM  
Partner

Istanbul, 2 March 2010

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH,  
SEE IN NOTE I. OF SECTION THREE**

**THE CONSOLIDATED FINANCIAL REPORT OF  
YAPI VE KREDİ BANKASI A.Ş. AS OF 31 DECEMBER 2009**

Yapı ve Kredi Bankası A.Ş.  
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The consolidated financial report includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanation and Notes that will be made Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- **Section one** - GENERAL INFORMATION ABOUT THE GROUP
- **Section two** - CONSOLIDATED FINANCIAL STATEMENTS
- **Section three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section five** - EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section six** - OTHER EXPLANATIONS
- **Section seven** - INDEPENDENT AUDITOR'S REPORT

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this annual consolidated reporting package are as follows.

**Subsidiaries**

1. Yapı Kredi Sigorta A.Ş.
2. Yapı Kredi Emeklilik A.Ş.
3. Yapı Kredi Finansal Kiralama A.O.
4. Yapı Kredi Faktoring A.Ş.
5. Yapı Kredi Yatırım Menkul Değerler A.Ş.
6. Yapı Kredi Yatırım Ortaklığı A.Ş.
7. Yapı Kredi Portföy Yönetimi A.Ş.
8. Yapı Kredi Invest LLC
9. Yapı Kredi Holding B.V.
10. Yapı Kredi Bank Nederland N.V.
11. Yapı Kredi Bank Moscow
12. Sticing Custody Services YKB
13. Yapı Kredi Bank Azerbaijan CJSC

**Associates**

1. Banque de Commerce et de Placements S.A.

Additionally, although Yapı Kredi Diversified Payment Rights Finance Company, a Special Purpose Entity, is not a subsidiary, as our Bank has a control of 100%, it has been included in the consolidation.

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish Lira**, have been prepared and presented based on the accounting books of the Bank in accordance with Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, relating appendix and interpretations on these, and have been independently audited.

**Tayfun BAYAZIT**  
Chairman of the  
Board of Directors

**H. Faik AÇIKALIN**  
Chief Executive Officer

**Marco CRAVARIO**  
Chief Financial Officer

**M. Gökmen UÇAR**  
Financial Reporting and  
Accounting Vice President

**Federico GHIZZONI**  
President of Audit Committee

**Vittorio G. M. OGLIENGO**  
Member of Audit Committee

**Füsün Akkal BOZOK**  
Member of Audit Committee

Contact information of the personnel in charge of addressing questions about this financial report:

**Name-Surname / Title:** Serkan Savaş / Consolidation Supervisor

**Telephone Number** : 0212 339 63 22

**Fax Number** : 0212 339 61 05

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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE GROUP**

**I. HISTORY OF THE PARENT BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS, IF ANY:**

Yapı ve Kredi Bankası A.Ş. (“the Bank”, “Yapı Kredi” or “the Parent Bank”), was established on 9 September 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

**II. EXPLANATION ABOUT 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:**

The Parent Bank’s shares have been traded on the Istanbul Stock Exchange (“ISE”) since 1987. As of 31 December 2009 18,20% shares of the Bank are publicly traded (2008: 18,20%). The Bank’s publicly traded shares are traded in ISE and the representatives of these shares, Global Depository Receipts, are quoted to London Stock Exchange. The remaining 81,80% being owned by Koç Finansal Hizmetler A.Ş. (“KFS”), a joint venture of UniCredit (“UCI”) and Koç Group.

KFS was established on 16 March 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. As of 22 October 2002, Koç Group established a strategic partnership with UCI over KFS.

In 2005, the Bank’s shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund (“SDIF”) were purchased by Koçbank A.Ş. (“Koçbank”). In 2006, Koçbank purchased additional shares of the Bank. During the same year, all rights, receivables, debts and liabilities of Koçbank have been transferred to the Bank thereby the merger of the two banks has been realised.

In 2006 and 2007, with the acquisition of Yapı Kredi and its subsidiaries, KFS Group launched structural reorganisation and the following subsidiaries have been legally merged in 2006 and 2007:

<b>Merging Entities</b>		<b>Merger Date</b>	<b>Merged Entity</b>
Yapı Kredi	Koçbank	2 October 2006	Yapı Kredi
Yapı Kredi Finansal Kiralama A.O. (“Yapı Kredi Leasing”)	Koç Leasing	25 December 2006	Yapı Kredi Leasing
Yapı Kredi Faktoring A.Ş. (“Yapı Kredi Faktoring”)	Koç Faktoring	29 December 2006	Yapı Kredi Faktoring
Yapı Kredi Portföy Yönetimi A.Ş. (“Yapı Kredi Portföy”)	Koç Portföy	29 December 2006	Yapı Kredi Portföy
Yapı Kredi Yatırım Menkul Değerler A.Ş. (“Yapı Kredi Menkul”)	Koç Yatırım	12 January 2007	Yapı Kredi Menkul
Yapı Kredi Nederland N.V. (“Yapı Kredi NV”)	Koçbank Nederland N.V.	2 July 2007	Yapı Kredi NV

After the merger and the share transfer procedures in 2007 and the capital increase by TL920 million in 2008, KFS owns 81,80% of the shares of the Bank.

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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**GENERAL INFORMATION ABOUT THE GROUP (Continued)**

**III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS:**

As of 31 December 2009, the Parent Bank's Board of Directors, Members of the Audit Committee and Executive President and Vice Presidents are as follows.

Board of Directors Members:

Name	Responsibility
Tayfun BAYAZIT	Chairman
Federico GHIZZONI	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Alessandro M. DECIO	Deputy Chief Executive Officer
Ahmet F. ASHABOĞLU	Member
Füsün Akkal BOZOK	Member
Carlo VIVALDI	Member
Vittorio G. M. OGLIENGO	Member
O. Turgay DURAK	Member
Stephan WINKELMEIER	Member

General Manager and Vice General Managers:

Name	Responsibility
H. Faik AÇIKALIN	General Manager
Alessandro M. DECIO	Deputy General Manager
Mehmet Güray ALPKAYA	Corporate and Commercial Sales Management
Marco CRAVARIO	Financial Planning and Administration Management
Yakup DOĞAN	Alternative Distribution Channels
Mehmet Murat ERMERT	Corporate Communication Management
Massimiliano FOSSATI	Risk Management
Mert GÜVENEN	Corporate and Commercial Banking Management
Süleyman Cihangir KAVUNCU	Human Resources Management
Fahri ÖBEK <sup>(1)</sup>	Information Technology Management
Erhan ÖZÇELİK	Private Banking and Asset Management
Mehmet Erkan ÖZDEMİR	Compliance Officer
Muzaffer ÖZTÜRK	Retail Sales Management
Stefano PERAZZINI	Internal Audit
Yüksel RİZELİ	Information Systems and Operation Management
Luca RUBAGA	Organisation and Logistics Management
Cemal Aybars SANAL	Legal Activities Management
Zeynep Nazan SOMER	Retail Banking Management
Feza TAN	Corporate and Commercial Credit Management
Selim Hakkı TEZEL	Consumer and SME Credit Management
Mert YAZICIOĞLU	Treasury Management

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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**GENERAL INFORMATION ABOUT THE GROUP (Continued)**

Audit Committee Members:

Name	Responsibility
Federico GHIZZONI	Chairman
Füsun Akkal BOZOK	Member
Vittorio G. M. OGLIENGO	Member

Statutory auditors:

Name	Responsibility
Abdullah GEÇER	Auditor
Adil G. ÖZTOPRAK	Auditor

(1) As of 30 January 2010, Fahri Öbek has resigned from his duty as vice president of Information Technology Management.

The shares of the above individuals are insignificant in the Bank.

**IV. INFORMATION ON QUALIFIED SHAREHOLDERS:**

Name/Commercial title	Share Amounts (Nominal)	Share Percentage	Paid-in Capital (Nominal)	Unpaid Portion
Koç Finansal Hizmetler A.Ş.	3.555.712.396,07	81,80%	3.555.712.396,07	-



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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**GENERAL INFORMATION ABOUT THE GROUP (Continued)**

**V. SUMMARY INFORMATION ON THE PARENT BANK’S ACTIVITIES AND SERVICES:**

The Bank’s activities summarized from the section 5 of the articles of association are as follows.

The Bank’s purpose and subject matter in accordance with the Banking Law, regulations and existing laws; includes:

- all banking activities
- all economic and financial activities which are allowed by law and regulation
- the execution of representation, attorney and agency activities related to the subjects referred to above
- purchase and sale of share certificates, bonds and all the capital market instruments, as part of Capital Market Law and regulations

In case of necessity to perform activities which are useful and required but that are not specified in the articles of association, a Board of Directors’ proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the obtainment of the authorizations required by law.

As of 31 December 2009, the Bank has 837 branches operating in Turkey, 1 branch in off-shore region (2008: 860 branches operating in Turkey, 1 branch in off-shore region) and 14.333 employees (2008: 14.795 employees). The parent Bank together with its consolidated subsidiaries is referred to as the “Group” in these consolidated financial statements. As of 31 December 2009, the Group has 16.713 employees (2008: 17.359 employees).

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009 AND 2008**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**SECTION TWO  
CONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET	Note (Section Five)	(31/12/2009)			(31/12/2008)		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. CASH BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>1.784.273</b>	<b>2.445.062</b>	<b>4.229.335</b>	<b>1.854.700</b>	<b>2.862.316</b>	<b>4.717.016</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>I-b</b>	<b>802.452</b>	<b>181.175</b>	<b>983.627</b>	<b>591.644</b>	<b>238.471</b>	<b>830.115</b>
2.1 Trading Financial Assets		802.452	181.175	983.627	591.644	238.471	830.115
2.1.1 Government Debt Securities		164.476	109.402	273.878	137.764	162.544	300.308
2.1.2 Share Certificates		38.963	-	38.963	17.587	-	17.587
2.1.3 Trading Derivative Financial Assets		546.121	71.583	617.704	393.269	40.382	433.651
2.1.4 Other Marketable Securities		52.892	190	53.082	43.024	35.545	78.569
2.2 Financial Assets Designated at Fair Value Through Profit/(Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
<b>III. BANKS</b>	<b>I-c</b>	<b>545.079</b>	<b>1.849.569</b>	<b>2.394.648</b>	<b>121.848</b>	<b>3.280.234</b>	<b>3.402.082</b>
<b>IV. MONEY MARKETS</b>		<b>1.581.459</b>	<b>-</b>	<b>1.581.459</b>	<b>131.377</b>	<b>96.585</b>	<b>227.962</b>
4.1 Interbank Money Market Placements		1.500.271	-	1.500.271	68.318	96.585	164.903
4.2 Receivables from Istanbul Stock Exchange Money Market		30.015	-	30.015	40.358	-	40.358
4.3 Receivables from Reverse Repurchase Agreements		51.173	-	51.173	22.701	-	22.701
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	<b>934.109</b>	<b>1.089.706</b>	<b>2.023.815</b>	<b>819.732</b>	<b>1.029.233</b>	<b>1.848.965</b>
5.1 Share Certificates		18.978	2.193	21.171	14.389	22.102	36.491
5.2 Government Debt Securities		867.008	1.018.499	1.885.507	754.836	794.680	1.549.516
5.3 Other Marketable Securities		48.123	69.014	117.137	50.507	212.451	262.958
<b>VI. LOANS AND RECEIVABLES</b>	<b>I-e</b>	<b>24.960.975</b>	<b>14.309.544</b>	<b>39.270.519</b>	<b>25.444.113</b>	<b>14.110.672</b>	<b>39.554.785</b>
6.1 Loans		24.564.156	14.298.626	38.862.782	24.803.219	14.107.269	38.910.488
6.1.1 Bank's risk group		414.041	181.577	595.618	232.823	262.157	494.980
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		24.150.115	14.117.049	38.267.164	24.570.396	13.845.112	38.415.508
6.2 Loans under Follow-up		2.569.983	52.675	2.622.658	1.678.011	67.732	1.745.743
6.3 Specific Provisions (-)		(2.173.164)	(41.757)	(2.214.921)	(1.037.117)	(64.329)	(1.101.446)
<b>VII. FACTORING RECEIVABLES</b>		<b>1.027.290</b>	<b>404.041</b>	<b>1.431.331</b>	<b>654.060</b>	<b>392.320</b>	<b>1.046.380</b>
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	<b>6.056.097</b>	<b>7.262.622</b>	<b>13.318.719</b>	<b>5.883.067</b>	<b>6.822.714</b>	<b>12.705.781</b>
8.1 Government Debt Securities		6.056.097	7.262.622	13.318.719	5.883.067	6.818.590	12.701.657
8.2 Other Marketable Securities		-	-	-	-	4.124	4.124
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>I-g</b>	<b>3.940</b>	<b>58.939</b>	<b>62.879</b>	<b>3.940</b>	<b>55.593</b>	<b>59.533</b>
9.1 Consolidated Based on Equity Method		-	58.939	58.939	-	55.593	55.593
9.2 Unconsolidated		3.940	-	3.940	3.940	-	3.940
9.2.1 Financial Investments in Associates		3.940	-	3.940	3.940	-	3.940
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	<b>I-h</b>	<b>26.890</b>	<b>-</b>	<b>26.890</b>	<b>30.443</b>	<b>-</b>	<b>30.443</b>
10.1 Unconsolidated Financial Subsidiaries		24.590	-	24.590	28.143	-	28.143
10.2 Unconsolidated Non-financial Subsidiaries		2.300	-	2.300	2.300	-	2.300
<b>XI. JOINT VENTURES (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Accounted Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES</b>		<b>398.762</b>	<b>1.786.448</b>	<b>2.185.210</b>	<b>533.957</b>	<b>2.170.338</b>	<b>2.704.295</b>
12.1 Financial Lease Receivables		493.872	2.104.050	2.597.922	679.617	2.536.173	3.215.790
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		(95.110)	(317.602)	(412.712)	(145.660)	(365.835)	(511.495)
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>I-i</b>	<b>127.678</b>	<b>953</b>	<b>128.631</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		127.678	953	128.631	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>		<b>1.130.617</b>	<b>16.930</b>	<b>1.147.547</b>	<b>1.189.368</b>	<b>15.765</b>	<b>1.205.133</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>I-j</b>	<b>1.194.538</b>	<b>111</b>	<b>1.194.649</b>	<b>1.157.701</b>	<b>124</b>	<b>1.157.825</b>
15.1 Goodwill	<b>I-k</b>	979.493	-	979.493	979.493	-	979.493
15.2 Other		215.045	111	215.156	178.208	124	178.332
<b>XVI. INVESTMENT PROPERTY (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSET</b>		<b>307.991</b>	<b>3.366</b>	<b>311.357</b>	<b>197.733</b>	<b>7.786</b>	<b>205.519</b>
17.1 Current Tax Asset		-	236	236	15.159	71	15.230
17.2 Deferred Tax Asset	<b>I-l</b>	307.991	3.130	311.121	182.574	7.715	190.289
<b>XVIII. ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>I-m</b>	<b>88.680</b>	<b>-</b>	<b>88.680</b>	<b>90.046</b>	<b>-</b>	<b>90.046</b>
18.1 Held for sale Purposes		88.680	-	88.680	90.046	-	90.046
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>I-n</b>	<b>836.513</b>	<b>518.675</b>	<b>1.355.188</b>	<b>733.543</b>	<b>352.804</b>	<b>1.086.347</b>
<b>TOTAL ASSETS</b>		<b>41.807.343</b>	<b>29.927.141</b>	<b>71.734.484</b>	<b>39.437.272</b>	<b>31.434.955</b>	<b>70.872.227</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.

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IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009 AND 2008**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. BALANCE SHEET	Note (Section Five)	(31/12/2009)			(31/12/2008)		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>23.232.276</b>	<b>20.142.609</b>	<b>43.374.885</b>	<b>24.804.314</b>	<b>19.473.383</b>	<b>44.277.697</b>
1.1 Deposits of Bank's risk group		1.617.242	2.648.296	4.265.538	1.504.397	2.860.570	4.364.967
1.2 Other		21.615.034	17.494.313	39.109.347	23.299.917	16.612.813	39.912.730
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	<b>212.626</b>	<b>55.889</b>	<b>268.515</b>	<b>172.405</b>	<b>48.377</b>	<b>220.782</b>
<b>III. BORROWINGS</b>	<b>II-c</b>	<b>1.417.155</b>	<b>4.943.071</b>	<b>6.360.226</b>	<b>1.572.647</b>	<b>5.658.011</b>	<b>7.230.658</b>
<b>IV. MONEY MARKETS</b>		<b>130.100</b>	<b>1.155.467</b>	<b>1.285.567</b>	<b>173.624</b>	<b>624.978</b>	<b>798.602</b>
4.1 Funds from Interbank Money Market		-	46.886	46.886	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	13.175	-	13.175
4.3 Funds Provided Under Repurchase Agreements		130.100	1.108.581	1.238.681	160.449	624.978	785.427
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	<b>II-d</b>	<b>-</b>	<b>1.744.478</b>	<b>1.744.478</b>	<b>-</b>	<b>1.966.298</b>	<b>1.966.298</b>
5.1 Bills		-	718	718	-	-	-
5.2 Asset Backed Securities		-	1.743.760	1.743.760	-	1.966.298	1.966.298
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>2.828.474</b>	<b>417.351</b>	<b>3.245.825</b>	<b>2.466.471</b>	<b>302.888</b>	<b>2.769.359</b>
<b>VIII. OTHER LIABILITIES</b>	<b>II-e</b>	<b>509.530</b>	<b>397.055</b>	<b>906.585</b>	<b>474.130</b>	<b>1.014.311</b>	<b>1.488.441</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>		<b>1</b>	<b>112</b>	<b>113</b>	<b>48</b>	<b>232</b>	<b>280</b>
10.1 Financial Lease Payables	II-f	1	113	114	52	232	284
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Lease Expenses (-)		-	(1)	(1)	(4)	-	(4)
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-g</b>	<b>357.513</b>	<b>100</b>	<b>357.613</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair Value Hedge		357.513	100	357.613	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>II-h</b>	<b>2.541.836</b>	<b>731.445</b>	<b>3.273.281</b>	<b>2.214.680</b>	<b>620.688</b>	<b>2.835.368</b>
12.1 General Loan Loss Provision		557.129	352.501	909.630	409.894	249.124	659.018
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		164.049	2.150	166.199	152.300	1.794	154.094
12.4 Insurance Technical Provisions (Net)		546.356	320.448	866.804	503.458	331.742	835.200
12.5 Other Provisions		1.274.302	56.346	1.330.648	1.149.028	38.028	1.187.056
<b>XIII. TAX LIABILITY</b>	<b>II-i</b>	<b>204.945</b>	<b>2.288</b>	<b>207.233</b>	<b>192.494</b>	<b>7.966</b>	<b>200.460</b>
13.1 Current Tax Liability		204.444	653	205.097	191.496	1.546	193.042
13.2 Deferred Tax Liability		501	1.635	2.136	998	6.420	7.418
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>II-j</b>	<b>-</b>	<b>2.224.023</b>	<b>2.224.023</b>	<b>-</b>	<b>2.220.601</b>	<b>2.220.601</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-k</b>	<b>8.427.563</b>	<b>58.577</b>	<b>8.486.140</b>	<b>6.877.455</b>	<b>(13.774)</b>	<b>6.863.681</b>
16.1 Paid-in Capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital Reserves		651.479	58.577	710.056	610.144	(13.774)	596.370
16.2.1 Share Premium		543.881	-	543.881	543.881	-	543.881
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	II-l	45.629	58.577	104.206	47.750	(13.774)	33.976
16.2.4 Property and Equipment Revaluation Differences		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Value increase in property and equipment held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		61.969	-	61.969	18.513	-	18.513
16.3 Profit Reserves		1.865.878	-	1.865.878	866.733	-	866.733
16.3.1 Legal Reserves		96.220	-	96.220	44.089	-	44.089
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		1.769.658	-	1.769.658	822.644	-	822.644
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		1.505.894	-	1.505.894	1.005.547	-	1.005.547
16.4.1 Prior Years' Income or (Loss)		(37.054)	-	(37.054)	(255.848)	-	(255.848)
16.4.2 Current Year Income or (Loss)		1.542.948	-	1.542.948	1.261.395	-	1.261.395
16.5 Minority Interest	II-m	57.261	-	57.261	47.980	-	47.980
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>39.862.019</b>	<b>31.872.465</b>	<b>71.734.484</b>	<b>38.948.268</b>	<b>31.923.959</b>	<b>70.872.227</b>

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**CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009 AND 2008**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

<b>II. INCOME STATEMENTS</b>				
<b>INCOME AND EXPENSE ITEMS</b>		<b>Note (Section Five)</b>	<b>01/01-31/12/2009</b>	<b>01/01-31/12/2008</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>III-a</b>	<b>7.378.943</b>	<b>7.764.493</b>
1.1	Interest on Loans	III-a-1	5.271.062	5.284.850
1.2	Interest Received from Reserve Requirements		114.668	218.706
1.3	Interest Received from Banks	III-a-2	66.803	133.831
1.4	Interest Received from Money Market Transactions		89.198	43.782
1.5	Interest Received from Marketable Securities Portfolio	III-a-3	1.453.143	1.639.514
1.5.1	Trading Financial Assets		29.676	23.314
1.5.2	Financial Assets classified as at Fair Value through Profit or (Loss)		-	-
1.5.3	Available-for-sale Financial Assets		148.989	99.069
1.5.4	Held to Maturity Investments		1.274.478	1.517.131
1.6	Financial Lease Income		254.671	297.227
1.7	Other Interest Income		129.398	146.583
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>III-b</b>	<b>(3.482.088)</b>	<b>(4.923.393)</b>
2.1	Interest on Deposits	III-b-3	(2.894.618)	(4.137.899)
2.2	Interest on Funds Borrowed	III-b-1	(477.259)	(577.838)
2.3	Interest Expense on Money Market Transactions		(64.152)	(124.571)
2.4	Interest on Securities Issued		(44.863)	(82.530)
2.5	Other Interest Expenses		(1.196)	(555)
<b>III.</b>	<b>NET INTEREST INCOME (I+II)</b>		<b>3.896.855</b>	<b>2.841.100</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.569.115</b>	<b>1.388.044</b>
4.1	Fees and Commissions Received		1.912.286	1.715.509
4.1.1	Non-cash Loans		200.305	154.097
4.1.2	Other		1.711.981	1.561.412
4.2	Fees and Commissions Paid		(343.171)	(327.465)
4.2.1	Non-cash Loans		(3.028)	(154)
4.2.2	Other		(340.143)	(327.311)
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>III-c</b>	<b>3.402</b>	<b>41.553</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>III-d</b>	<b>371.002</b>	<b>49.577</b>
6.1	Trading Gains/(Losses) on Securities		161.618	27.158
6.2	Derivative Financial Transactions Gains/(Losses)	III-e	326.390	228.598
6.3	Foreign Exchange Gains/(Losses)		(117.006)	(206.179)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>III-f</b>	<b>225.170</b>	<b>477.561</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.065.544</b>	<b>4.797.835</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>III-g</b>	<b>(1.652.281)</b>	<b>(626.885)</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>III-h</b>	<b>(2.510.242)</b>	<b>(2.560.149)</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>1.903.021</b>	<b>1.610.801</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>5.417</b>	<b>3.667</b>
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>III-i</b>	<b>1.908.438</b>	<b>1.614.468</b>
<b>XVI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>III-j</b>	<b>(355.260)</b>	<b>(349.351)</b>
16.1	Current Tax Provision		(480.911)	(255.320)
16.2	Deferred Tax Provision		125.651	(94.031)
<b>XVII.</b>	<b>NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>		<b>1.553.178</b>	<b>1.265.117</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
18.3	Other Income From Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
19.3	Other Expenses From Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT /LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII- XIX)</b>		-	-
<b>XXI.</b>	<b>PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSSES (XVII+XXII)</b>	<b>III-k</b>	<b>1.553.178</b>	<b>1.265.117</b>
23.1	Group's Profit/Loss		1.542.948	1.261.395
23.2	Minority Shares Profit/Losses (-)	III-m	10.230	3.722
	Earnings/(Loss) per share (in TL full)		0,0035	0,0036

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III	OFF-BALANCE SHEET COMMITMENTS	Note (Section five)	(31/12/2009)			(31/12/2008)		
			TL	FC	Total	TL	FC	Total
<b>A</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>33.280.611</b>	<b>40.993.912</b>	<b>74.274.524</b>	<b>28.415.943</b>	<b>26.601.265</b>	<b>55.017.208</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>IV-a, 2, 3</b>	<b>6.256.478</b>	<b>10.329.577</b>	<b>16.586.055</b>	<b>6.065.846</b>	<b>10.734.145</b>	<b>16.799.991</b>
1.1	Letters of Guarantee		6.251.627	7.045.114	13.296.741	6.062.242	7.300.101	13.362.343
1.1.1	Guarantees Subject to State Tender Law		476.948	441.239	918.187	440.744	533.824	974.568
1.1.2	Guarantees Given for Foreign Trade Operations		683.494	6.342.845	7.026.339	662.959	5.467.702	7.130.661
1.1.3	Other Letters of Guarantee		5.091.185	261.030	5.352.215	4.958.539	298.575	5.257.114
1.2	Bank Acceptances		-	151.669	151.669	-	211.367	211.367
1.2.1	Import Letter of Acceptance		-	151.669	151.669	-	211.367	211.367
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		1.410	2.736.825	2.738.235	547	2.781.017	2.781.564
1.3.1	Documentary Letters of Credit		1.410	2.709.285	2.710.695	547	2.715.139	2.715.686
1.3.2	Other Letters of Credit		-	27.540	27.540	-	65.878	65.878
1.4	Prefinancing Given as Guarantee		143	2.008	2.151	143	2.017	2.160
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		2.396	197.374	199.772	2.914	250.224	253.138
1.9	Other Collaterals		906	196.587	197.487	-	189.419	189.419
<b>II.</b>	<b>COMMITMENTS</b>	<b>IV-a-1</b>	<b>16.411.945</b>	<b>3.043.563</b>	<b>19.455.508</b>	<b>16.525.969</b>	<b>3.317.974</b>	<b>19.843.943</b>
2.1	Irrevocable Commitments		16.411.945	3.043.563	19.455.508	16.525.969	3.317.974	19.843.943
2.1.1	Asset Purchase and Sale Commitments		-	517.280	517.280	-	446.310	446.310
2.1.2	Deposit Purchase and Sales Commitments		5.419	-	5.419	62.765	58.976	121.741
2.1.3	Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	-	-	-
2.1.4	Loan Granting Commitments		2.693.259	422.894	3.116.153	1.914.608	570.675	2.485.283
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		1.209.483	2.088.453	3.297.936	1.815.920	2.234.068	4.049.988
2.1.7	Commitments for Cheques		1.468.823	-	1.468.823	1.391.826	-	1.391.826
2.1.8	Tax and Fund Liabilities from Export Commitments		38.261	-	38.261	40.495	-	40.495
2.1.9	Commitments for Credit Card Limits		10.952.962	1.306	10.954.268	11.244.536	-	11.244.536
2.1.10	Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		41.738	13.630	55.368	55.819	7.945	63.764
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>IV-b,c</b>	<b>10.612.189</b>	<b>27.620.772</b>	<b>38.232.961</b>	<b>5.824.128</b>	<b>12.549.146</b>	<b>18.373.274</b>
3.1	Hedging Derivative Financial Instruments		1.957.152	2.011.741	3.968.893	-	-	-
3.1.1	Transactions for Fair Value Hedge		1.957.152	2.011.741	3.968.893	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Transactions		3.655.037	25.609.031	34.264.068	5.824.128	12.549.146	18.373.274
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1.763.364	2.312.832	4.076.196	1.171.587	2.703.776	3.875.363
3.2.1.1	Forward Foreign Currency Transactions-Buy		854.121	1.182.108	2.036.229	447.000	1.495.261	1.942.261
3.2.1.2	Forward Foreign Currency Transactions-Sell		909.243	1.130.724	2.039.967	724.587	1.208.515	1.933.102
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		5.428.414	18.078.075	23.506.489	4.217.395	9.197.800	13.415.195
3.2.2.1	Foreign Currency Swap-Buy		3.654.273	3.507.729	7.162.002	3.185.007	980.400	4.165.407
3.2.2.2	Foreign Currency Swap-Sell		306.425	6.346.921	6.653.346	311.016	3.571.081	3.882.097
3.2.2.3	Interest Rate Swap-Buy		185.118	4.646.368	4.831.486	33.375	2.691.136	2.724.511
3.2.2.4	Interest Rate Swap-Sell		1.282.598	3.577.057	4.859.655	687.997	1.955.183	2.643.180
3.2.3	Foreign Currency, Interest rate and Securities Options		1.463.259	4.693.069	6.156.328	435.146	642.300	1.077.446
3.2.3.1	Foreign Currency Options-Buy		530.200	1.432.885	1.963.085	118.700	265.772	384.472
3.2.3.2	Foreign Currency Options-Sell		653.793	1.321.654	1.975.447	156.254	229.088	385.342
3.2.3.3	Interest Rate Options-Buy		16.194	880.800	896.994	119.000	147.440	266.440
3.2.3.4	Interest Rate Options-Sell		16.194	880.800	896.994	-	-	-
3.2.3.5	Securities Options-Buy		129.092	88.465	217.557	17.816	-	17.816
3.2.3.6	Securities Options-Sell		117.786	88.465	206.251	23.376	-	23.376
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
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		-	525.055	525.055	-	5.270	5.270
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>75.768.203</b>	<b>17.689.193</b>	<b>93.457.396</b>	<b>66.145.540</b>	<b>14.761.121</b>	<b>80.906.661</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>48.319.294</b>	<b>3.636.594</b>	<b>51.955.888</b>	<b>42.691.090</b>	<b>1.718.351</b>	<b>44.409.441</b>
4.1	Customer Fund and Portfolio Balances		5.337	107	5.444	5.431	106	6.537
4.2	Investment Securities Held in Custody		41.864.639	3.337.576	45.202.215	35.981.144	1.449.768	37.430.912
4.3	Checks Received for Collection		4.993.095	39.960	5.033.055	5.312.429	38.203	5.350.632
4.4	Commercial Notes Received for Collection		1.456.124	237.166	1.693.290	1.391.002	208.649	1.599.651
4.5	Other Assets Received for Collection		-	21.785	21.785	-	21.625	21.625
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		99	-	99	84	-	84
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>26.604.251</b>	<b>13.446.313</b>	<b>40.050.564</b>	<b>22.453.712</b>	<b>12.365.927</b>	<b>34.819.639</b>
5.1	Marketable Securities		199.083	163	199.246	183.456	184	183.640
5.2	Guarantee Notes		303.643	355.528	659.171	330.692	352.168	682.860
5.3	Commodity		11.329	-	11.329	11.280	-	11.280
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		17.764.131	9.292.461	27.056.592	14.200.107	8.152.065	22.352.172
5.6	Other Pledged Items		3.326.065	3.795.462	7.121.527	7.728.177	3.858.803	11.586.980
5.7	Pledged Items-Depository		-	2.699	2.699	-	2.707	2.707
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>844.658</b>	<b>606.286</b>	<b>1.450.944</b>	<b>1.000.738</b>	<b>676.843</b>	<b>1.677.581</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>109.048.815</b>	<b>58.683.105</b>	<b>167.731.920</b>	<b>94.561.483</b>	<b>41.362.386</b>	<b>135.923.869</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

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**CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009 AND 2008**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY	(31/12/2009)	(31/12/2008)
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	82.572	(4.567)
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	220	115.225
V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of the fair value differences)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	(2.942)	(68.553)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS	-	(1.844)
IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES	1.682	10.286
X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	81.532	50.547
XI. CURRENT YEAR PROFIT/LOSS	10.813	22.939
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	10.813	24.799
11.2 Reclassification of cash flow hedge transactions and presentation of the related part under income statement	-	-
11.3 Reclassification of foreign net investment hedge transactions and presentation of the related part under income statement	-	(1.860)
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X-XI)	70.719	27.608

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**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
		Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellati on Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Difference	PPE and Intangible Assets Revaluation Fund	Bonus Shares From Investment in Associates and Subsidiaries	Hedging Transactions Funds	Asset Held for Resale/ Discontinued Operations Revaluation Fund.	Total Equity Except Minority Interest	Minority Interest	Total Shareholders' Equity
31 December 2009																				
I.	Period Opening Balance (31 December 2007)		4.347.051		543.881		44.089		822.644	18.513	1.261.395	(255.848)	33.976					6.815.701	47.980	6.863.681
II.	Changes in Accounting Policies according to TAS 8																			
2.1	Effects of Errors																			
2.2	Effects of the Changes in Accounting Policies																			
III.	New Balance (I+II)		4.347.051		543.881		44.089		822.644	18.513	1.261.395	(255.848)	33.976					6.815.701	47.980	6.863.681
	Changes in the period																			
IV.	Increase/Decrease due to the Merger																			
V.	Marketable Securities Valuation Differences												72.584					72.584	489	73.073
VI.	Hedging Transactions (Effective part)												(2.354)					(2.354)		(2.354)
6.1	Cash Flow Hedge																			
6.2	Foreign Investment Hedge																	(2.354)		(2.354)
VII.	Property and Equipment Revaluation Differences																			
VIII.	Intangible Fixed Assets Revaluation Differences																			
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures																			
X.	Foreign Exchange Differences																			
XI.	Changes due o the Disposal of Assets																			
XII.	Changes due to the Reclassification of Assets																			
XIII.	Effect of the Changes in Investment in Associates' Equity to the Bank's Equity																			
XIV.	Capital Increase	II-1-3																		
14.1	Cash increase																			
14.2	Internal Resources																			
XV.	Share Premium																			
XVI.	Share Cancellation Profits																			
XVII.	Paid in-capital Adjustment Difference																			
XVIII.	Other										1.542.948							1.542.948	10.230	1.553.178
XIX.	Current Year Income or Loss						52.131		947.014	43.456	(1.261.395)	218.794							(1.438)	(1.438)
XX.	Profit Distribution																			
20.1	Dividend Paid						52.131		947.014	43.456	(1.261.395)	218.794							(1.438)	(1.438)
20.2	Transfers to Reserves																			
20.3	Other																			
XXI.	Purchase from minority interest		4.347.051		543.881		96.220		1.769.658	61.969	1.542.948	(37.054)	104.206					8.428.879	57.261	8.486.140

The accompanying explanation and notes form an integral part of these consolidated financial statements.



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**YAPI VE KREDİ BANKASI A.Ş.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS AT 31 DECEMBER 2009 AND 2008**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. STATEMENT OF CASH FLOWS			
	Notes (Section Five)	(31/12/2009)	(31/12/2008)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		3.679.454	(717.419)
1.1.1 Interest received		8.076.524	7.253.434
1.1.2 Interest paid		(3.717.239)	(4.788.084)
1.1.3 Dividend received		3.402	41.553
1.1.4 Fees and commissions received		1.910.870	1.704.757
1.1.5 Other income		618.075	394.330
1.1.6 Collections from previously written-off loans and other receivables		1.708.090	841.602
1.1.7 Payments to personnel and service suppliers		(2.324.990)	(2.265.247)
1.1.8 Taxes paid		(531.252)	(579.455)
1.1.9 Other		(2.064.026)	(3.320.309)
1.2 Changes in operating assets and liabilities		(1.749.038)	(200.961)
1.2.1 Net (increase)/decrease in trading securities		7.900	(91.796)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase)/decrease in banks		993.231	(1.031.096)
1.2.4 Net (increase)/decrease in loans		(1.555.263)	(10.981.765)
1.2.5 Net decrease/(increase) in other assets		(381.112)	108.084
1.2.6 Net (decrease)/increase in bank deposits		1.092.544	(1.553.752)
1.2.7 Net (increase)/decrease in other deposits		(1.348.668)	10.371.232
1.2.8 Net (increase)/decrease in funds borrowed		(797.838)	2.894.963
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		240.168	83.169
<b>I. Net cash provided from banking operations</b>		<b>1.930.416</b>	<b>(918.380)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(1.102.359)</b>	<b>1.119.411</b>
2.1 Cash paid for acquisition of investments, associates and subsidiaries (Business Partnerships)		-	(353.680)
2.2 Cash obtained from disposal of investments, associates and subsidiaries (Business Partnerships)		-	-
2.3 Purchases of property and equipment		(203.691)	(282.316)
2.4 Disposals of property and equipment		43.942	122.432
2.5 Cash paid for purchase of investments available-for-sale		(1.479.806)	(1.907.491)
2.6 Cash obtained from sale of investments available-for-sale		1.331.397	1.113.120
2.7 Cash paid for purchase of investment securities		(1.943.058)	(549.812)
2.8 Cash obtained from sale of investment securities		1.139.115	2.014.971
2.9 Other		9.742	962.187
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>(1.605)</b>	<b>920.977</b>
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Issued capital instruments		-	922.248
3.4 Dividends paid		(1.438)	(1.450)
3.5 Payments for finance leases		(167)	179
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>32.709</b>	<b>632.517</b>
<b>V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>859.161</b>	<b>1.754.525</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>VI-a</b>	<b>4.188.682</b>	<b>2.434.157</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>VI-a</b>	<b>5.047.843</b>	<b>4.188.682</b>

The accompanying explanation and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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**YAPI VE KREDİ BANKASI A.Ş.**

**PROFIT APPROPRIATION STATEMENT AT 31 DECEMBER 2009 AND 2008**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. PROFIT APPROPRIATION STATEMENT <sup>(1),(2)</sup>		
	(31/12/2009)	(31/12/2008)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 Current Year Income	1.713.903	1.334.665
1.2 Taxes And Duties Payable (-)	(359.126)	(292.064)
1.2.1 Corporate Tax (Income tax)	(397.268)	(207.854)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	38.142	(84.210)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>1.354.777</b>	<b>1.042.601</b>
1.3 Prior Year Losses (-)	-	-
1.4 First Legal Reserves (-)	-	52.131
1.5 Other Statutory Reserves (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)+(1.3+1.4+1.5)]</b>	<b>1.354.777</b>	<b>990.470</b>
1.6 First Dividend To Shareholders (-)	-	-
1.6.1 To Owners Of Ordinary Shares	-	-
1.6.2 To Owners Of Privileged Shares	-	-
1.6.3 To Owners Of Preferred Shares	-	-
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 Privileged Shares	-	-
1.9.3 To Owners Of Preferred Shares	-	-
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	-	947.014
1.13 Other Reserves	-	-
1.14 Special Funds	-	43.456
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 Appropriated 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 Privileged Shares	-	-
2.3.3 To Owners Of Preferred Shares	-	-
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 (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 To Owners Of Ordinary Shares	0,0031	0,0030
3.2 To Owners Of Ordinary Shares ( % )	-	-
3.3 To Owners Of Privileged Shares	-	-
3.4 To Owners Of Privileged Shares ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 To Owners Of Ordinary Shares	-	-
4.2 To Owners Of Ordinary Shares ( % )	-	-
4.3 To Owners Of Privileged Shares	-	-
4.4 To Owners Of Privileged Shares ( % )	-	-

<sup>(1)</sup> Authorised body for profit appropriation of the current period is General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet. Since the profit appropriation proposal for the year 2009 has not been prepared by the Board of Directors, only net profit related to the year 2009, which is base for the profit appropriation calculation, has been disclosed. The aforementioned amount also includes 75% of gains on sales of property and equipment, and share certificates amounting to TL18.153 thousand which are not going to be distributed and are going to be held in reserves according to the article 5.e of Corporate Tax Law No. 5520.

<sup>(2)</sup> Profit Appropriation Statement has been prepared according to unconsolidated financial statements of the Parent Bank.

The accompanying explanation and notes form an integral part of these consolidated financial statements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION:**

The consolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks” Accounting Application and Keeping Documents” published in the Official Gazette No. 26333 dated 1 November 2006 by the BRSA which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes, explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS” ) published by the BRSA. The format and the details of the publicly announced consolidated financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 26430 dated 10 February 2007. The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The financial statements of subsidiaries operating abroad have been prepared in accordance with legislations and regulations of the country in which they are operating, however in order to provide fair presentation according to TAS, necessary adjustments and reclassifications are reflected to those consolidated financial statements.

The consolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until 31 December 2004, except for the financial assets and liabilities carried at fair value.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being audited regularly and, when necessary, suitable corrections are made and the effect of these corrections is reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of these financial statements are defined and applied in accordance with the TAS. Those accounting policies and valuation principles are explained in Notes II. to XXVIII below.

**Additional paragraph for convenience translation:**

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which the consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, the consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS:**

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Group is deposits. The Group can also sustain a lengthened liability structure by using long-term foreign currency borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by asset-liability strategy. The currency, interest and liquidity risks on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilised for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities is held in minimum levels and exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank exchange rates prevailing at the balance sheet date and are recognised in the income statement under the account of “Foreign exchange gains or losses”, except for foreign currency investments, subsidiaries and non-performing loans valuation differences. Since the foreign currency investments and unconsolidated subsidiaries are considered as non-monetary items, they are translated with the exchange rates at the transaction date and therefore no foreign exchange differences are realised. Foreign currency non-performing loans are translated with the exchange rate at the date of transfer to non-performing loans accounts.

**III. INFORMATION ON CONSOLIDATION PRINCIPALS:**

**a. Consolidation principals applied:**

The consolidated financial statements have been prepared in accordance with the procedures listed in the “Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks” and the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”) published in the Official Gazette No. 26340 dated 8 November 2006.

**1. Consolidation principles of subsidiaries:**

Subsidiaries (including special purpose entity), in which Group has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the using rights, otherwise having the power to exercise control over the financial and operating policies, have been fully consolidated.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method by considering the outcomes of their activities and the size of their assets and shareholders' equity in scope of the materiality principle. Financial statements of the related subsidiaries are included in the consolidated financial statements beginning from their acquisition date. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In accordance with the full consolidation method, balance sheet, income statement and off balance sheet items of the subsidiaries have been consolidated line by line with the balance sheet, income statement and off balance sheet of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains and losses and balances resulting from the transactions among the subsidiaries included in consolidation have been eliminated. In order to determine the net income of the Group, minority interest in the net income of the consolidated subsidiaries have been identified and deducted from the net income of the subsidiary. In the consolidated balance sheet, minority interest has been presented separately from the liabilities and the shares of the Group shareholders. Also, in the income statement, minority interest has been presented separately.

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

<b>Title</b>	<b>Incorporation (City/ Country)</b>	<b>Main Activities</b>	<b>Effective Rates (%) 2009</b>	<b>Direct and Indirect Rates (%) 2009</b>
Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	Insurance	93,94	93,94
Yapı Kredi Emeklilik A.Ş.	Istanbul/Turkey	Insurance	93,94	100,00
Yapı Kredi Leasing	Istanbul/Turkey	Leasing	98,85	98,85
Yapı Kredi Faktoring	Istanbul/Turkey	Factoring	99,96	99,96
Yapı Kredi Menkul	Istanbul/Turkey	Investment Management	99,98	99,98
Yapı Kredi Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	Portfolio Management	56,06	56,07
Yapı Kredi Portföy	Istanbul/Turkey	Portfolio Management	99,95	99,97
Yapı Kredi Bank Holding B.V.	Amsterdam/Netherlands	Financial Holding	100,00	100,00
Yapı Kredi Bank N.V.	Amsterdam/Netherlands	Banking	100,00	100,00
Yapı Kredi Bank Moscow	Moscow/Russia	Banking	100,00	100,00
Yapı Kredi Azerbaijan	Baku /Azerbaijan	Banking	100,00	100,00
Stiching Custody Services YKB	Amsterdam/Netherlands	Custody services	100,00	100,00
Yapı Kredi Invest LLC	Baku/Azerbaijan	Portfolio Management	100,00	100,00
Yapı Kredi Diversified Payment Rights Finance Company <sup>(1)</sup>	George Town/ Cayman Islands	Special Purpose Company	-	-

(1) It is a special purpose company established for securitization transactions and is included in the consolidation although the Bank or any of its affiliates does not have any shareholding interest in this company.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

2. Consolidation principles of associates:

Associate is a partnership which the Parent Bank participates in its capital and has significant effect on it although it has no capital or management control, whose main operation is banking and which operates according to special legislation with permission and license and is established abroad. The related associate is consolidated with equity method in accordance with materiality principle.

Significant effect refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, as long as otherwise is not proved, it will be accepted that the Parent Bank has significant effect on that associate.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changed amount occurred in the participated associate's shareholder's equity during the period by the portion of the participant and the deduction of the dividend from the associate from the changed value of the associate amount.

The associates included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

<b>Title</b>	<b>Main (City/ Country) Activities</b>	<b>Effective Rates (%) 31 December 2009</b>	<b>Direct and Indirect Rates (%) 31 December 2009</b>
Banque de Commerce et de Placements S.A.	Geneva/ Switzerland	Banking	30,67

3. Consolidation principles of joint ventures: None.

4. Principles applied during share transfer, merger and acquisition:

It is explained in more detail in Note VII. of Section Five.

5. Transactions with minority shareholders:

The Group applies a policy of treating transactions with minority interests as transactions within the Group. The difference between the acquisition cost and net asset acquired portion is recognised under equity. Disposals from minority interests are also considered as equity transactions and result in changes in the equity of the Group.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**b. Presentation of unconsolidated subsidiaries and associates in consolidated financial statements:**

Turkish lira denominated unconsolidated associates and subsidiaries accounted for at cost value, less any impairment if any, in accordance with “Turkish Accounting Standards for Consolidated and Separate Financial Statements” (“TAS 27”) are recognised in the consolidated financial statements.

Foreign currency denominated unconsolidated investments, associates and subsidiaries are booked at their original foreign currency costs translated into Turkish Lira using the exchange rate prevailing at the transaction date less impairment, if any.

When the cost of investments, associates and share certificates is higher than the net realizable value, the carrying amount is reduced to the net realizable or fair value considering whether the value decrease is temporary or permanent and the ratio of the value decrease.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:**

The Group’s derivative transactions mostly include foreign money, interest rate swaps, foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently re-valued at their fair values. The accounting method of the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Group documents the relation between hedge instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Group regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

The Group hedges part of the currency translation risk of net investments in foreign operations through currency borrowings. The effective portion of the foreign exchange difference of these financial liabilities is recognised in “Marketable securities valuation differences” in equity.

Changes in the fair value of derivative instruments subject to fair value hedges are recognised under profit or loss accounts together with the variation in the fair value of hedged items. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the hedge accounting is in charge, are shown with the related assets and liabilities. If the underlying hedge does not conform to the hedge accounting requirements, the corrections in the hedged item for which the effective interest rate is considered, is discounted within the time to maturity and recognised under the profit and loss accounts.

Certain derivative transactions, even though they provide effective economic hedges under the Group’s risk management position, do not qualify for hedge accounting under the specific rules in “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement (“TAS 39”)” and are therefore treated as “financial assets at fair value through profit or loss”.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

"Financial assets at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Financial Assets at Fair Value Through Profit or Loss" in "Trading Derivative Financial Assets" and if the fair value difference is negative, it is disclosed under "Trading Derivative Financial Liabilities". Differences in the fair value of trading derivative instruments are accounted under "Derivative Financial Transactions Gains/(Losses)" in the income statement. Differences in the fair value of fair value hedge derivative instruments are accounted under "Derivative Financial Transactions Gains/(Losses)" in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

Interest income and expenses are recognised in the income statement on accrual basis by using the effective interest method. The Group ceases accrued interest income on non-performing loans and, any interest income accruals from such receivables are reversed and no any income accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:**

All fees and commission income/expenses are recognised on an accrual basis, except for certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commission expenses paid to the other institutions are recognised as operational costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognised as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Group classifies and accounts its financial assets as "fair value through profit or loss", "available-for-sale", "loans and receivables" or "held-to-maturity". Sales and purchases of the financial assets mentioned above are recognised at the "settlement dates". The appropriate classification of financial assets is determined at the time of purchase by the Group management, taking into consideration the purpose of holding the investment.

**a. Financial assets at fair value through profit or loss:**

Financial assets, which are classified as "financial assets at fair value through profit or loss", are trading financial assets and either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. However, if fair values can not be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at “amortised cost” using the effective interest method. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of this Section.

**b. Held-to-maturity financial assets:**

Held-to-maturity financial assets are non-derivative financial assets that are not classified under loans and receivables and are not held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortized cost” using the “effective interest method” after their recognition. Interest income related with held-to-maturity securities is recorded in “Interest income” and impairment arising from a decrease in cost or revalued values is recorded in “Provision for Loan Losses and Other Receivables” accounts.

There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to the contradiction of classification principles.

**c. Loans and receivables:**

Loans and receivables are financial assets which are created by providing money, service or goods to debtor. Loans and receivables are carried initially at cost and subsequently recognised at the amortised cost value calculated using “effective interest method”. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No. 26333 dated 1 November 2006. In this context, the management estimates are determined, on the basis of the prudence principle and the Parent Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. General provisions are determined in accordance with the “incurred loss” model taking into consideration of the factors listed above and the principles of TAS 39. As of 31 March 2008, as a result of the studies performed, the Parent Bank revised the general loan loss provisions by considering new loss detection periods, which were formerly set as 1 year, differentiating them by segment/type of products. The general loan loss provision determined through this methodology is higher than the minimum amount required by the related regulations.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned, the recovery amount is classified under "other operating income". Uncollectible receivables are written-off after all the legal procedures are finalised.

**d. Available-for-sale financial assets:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as "loans and receivables", "held-to-maturity assets" or "financial asset at fair value through profit or loss".

Available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortised cost using the effective interest method. "unrealised gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders' equity as "marketable securities value increase fund", until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "effective interest method", or the fair value if one exists, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and is charged against the income for the year.

The principles for the accounting of provisions for loans are explained in details in Note VII. of this section.

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements ("Repos") are classified as "fair value difference through profit or loss", "available-for-sale" and "held-to-maturity" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "funds provided under repurchase agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of the repurchase agreements using the "effective interest method". Interest expense on repo transactions are recorded under "interest expense on money market transactions" in the income statement.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Funds given against securities purchased under agreements (“Reverse Repo”) to resell are accounted under “receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method.

The Group has no securities lending transactions.

**XI. INFORMATION ON ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS:**

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

Additionally, assets that were acquired due to non-performing receivables are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No. 26333 and classified as assets held for resale.

A discontinued operation is a part of the Group’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Group has no discontinued operations.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

**a. Business combinations and goodwill:**

The excess of the cost of an acquisition over the fair value of the Group’s share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The acquirer also recognises assets that are capable of being individually identified and separately recognised, intangible assets (i.e. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognised by the acquiree before the business combination; if can be distinguished from the goodwill and if the asset’s fair value can be measured reliably.

In line with “Turkish Financial Reporting Standard for Business Combinations” (“TFRS 3”), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with “Turkish Accounting Standard for Impairment on Assets” (“TAS 36”). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer’s cash generating units that are expected to benefit from the synergies of the business combination. The Parent Bank allocated its goodwill to Retail Banking, Private Banking, Corporate Banking and Credit Card operations.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**b. Other Intangible Assets:**

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

When the book value of an other intangible asset exceeds the recoverable amount, the related asset is meant to be impaired. Some indicators of a possible loss out of impairment can be identified. If any of these indicators exists, The Bank develops a recoverable amount expectation. If not, there is no need to forecast the recoverable amount.

Intangibles are amortised over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological or other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit from the asset. The rates are presented below:

Credit card brand value, deposit base and customer portfolio	10%
Other intangible assets	20%

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over of the cost of property and equipment using the straight-line method. The expected useful lives are stated below:

Buildings	2%
Movables, Movables Acquired under Financial Leasing	20%

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated “recoverable amount”, it is written down to its “recoverable amount” and the provision for the diminution in value is charged to the income statement.

Property and equipment has not been re-valued in order to be presented at fair value in the financial statements.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

The Group performs financial leasing operations in the capacity of lessee and lessor.

**a. Accounting of leasing operations according to lessee:**

*Financial Lease*

The Group includes the lower of the market value of the fixed asset subject to financial leasing in the beginning of the financial leasing or present value of the lease payments in property and equipment and records the liabilities arising from financial leasing in liabilities part. Financing costs arising due to leasing are spread through the lease period forming a fixed interest ratio. In addition, fixed assets that are obtained by the way of financial leasing are subject to amortization when their given useful lives. If a decrease in the value of fixed assets that are subject to financial leasing is noticed, impairment provision is recognised. Lease payments are deducted from financial leasing payables.

*Operational Lease*

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operating lease. Payments that are made as operating leases, are accounted in income statements with linear method during the lease period.

**b. Accounting of leasing operations according to lessor:**

Asset that is subject to financial leasing is reflected as a receivable which is equal to net leasing amount in consolidated balance sheet. Interest income is set to create a fixed periodical gain rate on net investment amount of the related leased asset by the lessor and the portion which is not in that period is followed in the unearned interest income account.

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT ASSET AND LIABILITIES:**

Provisions and contingent liabilities, except for the specific and general provisions recognised for loans and other receivables, are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provision for contingent liabilities arisen from past events should be recognised in the same period of occurrence in accordance with the "matching principle". A provision is recognised when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the consolidated financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employee Termination Benefit**

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for employee rights" account in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation arising from this liability.

**b. Pension Rights**

The Parent Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("Fund") which was established in accordance with the 20th temporary article of the Social Security Law No. 506. The technical financial statements of the Fund are audited in accordance with the Article 38 of the Insurance Supervision Law and the "Regulation regarding the Actuaries" by a registered independent actuary

Temporary article 23 paragraph one of the Banking Act published in the Official Gazette dated 1 November 2005 numbered 25983 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the published date of the article.

Law article related to the transfer was cancelled (pursuant application by the President on 2 November 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated 22 March 2007) published in the Official Gazette No. 26479 dated 31 March 2007, and the effect of the law article stopped from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated 15 December 2007, numbered 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" numbered 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

In the New Law, it has been decided to form a committee whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA and SDIF representing the Fund and one member representing the Fund members. This committee is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% taking into consideration the excess of salaries and income in accordance with the SSI arrangements over the income and expense of the insurance branches of the Funds related to the members of the Fund as of the date of the transfer including the members who have left the scheme and salaries and income of whom were paid by the Funds.

In accordance with the New Law, the social rights and payments of Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will be provided by the Fund and the employers of the Fund members.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

The main opposition party has applied to the Constitutional Court at 19 June 2008 for cancellation of some articles and requested them to be ineffective until the case of abrogation is finalised. As of the date of the publication of the financial statements, there is no decision of the Constitutional Court announced regarding the court case of abrogation. The Bank provided provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law.

**XVII. EXPLANATIONS ON TAXATION:**

**a. Current Tax:**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

“Corporate Tax Law”(“New Tax Law”) No. 5520 was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. Many clauses of the “New Tax Law” are effective from 1 January 2006. According to New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% as of 1 January 2006. The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder’s equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to 5 years. Losses cannot be carried back to offset profits from previous periods.

According to the Constitutional Court meeting held on October 15th 2009, abolishment of the investment allowance application has been abolished with the claim of being unconstitutional by Constitutional Court. This decision is published in Official Gazette dated January 8, 2010.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings

Tax rates that are used in tax calculations by taking current tax regulations in every country into consideration as of 31 December 2009 are as follows:

Netherland	25,50%
Russia	20,00%
Azerbaijan	20,00%

Tax provisions that are reflected to consolidated financial statements, are calculated separately for every company in the scope of consolidation.

**b. Deferred Tax:**

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax assets and liabilities of subsidiaries subject to consolidation have been netted of in their standalone financial statements in accordance with TAS 12. The deferred tax asset and deferred tax liability are presented as separate in these financial statements.

**XVIII. EXPLANATIONS ON BORROWINGS:**

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortised cost” using the “effective interest method”.

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued.

**XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

At capital increases, the Parent Bank accounts the difference between the issued value and nominal value as share issue premium under shareholders’ equity, in the case where the issued value is higher than the nominal value.

No dividend payments of the Parent Bank were announced after the balance sheet date.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2009 and 2008, the Group has no government grants.

**XXII. PROFIT RESERVES AND PROFIT DISTRIBUTION:**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the Turkish Commercial Code (“TCC”). The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

**XXIII. EARNINGS PER SHARE:**

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	<b>31 December 2009</b>	<b>31 December 2008</b>
Group’s Profit	1.542.948	1.261.395
Weighted Average Number of Issued Ordinary Shares (Thousand)	434.705.128	346.538.433
<b>Earnings Per Share (Disclosed in full TL)</b>	<b>0,0035</b>	<b>0,0036</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

During 2009, no bonus shares were issued (2008: None).

**XXIV. RELATED PARTIES:**

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with “Turkish Accounting Standard For Related Parties” (“TAS 24”). The transactions with related parties are disclosed in detail in Note VIII. of Section Five.

**XXV. CASH AND CASH EQUIVALENTS:**

For the purposes of cash flow statement “Cash” include cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements, time deposits at banks with original maturity periods of less than three months.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXVI. OPERATING SEGMENTS:**

Information about operating segments which are determined in line with the “Turkish Accounting Standard about the Segment Reporting” (“TAS 14”) together with organisational and internal reporting structure of the Group, are disclosed in Note X. of in Section Four.

**XXVII. RECLASSIFICATIONS:**

Reclassifications have been made on comparative figures as of 31 December 2008, to conform to changes in presentation of the consolidated financial statements as of 31 December 2009.

**XXVIII. TRANSACTIONS UNDER COMMON CONTROL:**

As in TFRS 3 or in another standard in TFRS there is an absence of treatment that specifically applies to business combination involving entities under common control, by examining the practices included in the generally accepted global accounting standards the Group decided to apply an accounting policy in parallel with the “pooling of interest” method in view of its judgement that the economic substance of the relevant transaction will be most reliably and accurately reflected in this manner. In the accounting of business combinations which occur under common control, assets and liabilities, subject to business combinations, are accounted for in the consolidated financial statements at their carrying values. Income statements are consolidated as of the beginning of the financial year in which the business combinations occurred. Financial statements belonging to previous periods also are adjusted in the same way in order to ensure the comparability. As a result of those transactions, any goodwill or negative goodwill is not calculated. The difference between the investment amount and the share in capital in the acquired company is directly accounted under equity as “the effect of legal mergers under common control”.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

- a. The capital adequacy ratio of the Group is 16,52% (2008: 14,24%).
- b. The capital adequacy ratio is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” and “Regulation Regarding Banks’ Shareholders’ Equity” published as of 1 November 2006 and (together referred as “Regulation Regarding Capital Adequacy”). The following tables show the details of “risk weighted assets” and the calculation of “shareholders’ equity” for the capital adequacy ratio calculation.
- c. **Information related to capital adequacy ratio:**

	Risk Weights <sup>(1)</sup>					
	The Parent Bank					
	0%	20%	50%	100%	150%	200%
<b>Amount subject to credit risk</b>						
<b>Balance sheet items (Net)</b>	<b>21.128.149</b>	<b>2.307.216</b>	<b>5.994.695</b>	<b>32.327.459</b>	<b>316.733</b>	<b>26.319</b>
Cash	807.169	183	-	-	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.963.677	-	-	-	-	-
Domestic, foreign banks, foreign head offices and branches	-	1.639.604	-	8.702	-	-
Interbank Money Market Placements	1.530.000	-	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the republic of Turkey	1.356.548	-	-	-	-	-
Loans	1.987.136	599.415	5.876.694	27.918.339	316.733	26.319
Non-Performing receivables (Net)	-	-	-	402.659	-	-
Lease receivables	-	-	-	-	-	-
Available-for-sale financial assets	1.063.441	45.053	-	46.232	-	-
Held-to-Maturity investments	11.767.728	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	12.805	-	-
Miscellaneous receivables	-	204	-	306.828	-	-
Interest and income accruals	428.099	13.369	118.001	561.053	-	-
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	1.781.951	-	-
Fixed assets	-	-	-	1.065.938	-	-
Other assets	224.351	9.388	-	222.952	-	-
<b>Off-balance sheet items</b>	<b>927.111</b>	<b>1.381.135</b>	<b>369.635</b>	<b>10.519.021</b>	-	-
Non-cash loans and commitments	927.111	635.575	369.635	10.426.301	-	-
Derivative financial instruments	-	745.560	-	92.720	-	-
Non-risk weighted accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>22.055.260</b>	<b>3.688.351</b>	<b>6.364.330</b>	<b>42.846.480</b>	<b>316.733</b>	<b>26.319</b>

(1) There are no assets weighted with 10% risk.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

	Risk Weights <sup>(1)</sup>					
	Consolidated					
	0%	20%	50%	100%	150%	200%
<b>Amount subject to credit risk</b>						
<b>Balance sheet items (Net)</b>	<b>24.267.923</b>	<b>2.991.880</b>	<b>6.292.451</b>	<b>35.217.745</b>	<b>316.733</b>	<b>26.319</b>
Cash	1.047.144	183	-	14.295	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.963.677	-	-	-	-	-
Domestic, foreign banks, foreign head offices and branches	1.167	2.213.887	-	167.455	-	-
Interbank Money Market Placements	1.530.000	-	-	-	-	-
Receivables from reverse repurchase transactions	51.173	-	-	-	-	-
Reserve Requirements with the Central Bank of the republic of Turkey	1.356.548	-	-	-	-	-
Loans	2.456.494	696.892	5.974.867	30.057.017	316.733	26.319
Non-Performing receivables (Net)	-	-	-	407.737	-	-
Lease receivables	9.299	1.272	195.689	1.939.764	-	-
Available-for-sale financial assets	1.823.921	48.729	-	89.576	-	-
Held-to-Maturity investments	12.908.798	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	12.805	-	-
Miscellaneous receivables	228.973	204	-	512.511	-	-
Interest and income accruals	554.951	21.325	121.895	619.356	-	-
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	2.300	-	-
Fixed assets	-	-	-	1.122.144	-	-
Other assets	335.778	9.388	-	272.785	-	-
<b>Off-balance sheet items</b>	<b>946.815</b>	<b>1.461.479</b>	<b>393.678</b>	<b>10.905.849</b>	-	-
Non-cash loans and commitments	946.815	696.326	393.678	10.809.477	-	-
Derivative financial instruments	-	765.153	-	96.372	-	-
Non-risk weighted accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>25.214.738</b>	<b>4.453.359</b>	<b>6.686.129</b>	<b>46.123.594</b>	<b>316.733</b>	<b>26.319</b>

(1) There are no assets weighted with 10% risk.

**d. Summary information about capital adequacy ratio:**

	The Parent Bank		Consolidated	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Amount subject to credit risk (ASCR)	47.294.053	47.773.374	50.885.068	51.093.393
Amount subject to market risk (ASMR)	1.029.475	290.150	1.865.338	972.600
Amount subject to operational risk (ASOR)	6.209.003	4.839.316	7.695.259	6.418.028
<b>Shareholder's Equity</b>	<b>9.697.491</b>	<b>8.329.495</b>	<b>9.983.350</b>	<b>8.327.424</b>
<b>Shareholder's Equity/(ASCR+ASMR+ASOR)*100</b>	<b>17,78</b>	<b>15,74</b>	<b>16,52</b>	<b>14,24</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

**e. Information about shareholders’ equity items:**

	31 December 2009	31 December 2008 <sup>(1)</sup>
<b>CORE CAPITAL</b>		
Paid-in capital	4.347.051	4.347.051
Nominal capital	4.347.051	4.347.051
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share Premium	543.881	543.881
Share cancellation profits	-	-
Legal reserves	96.220	44.089
First legal reserve (Turkish Commercial Code 466/1)	96.220	44.089
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	1.769.658	822.644
Reserves allocated by the General Assembly	1.769.658	822.644
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves, extraordinary reserves	-	-
Profit	1.542.948	1.261.395
Current period profit (net)	1.542.948	1.261.395
Prior period profit	-	-
Provisions for possible risks up to 25% of core capital	96.616	63.775
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	61.969	18.513
Primary Subordinated Loans (up to 15% of core capital)	-	-
Minority interests	57.261	47.980
Uncovered portion of loss with reserves (-)	(37.054)	(255.848)
Current period loss (net)	-	-
Prior period loss	(37.054)	(255.848)
Special costs (-) <sup>(1)</sup>	97.938	-
Prepaid expenses (-) <sup>(1)</sup>	109.837	167.762
Intangible Assets (-) <sup>(1)</sup>	1.194.649	1.157.825
Deferred tax asset amount exceeding 10% of core capital (-) <sup>(1)</sup>	-	-
Limit exceeding amount regarding the third clause of the article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>7.076.126</b>	<b>5.567.893</b>

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<b>SUPPLEMENTARY CAPITAL</b>	<b>31 December 2009</b>	<b>31 December 2008<sup>(1)</sup></b>
General provisions	755.571	659.018
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary Subordinated Loans that are not considered in the calculation of core capital	-	-
Secondary Subordinated Loans <sup>(2)</sup>	2.208.374	2.172.900
45 % of Marketable Securities valuation fund	46.893	15.289
From investments in associates and subsidiaries	-	-
Available-for-Sale financial assets	46.893	15.289
Inflation adjustment of Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except inflation adjustment of Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>3.010.838</b>	<b>2.847.207</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>10.086.964</b>	<b>8.415.100</b>
<b>DEDUCTIONS FROM THE CAPITAL <sup>(2)</sup></b>	<b>103.614</b>	<b>87.676</b>
Investments in Unconsolidated Financial Institutions and Banks	28.530	32.083
The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased From Them	-	-
Investments in Financial Institutions (Domestic, Foreign) and Banks, in which less than 10% equity interest is exercised and that exceeds 10% and more of the total core and supplementary capital of the Bank	58.939	55.593
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The Net Book Value of Bank's Immovables That Are Over 50% of Shareholders' Equity and Immovables or Commodities That Are Received on behalf of the Receivables From Customers and are to be Disposed According to Banking Law article 57 as They have been Held for More Than Five Years From the Acquisition Date	16.145	-
Other	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9.983.350</b>	<b>8.327.424</b>

(1) According to the temporary article 1. of Regulation Regarding Capital Adequacy; “Special Costs”, “Prepaid Expenses”, “Intangible Assets” and “Amount of deferred tax asset exceeding 10% of core capital” will be considered as “Deductions from the Capital” until 1 January 2009. After this date, the aforementioned amounts will be deducted from “Core Capital”.

(2) In accordance with the Regulation, the balance is disclosed net of the related bank receivables.

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**II. EXPLANATIONS ON CREDIT RISK:**

- a. Credit risk is the loss or the risk of the Parent Bank in case a counterparty can not fulfill its obligations stated in agreements where the Bank is at a side. The Parent Bank identifies loan limits for each customer considering statutory regulations, the internal scoring system, financial analysis reports and geographical and industry concentration and considering credit policies determined by Board of the Directors each year. The limits defined by the Board of Directors for each correspondent bank are followed-up daily by Treasury Management for the transactions related with placements with domestic and correspondent banks or treasury operations such as forward buy and sell transactions. Moreover, daily positions and limit controls of each Treasury and Fund Management employee who is authorised for transactions in the market are controlled by the system. In the loan granting process, liquid collaterals are obtained to the greatest extent possible. Long term projections of the companies are analysed both by financial analysis specialists and head office when granting long-term and project finance loans. Since credit and interest risks are higher in long-term commitments, their pricing is coordinated with Treasury Management.

Corporate and commercial loan customers (excluding construction companies and financial institutions which are monitored separately) are followed-up in the system with risk scores and relatively more risky customers are closely monitored by the Credit Management - Risk Monitoring Department.

In case of SME, risk scores generated by the credit rating system are used in the SME loans rating approval authorization system. By this system, high graded clients are approved by the branches while low graded clients are directed to the higher authorization levels for approval.

The Parent Bank calculates the probability of default for the customers with its rating system for various types of customers. The rating concentration of the corporate and commercial loans that are rated by the Parent Bank’s internal rating system are disclosed below:

	31 December 2009	31 December 2008
Above average (1-4)	30,3%	32,7%
Average (5+ -6)	47,9%	48,3%
Below Average (7+ -9)	21,8%	19,0%

- b. The Group has control limits over the positions of forwards, options and similar agreements.
- c. When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.
- d. In line with the Regulation on provisions, if the cash risk of a customer classified as non performing, the non-cash is classified as non performing under the same group where the cash risks were already followed and specific provision is reserved.

Restructured loans are also classified and followed up according to the regulation on provisions considering the Bank’s credit risk policies. Accordingly, the financial position and commercial operations of related customers monitored and their principle and interest payments are followed up with a restructured repayment schedule and the necessary precautions are taken.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

- e. The Group’s banking activities in foreign countries and crediting transactions are subject to periodical follow-up in terms of the economic conditions of the related countries and the evaluation of the creditworthiness of the customers and financial institutions and no material risks have been observed in scope of these operations.
- f. 1. The proportion of the Group’s top 100 cash loan balances in total cash loans is 22% (2008: 22%).
2. The proportion of the Group’s top 100 non-cash loan balances in total non-cash loans is 45% (2008: 44%).
3. The proportion of the Group’s cash and non-cash loan balances with the first 100 customers comprises of 22% of total cash loans and non-cash loans (2008: 22%).
- g. The Group provided a general loan loss provision amounting to TL909.630 thousand (2008: TL659.018 thousand).
- h. Loans concentration according to the type of borrowers:

	Loans granted to real persons and corporate entities		Loans granted to Banks and other financial Institutions		Marketable Securities <sup>(1)</sup>		Other Loans <sup>(2)</sup>		Off Balance Sheet Liabilities <sup>(2)</sup>	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Loans concentration according to the type of borrowers</b>										
Private Sector	25.614.522	26.596.498	1.029.335	703.293	99.257	37.296	840.137	339.030	17.065.974	20.907.801
Public Sector	1.234.148	1.380.437	-	-	14.979.268	14.551.481	51.053	-	3.075.773	2.471.665
Banks	-	-	446.493	624.876	569.798	308.355	4.467.856	3.847.321	4.898.938	1.941.767
Individual Customers	14.562.562	14.000.356	-	-	-	-	269.887	847	11.000.878	11.322.701
Share certificates	-	-	-	-	60.134	54.078	89.769	89.976	-	-
<b>Total</b>	<b>41.411.232</b>	<b>41.977.291</b>	<b>1.475.828</b>	<b>1.328.169</b>	<b>15.708.457</b>	<b>14.951.210</b>	<b>5.718.702</b>	<b>4.277.174</b>	<b>36.041.563</b>	<b>36.643.934</b>
<b>Information according to geographical concentration</b>										
Domestic	40.346.948	41.136.770	1.464.697	1.014.013	15.392.795	14.493.807	3.615.691	1.158.162	34.317.385	34.764.639
European Union Countries	327.703	356.875	3.665	299.304	164.095	184.837	1.778.516	1.713.901	793.459	1.096.798
OECD Countries <sup>(3)</sup>	45.141	26.234	-	-	12.884	12.742	8.966	243.897	294.193	339.043
Off-shore banking regions	3.067	-	-	-	27.916	76.298	143	91	10.636	6.996
USA, Canada	23.742	20.950	-	-	16.890	38.002	206.868	594.077	124.319	34.479
Other Countries	664.631	436.462	7.466	14.852	93.877	145.524	108.518	567.046	501.571	401.979
<b>Total</b>	<b>41.411.232</b>	<b>41.977.291</b>	<b>1.475.828</b>	<b>1.328.169</b>	<b>15.708.457</b>	<b>14.951.210</b>	<b>5.718.702</b>	<b>4.277.174</b>	<b>36.041.563</b>	<b>36.643.934</b>

<sup>(1)</sup> Contains Trading Financial Assets, Available-for-sale Financial Assets and Held-to-maturity Investments.

<sup>(2)</sup> Contains the items defined as loan in Article 48 of the Banking Act No. 5411 other than those listed in first three columns of Uniform Chart of Accounts (“UCA”).

<sup>(3)</sup> OECD countries other than EU countries, USA and Canada.



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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

**i. Information on amounts that are exposed to credit risk:**

	31 December 2009	31 December 2008
<b>Balance sheet items that are exposed to credit risk:</b>		
Bank placements	2.394.648	3.402.082
Loans and advances to customers	42.887.060	43.305.460
-Credit Cards	7.522.124	7.633.005
-Consumer loans	7.040.438	6.367.351
-Corporate, commercial and other loans	24.707.957	25.554.429
-Financial Leasing	2.185.210	2.704.295
-Factoring	1.431.331	1.046.380
Trading securities	983.627	830.115
-Government securities	273.878	300.308
-Share certificates	38.963	17.587
-Other marketable securities	53.082	78.569
-Derivative financial instruments	617.704	433.651
Investment securities	15.342.534	14.554.746
-Government debt securities	15.204.226	14.251.173
-Share certificates	21.171	36.491
-Other marketable securities	117.137	267.082
Other assets	1.355.188	1.086.347
<b>Credit risk exposures relating to off-balance sheet items</b>		
Financial guarantees	16.034.976	16.143.907
Loan commitments and other credit related liabilities	551.079	656.084

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

**j. Debt securities, treasury bills and other eligible bills:**

<b>31 December 2009</b>	<b>Financial Assets At Fair Value Through Profit Or Loss (Net)</b>	<b>Available-for-sale Financial Assets (Net)</b>	<b>Held to Maturity Investments (Net)</b>	<b>Total</b>
<b>Moody's Credit Rating</b>				
Aaa	-	14.974	75.549	90.523
Aa2	190	11.282	17.336	28.808
A	-	-	-	-
Baa	-	28.357	72.544	100.901
Ba2 <sup>(1)</sup>	227.149	1.157.582	12.014.792	13.399.523
Ba3	46.729	735.853	1.138.498	1.921.080
Unrated	52.892	54.596	-	107.488
<b>Total</b>	<b>326.960</b>	<b>2.002.644</b>	<b>13.318.719</b>	<b>15.648.323</b>

<b>31 December 2008</b>	<b>Financial Assets At Fair Value Through Profit Or Loss (Net)</b>	<b>Available-for-sale Financial Assets (Net)</b>	<b>Held to Maturity Investments (Net)</b>	<b>Total</b>
<b>Moody's Credit Rating</b>				
Aaa	-	16.173	19.985	36.158
Aa2	-	147.683	17.169	164.852
A	-	-	-	-
Baa	35.364	62.121	520	98.005
Ba3 <sup>(1)</sup>	300.308	1.512.156	12.663.983	14.476.447
Unrated	43.205	74.341	4.124	121.670
<b>Total</b>	<b>378.877</b>	<b>1.812.474</b>	<b>12.705.781</b>	<b>14.897.132</b>

<sup>1)</sup> Securities consist of Republic of Turkey government bonds and treasury bills.

**k. Information according to geographical concentration:**

	<b>Assets</b>	<b>Liabilities <sup>(2)</sup></b>	<b>Non-Cash Loans</b>	<b>Capital Expenditures</b>	<b>Net profit <sup>(3)</sup></b>
<b>31 December 2009</b>					
Domestic	67.905.094	49.124.229	14.861.877	200.249	1.553.178
European Union Countries	2.446.335	11.586.983	793.459	51	-
OECD Countries <sup>(1)</sup>	50.753	744.962	294.193	-	-
Off-shore banking regions	31.126	25.538	10.636	-	-
USA, Canada	261.576	840.292	124.319	-	-
Other Countries	949.831	926.340	501.571	3.391	-
Investments in associates, subsidiaries and joint ventures	89.769	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>71.734.484</b>	<b>63.248.344</b>	<b>16.586.055</b>	<b>203.691</b>	<b>1.553.178</b>
<b>31 December 2008</b>					
Domestic	65.737.586	49.518.267	14.948.880	220.701	1.265.117
European Union Countries	2.650.540	12.498.011	1.096.797	783	-
OECD Countries <sup>(1)</sup>	260.183	472.864	339.043	-	-
Off-shore banking regions	77.801	87.926	6.996	-	-
USA, Canada	652.876	438.233	34.479	-	-
Other Countries	1.403.265	993.245	373.796	5.598	-
Investments in associates, subsidiaries and joint ventures	89.976	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>70.872.227</b>	<b>64.008.546</b>	<b>16.799.991</b>	<b>227.082</b>	<b>1.265.117</b>

<sup>(1)</sup> OECD Countries other than EU countries, USA and Canada.

<sup>(2)</sup> Shareholders' Equity is not included.

<sup>(3)</sup> The net profit could not be distributed according to geographical concentration.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

**I. Sectoral concentrations for cash loans:**

	31 December 2009				31 December 2008			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>649.935</b>	<b>2,65</b>	<b>171.991</b>	<b>1,20</b>	<b>410.199</b>	<b>1,65</b>	<b>160.955</b>	<b>1,15</b>
Farming and Raising Livestock	579.470	2,36	142.843	1,00	328.387	1,32	129.842	0,92
Forestry	53.172	0,22	4.366	0,03	68.300	0,28	6.378	0,05
Fishing	17.293	0,07	24.782	0,17	13.512	0,05	24.735	0,18
<b>Manufacturing</b>	<b>4.713.903</b>	<b>19,18</b>	<b>7.154.713</b>	<b>50,04</b>	<b>4.573.763</b>	<b>18,44</b>	<b>7.255.307</b>	<b>51,42</b>
Mining	81.687	0,33	702.445	4,91	109.180	0,44	354.700	2,51
Production	4.506.059	18,34	5.042.183	35,27	4.371.969	17,63	6.003.044	42,55
Electric, Gas and Water	126.157	0,51	1.410.085	9,86	92.614	0,37	897.563	6,36
<b>Construction</b>	<b>1.020.844</b>	<b>4,16</b>	<b>1.163.126</b>	<b>8,13</b>	<b>934.361</b>	<b>3,77</b>	<b>1.157.668</b>	<b>8,21</b>
<b>Services</b>	<b>3.787.458</b>	<b>15,42</b>	<b>3.795.757</b>	<b>26,55</b>	<b>3.084.339</b>	<b>12,45</b>	<b>3.543.185</b>	<b>25,11</b>
Wholesale and Retail Trade	1.430.268	5,82	468.455	3,28	1.457.709	5,88	598.675	4,24
Hotel Food and Beverage Services	205.506	0,84	695.412	4,86	170.680	0,69	669.662	4,75
Transportation and Telecommunication	551.146	2,24	2.047.654	14,33	527.678	2,13	1.591.328	11,28
Financial Institutions	1.081.663	4,40	394.165	2,76	554.391	2,24	461.607	3,27
Real Estate and Leasing Services	228.202	0,93	137.596	0,96	131.356	0,53	133.523	0,95
Self Employment Services	-	-	-	-	-	-	-	-
Education Services	35.831	0,15	3.369	0,02	22.909	0,09	3.436	0,02
Health and Social Services	254.842	1,04	49.106	0,34	219.616	0,89	84.954	0,60
<b>Other</b>	<b>14.392.016</b>	<b>58,59</b>	<b>2.013.039</b>	<b>14,08</b>	<b>15.800.557</b>	<b>63,69</b>	<b>1.990.154</b>	<b>14,11</b>
<b>Total</b>	<b>24.564.156</b>	<b>100,00</b>	<b>14.298.626</b>	<b>100,00</b>	<b>24.803.219</b>	<b>100,00</b>	<b>14.107.269</b>	<b>100,00</b>

**III. EXPLANATIONS ON MARKET RISK:**

The Bank considers currency risk, liquidity risk and interest rate risk as the most important components of market risk. The Bank's market risk exposure is calculated on a daily and weekly basis with the "Value-at-Risk Method" on the basis of the marketable securities portfolio and net foreign currency position including the Bank's currency risk. Notwithstanding, the Bank monitors its position in terms of portfolio created according to risk management policy and value-at-risk limits on a daily basis. All the Bank's on- and off-balance-sheet positions and exchange positions are taken into consideration in the value-at-risk calculations. The results are presented daily to the senior management and monthly to the Asset and Liability Committee. The below table represents the details of market risk calculation as of 31 December 2009 in accordance with Section 3 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No. 26333, dated 1 November 2006, namely the "Calculation of Market Risk with Standard Method".

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

**a. Information on Market Risk:**

	<b>31 December 2009</b>	<b>31 December 2008</b>
(I) Capital to be Employed for General Market Risk - Standard Method	107.626	52.026
(II) Capital to be Employed for Specific Risk - Standard Method	14.694	11.490
(III) Capital to be Employed for Currency Risk - Standard Method	26.772	14.168
(IV) Capital to be Employed for Commodity Risk	-	123
(V) Capital to be Employed for Exchange Risk-Standard Method	-	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	135	1
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	149.227	77.808
<b>(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)</b>	<b>1.865.338</b>	<b>972.600</b>

**b. Average Market Risk Table of Calculated Market Risk At the Period Ends:**

	<b>31 December 2009</b>			<b>31 December 2008</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	77.405	100.096	54.634	30.813	35.050	23.031
Share Premium Risk	17.756	22.224	14.120	14.165	14.030	10.925
Currency Risk	21.547	26.907	17.705	24.998	28.838	23.957
Commodity Risk	-	-	-	106	-	88
Exchange Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>1.458.850</b>	<b>1.865.338</b>	<b>1.080.738</b>	<b>876.025</b>	<b>973.975</b>	<b>725.013</b>

**IV. EXPLANATIONS ON OPERATIONAL RISK:**

The Bank calculates the amount subject to operational risk based on "Basic Indicator Method" by using 2008, 2007 and 2006 year-end gross income balances of the Bank, in accordance with Section 4 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" effective from 1 June 2007, published in the Official Gazette No. 26333 dated 1 November 2006, namely "The Calculation of the Amount Subject to Operational Risk". As of 31 December 2009, the total amount subject to operational risk is TL7.695.259 thousand (2008: TL6.418.028 thousand) and the amount of the related capital requirement is TL615.621 thousand (31 December 2008: TL513.442 thousand).

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**V. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Parent Bank's foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities are defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Another important dimension of the currency risk is the changes of the exchange rates of different foreign currencies in "Net Foreign Currency Position" (Cross Currency Risk).

The Parent Bank keeps the amount of exposed currency risk within the related legal limits and the following of exchange position realized is followed on a daily/momentary basis. Notwithstanding this, even the internal exchange position limit is the minimal required in terms of when compared to the related legal limit, during the year internal position limits are not exceeded. As a tool of currency risk management, futures such as swap and forward are used to abstain from risk whenever needed. In order to guard against extreme volatility during the year Stress tests are applied. All these applications signalizes the sensitivity of the Bank Management regarding the currency risk, meaning minimum influence from the exchange rate fluctuations caused by the recent global crisis.

The Parent Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are as follows:

<b>Balance Sheet Evaluation Rate:</b>	<b>USD</b> <b>TL1,46800</b>	<b>EUR</b> <b>TL2,10620</b>	<b>Yen</b> <b>TL0,01589</b>
30 December 2009 bid rate	TL1,46500	TL2,11380	TL0,01595
29 December 2009 bid rate	TL1,46880	TL2,11430	TL0,01602
28 December 2009 bid rate	TL1,46750	TL2,11590	TL0,01605
25 December 2009 bid rate	TL1,46930	TL2,11380	TL0,01606
24 December 2009 bid rate	TL1,48060	TL2,11120	TL0,01610

The simple arithmetic average of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

USD : TL1,46155  
Euro : TL2,13935  
Yen : TL0,01629

As of 31 December 2008;

<b>Balance Sheet Evaluation Rate:</b>	<b>USD</b> <b>TL1,47440</b>	<b>EUR</b> <b>TL2,08720</b>	<b>Yen</b> <b>TL0,01631</b>
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**Information on currency risk of the Group:**

Foreign currency position of the Group is disclosed in terms of the material currencies in the following table. Foreign currency indexed assets, classified as Turkish Lira assets according to Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. In addition, foreign currency general provisions in the balance sheet, the specific provision for non cash loans, derivative financial instruments and prepaid expenses are considered as Turkish Lira in the calculation of the Net Currency Position regarding the related regulation. Therefore, there is a difference between the sum of the foreign currency assets in the following table and in the balance sheet. The Groups' real position, both in financial and economic terms, is presented in the table below:

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	EURO	USD	Yen	Other FC	Total
<b>31 December 2009</b>					
<b>Assets</b>					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2.306.349	88.474	556	49.683	2.445.062
Banks	996.795	774.705	3.241	74.828	1.849.569
Financial Assets at Fair Value Through Profit or Loss	65.365	44.227	-	-	109.592
Interbank Money Market Placements	-	-	-	-	-
Available-for-Sale Financial Assets	70.587	937.685	-	81.434	1.089.706
Loans <sup>(1)</sup>	5.060.622	10.272.664	59.043	499.867	15.892.196
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	58.939	58.939
Held-to-Maturity Investments	1.275.991	5.986.127	-	504	7.262.622
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	615	-	-	16.315	16.930
Intangible Assets	-	-	-	111	111
Other Assets	1.490.812	980.494	10.385	210.343	2.692.034
<b>Total Assets</b>	<b>11.267.135</b>	<b>19.084.376</b>	<b>73.225</b>	<b>992.024</b>	<b>31.416.761</b>
<b>Liabilities</b>					
Bank Deposits	422.863	284.288	908	195.806	903.865
Foreign Currency Deposits	6.994.241	11.504.089	25.567	714.847	19.238.744
Funds From Interbank Money Market	208.301	935.999	-	11.167	1.155.467
Funds Borrowed From Other Financial Institutions	3.425.079	1.486.389	-	31.603	4.943.071
Marketable Securities Issued	728.196	1.016.282	-	-	1.744.478
Miscellaneous Payables	175.666	224.685	1.158	15.842	417.351
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	2.528.393	417.844	687	3.270	2.950.194
<b>Total Liabilities</b>	<b>14.482.739</b>	<b>15.869.576</b>	<b>28.320</b>	<b>972.535</b>	<b>31.353.170</b>
<b>Net On Balance Sheet Position</b>	<b>(3.215.603)</b>	<b>3.214.800</b>	<b>44.905</b>	<b>19.489</b>	<b>63.591</b>
<b>Net Off Balance Sheet Position</b>	<b>3.385.106</b>	<b>(3.092.881)</b>	<b>(38.762)</b>	<b>151.025</b>	<b>404.488</b>
Financial Derivative Assets	4.141.508	9.526.441	14.865	329.816	14.012.630
Financial Derivative Liabilities	756.402	12.619.322	53.627	178.791	13.608.142
<b>Non-Cash Loans</b>	<b>3.420.279</b>	<b>6.429.582</b>	<b>315.569</b>	<b>164.147</b>	<b>10.329.577</b>
<b>31 December 2008</b>					
Total Assets	12.440.749	19.680.564	113.522	1.093.790	33.328.625
Total Liabilities	13.136.136	17.674.963	24.923	764.388	31.600.410
<b>Net On-Balance Sheet Position</b>	<b>(695.387)</b>	<b>2.005.601</b>	<b>88.599</b>	<b>329.402</b>	<b>1.728.215</b>
<b>Net Off-Balance Sheet Position</b>	<b>864.709</b>	<b>(1.992.079)</b>	<b>(68.036)</b>	<b>(188.504)</b>	<b>(1.383.910)</b>
Financial Derivative Assets	1.309.774	4.118.490	147.777	6.577	5.582.618
Financial Derivative Liabilities	445.065	6.110.569	215.813	195.081	6.966.528
<b>Non-Cash Loans</b>	<b>3.832.539</b>	<b>6.297.343</b>	<b>403.804</b>	<b>200.459</b>	<b>10.734.145</b>

<sup>(1)</sup> Includes FC indexed loans amounting to TL1.593.570 thousand (2008: TL1.965.326 thousand) which has been disclosed as TL in the financial statements.

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**VI. EXPLANATIONS ON INTEREST RATE RISK:**

The monitoring of interest rate sensitive assets and liabilities and sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements are performed by the risk management department for all interest sensitive instruments. The results are presented monthly to Asset and Liability Committee. By using sensitivity and scenario analyses, the possible loss effects on the equity are analyzed due to the interest rate volatility not only within the current year but also for the future periods.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

The Parent Bank utilizes TL/Foreign Currency interest swap transactions in order to limit the interest risk arising from short-term deposit and long-term consumer loans within the TL balance sheet. Furthermore, in order to reduce maturity mismatch in the Foreign Currency balance sheet, Foreign Currency / Foreign Currency interest swaps were utilized.

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:**

31 December 2009	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	1.302.954	-	-	-	-	2.926.381	4.229.335
Banks	1.199.380	451.583	95.689	146.168	2.940	498.888	2.394.648
Financial Assets at Fair Value Through Profit/Loss	136.585	485.022	83.315	168.436	18.414	91.855	983.627
Interbank Money Market Placements	1.581.459	-	-	-	-	-	1.581.459
Available-for-Sale Financial Assets	360.382	296.694	267.807	187.114	886.971	24.847	2.023.815
Loans	9.297.026	4.615.773	9.321.360	10.153.910	5.474.713	407.737	39.270.519
Held-to-Maturity Investments	1.254.947	3.435.487	1.449.880	2.733.148	4.445.257	-	13.318.719
Other Assets	650.232	339.437	1.818.865	957.051	30.166	4.136.611	7.932.362
<b>Total Assets</b>	<b>15.782.965</b>	<b>9.623.996</b>	<b>13.036.916</b>	<b>14.345.827</b>	<b>10.858.461</b>	<b>8.086.319</b>	<b>71.734.484</b>
<b>Liabilities</b>							
Bank Deposits	530.897	257.905	257.906	-	-	276.889	1.323.597
Other Deposits	27.001.728	4.987.866	1.619.626	556.231	134.036	7.751.801	42.051.288
Funds From Interbank Money Market	573.300	471.698	240.569	-	-	-	1.285.567
Miscellaneous Payables	2.208.170	1.158	-	-	-	1.036.497	3.245.825
Marketable Securities Issued	-	1.743.760	-	-	-	718	1.744.478
Funds Borrowed From Other Financial Institutions s	1.972.630	2.175.394	2.084.204	127.998	-	-	6.360.226
Other Liabilities and Shareholders' Equity	139.510	1.147.307	1.212.606	334.389	48.626	12.841.065	15.723.503
<b>Total Liabilities</b>	<b>32.426.235</b>	<b>10.785.088</b>	<b>5.414.911</b>	<b>1.018.618</b>	<b>182.662</b>	<b>21.906.970</b>	<b>71.734.484</b>
<b>Balance Sheet Long Position</b>	-	-	<b>7.622.005</b>	<b>13.327.209</b>	<b>10.675.799</b>	-	<b>31.625.013</b>
<b>Balance Sheet Short Position</b>	<b>(16.643.270)</b>	<b>(1.161.092)</b>	-	-	-	<b>(13.820.651)</b>	<b>(31.625.013)</b>
Off-balance Sheet Long Position	33.123	368.566	8.328	128.475	-	-	538.492
Off-balance Sheet Short Position	-	-	-	-	(14.283)	-	(14.283)
<b>Total Position</b>	<b>(16.610.147)</b>	<b>(792.526)</b>	<b>7.630.333</b>	<b>13.455.684</b>	<b>10.661.516</b>	<b>(13.820.651)</b>	<b>524.209</b>

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<b>31 December 2008</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	1.436.413	-	-	-	-	3.280.603	4.717.016
Banks	1.286.942	566.103	242.693	81.182	19.292	1.205.870	3.402.082
Financial Assets at Fair Value Through Profit/Loss	113.484	134.600	362.716	101.366	57.338	60.611	830.115
Interbank Money Market Placements	199.900	-	8.547	12.377	7.138	-	227.962
Available-for-Sale Financial Assets	119.965	508.604	205.178	397.623	581.104	36.491	1.848.965
Loans	9.493.918	4.522.914	10.421.086	9.277.047	5.195.523	644.297	39.554.785
Held-to-Maturity Investments	899.776	3.782.085	1.207.522	2.356.815	4.459.583	-	12.705.781
Other Assets	242.481	1.392.593	825.104	1.286.330	39.401	3.799.612	7.585.521
<b>Total Assets</b>	<b>13.792.879</b>	<b>10.906.899</b>	<b>13.272.846</b>	<b>13.512.740</b>	<b>10.359.379</b>	<b>9.027.484</b>	<b>70.872.227</b>
<b>Liabilities</b>							
Bank Deposits	147.487	258.745	73.427	-	-	232.639	712.298
Other Deposits	30.702.876	4.980.445	1.271.331	453.577	98.601	6.058.569	43.565.399
Funds From Interbank Money Market	501.828	185.326	111.448	-	-	-	798.602
Miscellaneous Payables	1.983.932	-	-	-	-	785.427	2.769.359
Marketable Securities Issued	-	1.966.298	-	-	-	-	1.966.298
Funds Borrowed From Other Financial Institutions	1.440.014	3.766.460	868.473	959.797	195.914	-	7.230.658
Other Liabilities and Shareholders' Equity	133.201	1.145.194	1.265.635	315.038	150.597	10.819.948	13.829.613
<b>Total Liabilities</b>	<b>34.909.338</b>	<b>12.302.468</b>	<b>3.590.314</b>	<b>1.728.412</b>	<b>445.112</b>	<b>17.896.583</b>	<b>70.872.227</b>
<b>Balance Sheet Long Position</b>			<b>9.682.532</b>	<b>11.784.328</b>	<b>9.914.267</b>	-	<b>31.381.127</b>
<b>Balance Sheet Short Position</b>	<b>(21.116.459)</b>	<b>(1.395.569)</b>	-	-	-	<b>(8.869.099)</b>	<b>(31.381.127)</b>
Off-balance Sheet Long Position	61.100	55.444	279.715	-	-	-	396.259
Off-balance Sheet Short Position	-	-	-	(449)	-	-	(449)
<b>Total Position</b>	<b>(21.055.359)</b>	<b>(1.340.125)</b>	<b>9.962.247</b>	<b>11.783.879</b>	<b>9.914.267</b>	<b>(8.869.099)</b>	<b>395.810</b>

Interest rate sensitivity analysis <sup>(1)</sup>:

The table below represents the effect of 1% change of interest rates on total equity excluding tax effects.

	<b>31 December 2009</b>	<b>31 December 2008</b>
<b>Change in Interest rate</b>	<b>Value Effect</b>	<b>Value Effect</b>
(+) %1	(468.288)	(385.324)
(-) %1	515.509	423.525

<sup>(1)</sup> The interest rate sensitivity analysis disclosed above is that of the Parent Bank.



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**b. Average interest rates for monetary financial instruments:**

The following average interest rates have been calculated by weighting the rates with their principal amounts as of the balance sheet date.

<b>31 December 2009 <sup>(1)</sup></b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	3,78
Banks	0,24	0,36	-	6,87
Financial Assets at Fair Value Through Profit/Loss	7,41	6,43	-	8,51
Interbank Money Market Placements	-	-	-	6,72
Available-for-Sale Financial Assets	6,48	7,13	-	10,05
Loans	5,87	4,97	4,58	17,90
Held-to-maturity Investments	4,79	6,72	-	11,37
<b>Liabilities</b>				
Bank Deposits	0,03	0,09	-	1,91
Other Deposits	1,63	1,87	0,01	7,83
Funds From Interbank Money Market	3,13	1,62	-	6,41
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,52	1,52	-	14,95
<b>31 December 2008 <sup>(1)</sup></b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,17	0,68	-	8,64
Banks	0,78	0,84	-	14,23
Financial Assets at Fair Value Through Profit/Loss	6,81	8,15	-	20,29
Interbank Money Market Placements	-	-	-	19,39
Available-for-Sale Financial Assets	9,63	5,79	-	19,92
Loans	7,31	5,79	4,06	24,22
Held-to-maturity Investments	5,68	7,30	-	20,09
<b>Liabilities</b>				
Bank Deposits	0,02	0,02	-	7,82
Other Deposits	3,25	4,48	0,01	20,30
Funds From Interbank Money Market	7,15	5,00	-	16,27
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5,58	3,07	2,23	14,59

<sup>(1)</sup> The average interest rates disclosed above are those of the Parent Bank.

**VII. EXPLANATIONS ON LIQUIDITY RISK:**

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. The liquidity risk is managed within the Asset and Liability Management strategy in accordance with the policies of the market risk. In this scope, the funding sources are being diversified, and sufficient cash and cash equivalents are held. In order to meet an instant cash necessity it is ensured that the cash and cash equivalent assets level does not fall below a predetermined portion of the deposits. During the monthly meetings of the ALCO, the liquidity position of the Group is evaluated and it is ensured that the required actions are taken when considered necessary.

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The mismatching of payments, asset and liabilities with interest rates is followed via daily and monthly liquidity gap reports and any effects of incompliance investigated.

Subordinated loans with 10 years of maturity have been provided in order to extend the short-term funding structure in the banking sector. The liquidity risk according to the mismatching of assets and liabilities is decreased with placement of these loans to the short-term derivatives and liquid treasury bills.

**Breakdown of assets and liabilities according to their outstanding maturities:**

	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unclassified <sup>(1) (2)</sup>	Total
<b>31 December 2009</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2.854.989	1.374.346	-	-	-	-	-	4.229.335
Banks	498.888	1.219.116	219.385	276.212	173.140	7.907	-	2.394.648
Financial Assets at Fair Value Through Profit or Loss	52.892	122.079	478.737	84.752	181.158	25.046	38.963	983.627
Interbank Money Market Placements	-	1.581.459	-	-	-	-	-	1.581.459
Available-for-Sale Financial Assets	48.729	25.878	179.805	316.248	513.103	918.881	21.171	2.023.815
Loans	-	8.301.070	3.938.425	8.817.135	10.889.964	6.916.188	407.737	39.270.519
Held-to-maturity Investments	-	124.896	764.155	1.962.204	6.022.207	4.445.257	-	13.318.719
Other Assets <sup>(1)</sup>	639.401	532.955	295.563	1.880.689	1.295.689	64.880	3.223.185	7.932.362
<b>Total Assets</b>	<b>4.094.899</b>	<b>13.281.799</b>	<b>5.876.070</b>	<b>13.337.240</b>	<b>19.075.261</b>	<b>12.378.159</b>	<b>3.691.056</b>	<b>71.734.484</b>
<b>Liabilities</b>								
Bank Deposits	276.889	530.897	257.905	257.906	-	-	-	1.323.597
Other Deposits	7.751.801	27.001.728	4.987.866	1.619.626	556.231	134.036	-	42.051.288
Funds Borrowed From Other Financial Institutions	-	1.120.460	322.954	3.587.066	905.529	424.217	-	6.360.226
Funds From Interbank Money Market	-	573.300	471.698	240.569	-	-	-	1.285.567
Marketable Securities Issued	-	-	67.564	268.014	1.387.182	21.718	-	1.744.478
Miscellaneous Payables	402.595	2.750.629	15.251	16.710	1.170	-	59.470	3.245.825
Other Liabilities <sup>(2)</sup>	169.609	1.316.548	363.146	593.696	1.862.670	2.702.227	8.715.607	15.723.503
<b>Total Liabilities</b>	<b>8.600.894</b>	<b>33.293.562</b>	<b>6.486.384</b>	<b>6.583.587</b>	<b>4.712.782</b>	<b>3.282.198</b>	<b>8.775.077</b>	<b>71.734.484</b>
<b>Net Liquidity Gap</b>	<b>(4.505.995)</b>	<b>(20.011.763)</b>	<b>(610.314)</b>	<b>6.753.653</b>	<b>14.362.479</b>	<b>9.095.961</b>	<b>(5.084.021)</b>	<b>-</b>
<b>31 December 2008</b>								
Total Assets	4.655.971	11.965.263	5.861.070	12.716.020	18.566.693	13.276.984	3.830.226	70.872.227
Total Liabilities	6.833.980	36.611.643	6.637.094	5.655.244	4.832.060	3.357.733	6.944.473	70.872.227
<b>Net Liquidity Gap</b>	<b>(2.178.009)</b>	<b>(24.646.380)</b>	<b>(776.024)</b>	<b>7.060.776</b>	<b>13.734.633</b>	<b>9.919.251</b>	<b>(3.114.247)</b>	<b>-</b>

(1) Assets that are necessary for banking activities and that can not be liquidated in the short term, such as fixed and intangible assets, investments in associates, subsidiaries, stationery stocks, prepaid expenses, loans under follow-up, are classified in this column.

(2) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

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**Breakdown of financial liabilities according to their remaining contractual maturities:**

<b>31 December 2009</b>	<b>Demand and Up to 1 month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Above 5 years</b>
<b>Liabilities</b>					
Deposit	35.625.160	5.279.222	1.929.833	614.776	164.736
Funds Borrowed From Other Financial Institutions	1.123.977	354.502	3.786.333	1.408.221	294.855
Funds From Interbank Money Market	574.103	472.805	243.738	-	-
<b>Total</b>	<b>37.323.240</b>	<b>6.106.529</b>	<b>5.959.904</b>	<b>2.022.997</b>	<b>459.591</b>

<b>31 December 2008</b>	<b>Demand and Up to 1 month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Above 5 years</b>
<b>Liabilities</b>					
Deposit	37.143.936	5.288.788	1.575.176	526.841	140.178
Funds Borrowed From Other Financial Institutions	951.574	948.113	3.942.912	3.334.198	1.180.277
Funds From Interbank Money Market	502.866	186.565	117.293	-	-
<b>Total</b>	<b>38.598.376</b>	<b>6.423.466</b>	<b>5.635.381</b>	<b>3.861.039</b>	<b>1.320.455</b>

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:**

The following table summarises the carrying values and fair values of some financial assets and liabilities of the Bank. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>31 December 2009</b>	<b>31 December 2008</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
<b>Financial Assets</b>	<b>58.589.160</b>	<b>57.739.575</b>	<b>60.522.264</b>	<b>57.666.176</b>
Due From Interbank Money Market	1.581.459	227.962	1.582.249	227.962
Banks	2.394.648	3.402.082	2.396.328	3.443.680
Available-for-sale Financial Assets	2.023.815	1.848.965	2.023.815	1.848.965
Held-to-maturity Investments	13.318.719	12.705.781	13.982.200	12.482.450
Loans	39.270.519	39.554.785	40.537.672	39.663.119
<b>Financial Liabilities</b>	<b>54.725.414</b>	<b>56.244.012</b>	<b>54.776.756</b>	<b>56.351.376</b>
Bank deposits	1.323.597	712.298	1.323.748	716.091
Other deposits	42.051.288	43.565.399	42.051.288	43.565.399
Funds Borrowed From Other Financial Institutions	6.360.226	7.230.658	6.411.417	7.334.229
Marketable Securities Issued	1.744.478	1.966.298	1.744.478	1.966.298
Miscellaneous Payables	3.245.825	2.769.359	3.245.825	2.769.359

The fair values of banks, funds borrowed from other financial institutions and bank deposits are determined by calculating the discounted cash flows using the current market interest rates.

The fair value of held-to-maturity assets is determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

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The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value approaches to the fair value.

The expected fair value of other deposits are based on the sum of the cost and its accumulated accruals.

TFRS 7, "Financial Instruments: Disclosures", requires classification of line items at fair value presented at financial statements according to the defined levels. These levels depend on the observability of data used during fair value calculations. Classification for fair value is generated as followed below:

Level 1: Assets or liabilities with prices recorded (unadjusted) in active markets

Level 2: Assets or liabilities that are excluded in the Level 1 of recorded prices directly observable by prices or indirectly observable derived through prices observable from similar assets or liabilities

Level 3: Assets and liabilities where no observable market data can be used for valuation

According to these classification principles stated, the Group's classification of financial assets and liabilities carried at their fair value are as follows:

<b>31 December 2009</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets at Fair Value Through Profit or (Loss) (Net)</b>	<b>312.841</b>	<b>799.417</b>	-	<b>1.112.258</b>
Government Debt Securities	273.878	-	-	273.878
Share Certificates	38.963	-	-	38.963
Trading Derivative Financial Assets	-	617.704	-	617.704
Hedging Derivative Financial Assets	-	128.631	-	128.631
Other Marketable Securities	-	53.082	-	53.082
<b>Available-for-Sale Financial Assets (Net)</b>	<b>1.963.150</b>	<b>39.199</b>	<b>21.466</b>	<b>2.023.815</b>
Government Debt Securities	1.885.507	-	-	1.885.507
Other Marketable Securities <sup>(1)</sup>	77.643	39.199	21.466	138.308
<b>Total Assets</b>	<b>2.275.991</b>	<b>838.616</b>	<b>21.466</b>	<b>3.136.073</b>
Trading Derivative Financial Liabilities	-	268.515	-	268.515
Hedging Derivative Financial Liabilities	-	357.613	-	357.613
<b>Total Liabilities</b>	-	<b>626.128</b>	-	<b>626.128</b>

<sup>(1)</sup> According to TAS 39, non-public investment in associates and subsidiaries are followed at acquisition costs.

**IX. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT OF OTHER PARTIES:**

The Group carries out trading, custody, management and consulting services on behalf of customers and on their account. The Group has no trust transactions.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)**

**X. EXPLANATIONS ON OPERATING SEGMENTS:**

Through its new organisational structure launched in February 2009 aimed at further enhancing the customer-focused divisionalised service model as well as supporting the performances of business units in closer collaboration with product factories, The Group carries out its banking operations through three main business units: (1) retail banking (including credit cards and SME banking), (2) corporate and commercial banking (3) private banking and wealth management.

The Group's retail banking activities include credit cards, SME (small and medium size enterprises) banking and individual banking. Retail banking products and services offered to customers include credit cards, consumer loans (including general purpose loans, auto loans and mortgages), commercial instalment loans, SME loans, time and demand deposits, investment accounts, life and non-life insurance products and payroll services. Credit card operations cover the management of products and services for member merchants as well as the sales and marketing operations for a variety of customer types. The clubs and programs under the umbrella of the World brand include Gold Club, Platinum Club, Crystal Club, Travel Club (Travel Program and VIP Travel Program), Adios Card, Play Club (Young Employees Program and Student Program), Business Club (Corporate Program, Trio Program, Company Program and SME Program), Share Program and Communication Program.

Corporate and Commercial Banking is organised into two sub-segments: commercial banking, which serves mid-sized companies; and corporate banking, which serves large multinational companies. Corporate and commercial banking provides products and services including working capital financing, foreign trade finance, project finance, leasing and factoring, domestic and international non-cash credit line facilities such as letters of credit and guarantees, cash management and e-banking services.

Through its private banking and wealth management activities, the Group serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to private banking customers are time deposits, fiduciary deposits, mutual funds, derivative products such as forwards, futures and options, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products, safe deposit boxes and e-banking services. Private banking services are enhanced by investment advisory and portfolio management services provided by the Group's portfolio management and brokerage subsidiaries.

The Group's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments.

Foreign operations include the Group's banking transactions in the Netherlands, Azerbaijan and Russia.

Other operations mainly consist of treasury transactions, operations of supporting business units, insurance operations and other unallocated transactions.

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Some balance sheet and income statement items based on operating segments:

<b>31 December 2009</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Private Banking</b>	<b>Foreign Operations</b>	<b>Other</b>	<b>Consolidation Adjustments <sup>(1)</sup></b>	<b>Total Operations of the Group</b>
Operating revenue	2.775.312	1.331.024	324.297	116.413	1.570.990	(55.894)	6.062.142
Operating expense	(2.356.880)	(460.533)	(107.788)	(52.973)	(1.242.932)	58.583	(4.162.523)
<b>Net Operating Profit</b>	<b>418.432</b>	<b>870.491</b>	<b>216.509</b>	<b>63.440</b>	<b>328.058</b>	<b>2.689</b>	<b>1.899.619</b>
Dividend income					3.402		3.402
Profit/Loss from Shareholders that are applied Equity Method					5.417		5.417
<b>Profit before tax</b>	<b>418.432</b>	<b>870.491</b>	<b>216.509</b>	<b>63.440</b>	<b>336.877</b>	<b>2.689</b>	<b>1.908.438</b>
Tax expense					(355.260)		(355.260)
<b>Net Profit</b>	<b>418.432</b>	<b>870.491</b>	<b>216.509</b>	<b>63.440</b>	<b>(18.383)</b>	<b>2.689</b>	<b>1.553.178</b>
Minority interest					(10.230)		(10.230)
<b>Group Profit/Loss</b>	<b>418.432</b>	<b>870.491</b>	<b>216.509</b>	<b>63.440</b>	<b>(28.613)</b>	<b>2.689</b>	<b>1.542.948</b>
Segment assets	19.207.596	22.950.318	774.042	3.912.923	25.534.213	(734.377)	71.644.715
Investments in associates, subsidiaries and joint ventures					89.769		89.769
<b>Total Assets</b>	<b>19.207.596</b>	<b>22.950.318</b>	<b>774.042</b>	<b>3.912.923</b>	<b>25.623.982</b>	<b>(734.377)</b>	<b>71.734.484</b>
Segment liabilities	20.518.455	15.888.170	9.989.535	3.353.304	14.218.677	(719.797)	63.248.344
Shareholders' equity					8.486.140		8.486.140
<b>Total liabilities</b>	<b>20.518.455</b>	<b>15.888.170</b>	<b>9.989.535</b>	<b>3.353.304</b>	<b>22.704.817</b>	<b>(719.797)</b>	<b>71.734.484</b>

<sup>(1)</sup> Consolidation adjustments include transactions with subsidiaries and investments consolidated in these financial statements.

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<b>31 December 2008</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Private Banking</b>	<b>Foreign Operations</b>	<b>Other</b>	<b>Consolidation Adjustments <sup>(1)</sup></b>	<b>Total Operations of the Group</b>
Operating revenue	2.329.407	1.117.318	252.262	93.750	948.246	15.299	4.756.282
Operating expense	(1.299.166)	(297.021)	(118.603)	(47.565)	(1.483.441)	58.762	(3.187.034)
<b>Net Operating Profit</b>	<b>1.030.241</b>	<b>820.297</b>	<b>133.659</b>	<b>46.185</b>	<b>(535.195)</b>	<b>74.061</b>	<b>1.569.248</b>
Dividend income					41.553		41.553
Profit/Loss from Shareholders that are applied Equity Method					3.667		3.667
<b>Profit before tax</b>	<b>1.030.241</b>	<b>820.297</b>	<b>133.659</b>	<b>46.185</b>	<b>(489.975)</b>	<b>74.061</b>	<b>1.614.468</b>
Tax expense					(349.351)		(349.351)
<b>Net Profit</b>	<b>1.030.241</b>	<b>820.297</b>	<b>133.659</b>	<b>46.185</b>	<b>(839.326)</b>	<b>74.061</b>	<b>1.265.117</b>
Minority interest					(3.722)		(3.722)
<b>Group Profit/Loss</b>	<b>1.030.241</b>	<b>820.297</b>	<b>133.659</b>	<b>46.185</b>	<b>(843.048)</b>	<b>74.061</b>	<b>1.261.395</b>
Segment assets	18.367.894	23.348.824	516.497	3.878.880	25.261.743	(591.587)	70.782.251
Investments in associates, subsidiaries and joint ventures					89.976		89.976
<b>Total Assets</b>	<b>18.367.894</b>	<b>23.348.824</b>	<b>516.497</b>	<b>3.878.880</b>	<b>25.351.719</b>	<b>(591.587)</b>	<b>70.872.227</b>
Segment liabilities	19.367.453	18.178.131	8.467.725	3.375.760	15.196.771	(577.294)	64.008.546
Shareholders' equity					6.863.681		6.863.681
<b>Total liabilities</b>	<b>19.367.453</b>	<b>18.178.131</b>	<b>8.467.725</b>	<b>3.375.760</b>	<b>22.060.452</b>	<b>(577.294)</b>	<b>70.872.227</b>

<sup>(1)</sup> Consolidation adjustments include transactions with subsidiaries and investments consolidated in these financial statements.

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**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS:**

**a. Information related to cash and the account with the Central Bank of the Republic of Turkey (“the CBRT”):**

1. Information on cash and the account with the CBRT:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Cash	481.585	173.797	425.090	182.631
The CBRT	1.302.688	2.034.806	1.429.610	2.491.433
Other	-	236.459	-	188.252
<b>Total</b>	<b>1.784.273</b>	<b>2.445.062</b>	<b>1.854.700</b>	<b>2.862.316</b>

2. Information on the account of the CBRT:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Demand Unrestricted Amount	1.302.688	678.258	1.429.610	827.908
Time Unrestricted Amount	-	-	-	-
Reserve Requirement <sup>(1)</sup>	-	1.356.548	-	1.663.525
<b>Total</b>	<b>1.302.688</b>	<b>2.034.806</b>	<b>1.429.610</b>	<b>2.491.433</b>

<sup>(1)</sup> The reserve requirement booked as average has been classified in “Central Bank Demand Unrestricted Account” based on the correspondence with BRSA as of 3 January 2008.

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2005/1, and “Change in Communiqué Regarding the Reserve Requirements” numbered 2008/7 published in the Official Gazette numbered 27075 dated 5 December 2008, the banks operating in Turkey are supposed to place reserves in the CBRT for their TL liabilities (5%) and for their foreign currency liabilities (9%) as USD and/or EUR. As of 31 December 2009, the interest rate on reserves held with CBRT is 5,2% for TL, no interest is recognized on foreign currency reserve requirements.

As of 31 December 2009, the Group’s reserve deposits, including those at foreign banks, amount to TL2.858.552 thousand (2008: TL3.220.074 thousand).

**b. Information on financial assets at fair value through profit and loss:**

1. As of 31 December 2009, financial assets at fair value through profit and loss subject to repo transactions amount to TL66.654 thousand (2008: TL106.454 thousand) and financial assets at fair value through profit and loss those given as collateral/blocked amount to TL72.280 thousand (2008: TL67.663 thousand).



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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

2. Positive differences related to trading derivative financial assets:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Forward Transactions	37.705	1.579	80.885	2.299
Swap Transactions	503.759	43.210	312.365	36.255
Futures Transactions	-	-	-	-
Options	4.657	26.794	19	1.828
Other	-	-	-	-
<b>Total</b>	<b>546.121</b>	<b>71.583</b>	<b>393.269</b>	<b>40.382</b>

**c. Information on banks:**

1. Information on banks:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Banks	545.079	1.849.569	121.848	3.280.234
Domestic	485.086	503.149	111.653	587.327
Foreign	59.993	1.346.420	10.195	2.692.907
Head Quarters and Branches Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
<b>Total</b>	<b>545.079</b>	<b>1.849.569</b>	<b>121.848</b>	<b>3.280.234</b>

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
EU Countries	1.101.530	1.366.965	-	-
USA, Canada	202.111	1.102.307	-	-
OECD Countries <sup>(1)</sup>	9.470	182.926	-	-
Off-shore Banking Regions	143	91	-	-
Other	93.159	50.813	-	-
<b>Total</b>	<b>1.406.413</b>	<b>2.703.102</b>	-	-

<sup>(1)</sup> OECD countries except EU countries, USA and Canada

**d. Information on available-for-sale financial assets:**

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of 31 December 2009, available-for-sale financial assets given as collateral/blocked amount to TL555.493 thousand (2008: TL754.867 thousand) and available for sale financial assets subject to repo transactions are TL17.585 thousand (2008: TL18.639 thousand).

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(Continued)**

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

	31 December 2009	31 December 2008
Debt Securities	1.955.646	1.773.055
Quoted on Stock Exchange <sup>(1)</sup>	1.916.447	1.573.521
Not Quoted	39.199	199.534
Share Certificates	62.970	78.293
Quoted on Stock Exchange	253	171
Not Quoted	62.717	78.122
Impairment Provision (-)	(43.530)	(53.501)
Other <sup>(2)</sup>	48.729	51.118
<b>Total</b>	<b>2.023.815</b>	<b>1.848.965</b>

<sup>(1)</sup> As of 31 December 2009, Eurobonds amounting to TL936.588 thousand (2008: TL641.995 thousand) have been classified under debt securities quoted on Stock Exchange, even though they are not traded publicly.

<sup>(2)</sup> As of 31 December 2009, other available-for-sale financial assets include mutual funds amounting to TL48.729 thousand (2008: TL51.118 thousand).

e. Explanations on loans:

1. Information on all types of loans or advance balances given to shareholders and employees of the Group:

	31 December 2009		31 December 2008	
	Cash	Non-cash	Cash	Non-cash
<b>Direct Loans Granted to Shareholders</b>	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	<b>58.004</b>	<b>54.926</b>	<b>128</b>	<b>64.690</b>
<b>Loans Granted to Employees</b>	<b>76.758</b>	-	<b>63.661</b>	-
<b>Total</b>	<b>134.762</b>	<b>54.926</b>	<b>63.789</b>	<b>64.690</b>

2. Information on the first and second group loans, other receivables and loans that have been restructured or rescheduled and other receivables:

	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
<b>Cash Loans</b>				
<b>Non-Specialised Loans</b>	<b>36.551.713</b>	<b>13.487</b>	<b>2.092.076</b>	<b>164.001</b>
Discount and Purchase Notes	321.143	-	1.754	-
Export Loans	2.904.061	-	200.431	-
Import Loans	-	-	-	-
Loans Granted To Financial Sector	1.464.698	-	-	-
Foreign Loans	678.259	13.023	3.922	-
Consumer Loans	6.546.938	464	361.959	-
Credit Cards	7.083.105	-	276.472	135.028
Precious Metal Loans	257.213	-	4.612	-
Other <sup>(1)</sup>	17.296.296	-	1.242.926	28.973
<b>Specialised Loans</b>	<b>41.505</b>	-	-	-
<b>Other Receivables</b>	-	-	-	-
<b>Total</b>	<b>36.593.218</b>	<b>13.487</b>	<b>2.092.076</b>	<b>164.001</b>

<sup>(1)</sup> As explained in the Note I.i of Section V, TL140.137 thousand is classified under other loans

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3. Loans according to their maturity structure:

	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
<b>Short-term Loans and Other Receivables</b>	<b>19.541.252</b>	<b>8.214</b>	<b>827.294</b>	<b>26.570</b>
Non-specialised Loans	19.513.934	8.214	827.294	26.570
Specialised Loans	27.318	-	-	-
Other Receivables	-	-	-	-
<b>Medium And Long-Term Loans and Other Receivables</b>	<b>17.051.966</b>	<b>5.273</b>	<b>1.264.782</b>	<b>137.431</b>
Non-Specialised Loans	17.037.779	5.273	1.264.782	137.431
Specialised Loans	14.187	-	-	-
Other Receivables	-	-	-	-

4. (i) Information on loans by types and specific provisions:

31 December 2009	Corporate, Commercial and Other Loans	Consumer Loans	Credit Cards	Financial Leasing	Factoring	Total
Standard loans	22.976.198	6.547.402	7.083.105	1.717.571	1.429.416	39.753.692
Watch listed	1.482.618	361.959	411.500	328.665	-	2.584.742
Loans under legal follow-up	1.326.451	492.319	803.888	284.233	8.173	2.915.064
Specific Provisions (-)	(1.077.310)	(361.242)	(776.369)	(145.259)	(6.258)	(2.366.438)
<b>Total</b>	<b>24.707.957</b>	<b>7.040.438</b>	<b>7.522.124</b>	<b>2.185.210</b>	<b>1.431.331</b>	<b>42.887.060</b>

31 December 2008	Corporate, Commercial and Other Loans	Consumer Loans	Credit Cards	Financial Leasing	Factoring	Total
Standard loans	24.432.843	5.968.167	7.050.629	2.456.513	1.046.234	40.954.386
Watch listed	813.328	250.613	394.908	166.171	-	1.625.020
Loans under legal follow-up	1.005.144	246.739	493.860	183.098	4.984	1.933.825
Specific Provisions (-)	(696.886)	(98.168)	(306.392)	(101.487)	(4.838)	(1.207.771)
<b>Total</b>	<b>25.554.429</b>	<b>6.367.351</b>	<b>7.633.005</b>	<b>2.704.295</b>	<b>1.046.380</b>	<b>43.305.460</b>

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(ii) Fair value of collaterals (Loans and advances given to customers):

<b>31 December 2009</b>	<b>Corporate, Commercial and Other Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Financial Leasing</b>	<b>Factoring</b>	<b>Total</b>
Watch listed	410.783	180.037	-	183.043	-	773.863
Loans under legal follow-up	408.112	173.030	-	117.649	8.173	706.964
<b>Total</b>	<b>818.895</b>	<b>353.067</b>	<b>-</b>	<b>300.692</b>	<b>8.173</b>	<b>1.480.827</b>
<b>31 December 2008</b>	<b>Corporate, Commercial and Other Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Financial Leasing</b>	<b>Factoring</b>	<b>Total</b>
Watch Listed	301.121	190.007	-	86.084	-	577.212
Loans under legal follow-up	252.781	77.044	-	79.114	4.984	413.923
<b>Total</b>	<b>553.902</b>	<b>267.051</b>	<b>-</b>	<b>165.198</b>	<b>4.984</b>	<b>991.135</b>

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5. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>178.671</b>	<b>6.261.167</b>	<b>6.439.838</b>
Real estate loans	6.253	3.535.133	3.541.386
Automotive loans	18.513	556.424	574.937
Consumer loans	153.905	2.169.610	2.323.515
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	<b>2.182</b>	<b>312.613</b>	<b>314.795</b>
Real estate loans	1.654	280.739	282.393
Automotive loans	103	13.430	13.533
Consumer loans	425	18.444	18.869
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>5.307</b>	<b>16.163</b>	<b>21.470</b>
Real estate loans	-	-	-
Automotive loans	241	1.847	2.088
Consumer loans	5.066	14.316	19.382
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>7.123.669</b>	<b>139.048</b>	<b>7.262.717</b>
With installments	3.112.072	26.091	3.138.163
Without installments	4.011.597	112.957	4.124.554
<b>Individual Credit Cards- FC</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Personnel Loans-TL</b>	<b>7.949</b>	<b>28.787</b>	<b>36.736</b>
Real estate loans	8	1.517	1.525
Automotive loans	133	1.156	1.289
Consumer loans	7.808	26.114	33.922
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	-	<b>57</b>	<b>57</b>
Real estate loans	-	36	36
Automotive loans	-	-	-
Consumer loans	-	21	21
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>91</b>	<b>40</b>	<b>131</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	91	40	131
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>38.850</b>	<b>85</b>	<b>38.935</b>
With installments	20.122	85	20.207
Without installments	18.728	-	18.728
<b>Personnel Credit Cards-FC</b>	<b>25</b>	-	<b>25</b>
With installments	25	-	25
Without installments	-	-	-
<b>Credit Deposit Account-TL (Real Person) (1)</b>	<b>96.299</b>	-	<b>96.299</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>35</b>	-	<b>35</b>
<b>Total</b>	<b>7.453.078</b>	<b>6.757.960</b>	<b>14.211.038</b>

(1) TL832 thousand of the credit deposit account belongs to the credits used by personnel.

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6. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
<b>Commercial Installments Loans-TL</b>	<b>233.370</b>	<b>2.235.094</b>	<b>2.468.464</b>
Business Loans	1.271	249.175	250.446
Automotive Loans	39.130	759.933	799.063
Consumer Loans	192.969	1.225.986	1.418.955
Other	-	-	-
<b>Commercial Installments Loans-FC Indexed</b>	<b>13.069</b>	<b>234.887</b>	<b>247.956</b>
Business Loans	-	14.446	14.446
Automotive Loans	1.490	80.947	82.437
Consumer Loans	11.579	139.494	151.073
Other	-	-	-
<b>Commercial Installments Loans-FC</b>	<b>154.202</b>	<b>41.239</b>	<b>195.441</b>
Business Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	154.202	41.239	195.441
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>192.328</b>	<b>600</b>	<b>192.928</b>
With installment	41.044	600	41.644
Without installment	151.284	-	151.284
<b>Corporate Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>125.729</b>	<b>-</b>	<b>125.729</b>
<b>Credit Deposit Account-FC (Legal Person)</b>	<b>142</b>	<b>-</b>	<b>142</b>
<b>Total</b>	<b>718.840</b>	<b>2.511.820</b>	<b>3.230.660</b>

7. Loans according to types of borrowers:

	31 December 2009	31 December 2008
Public	1.234.148	1.380.437
Private	37.628.634	37.530.051
<b>Total</b>	<b>38.862.782</b>	<b>38.910.488</b>

8. Distribution of domestic and foreign loans:

	31 December 2009	31 December 2008
Domestic loans	38.167.578	37.813.322
Foreign loans	695.204	1.097.166
<b>Total</b>	<b>38.862.782</b>	<b>38.910.488</b>

9. Loans granted to investments in associates and subsidiaries:

	31 December 2009	31 December 2008
Loans granted to investments in associates and subsidiaries	5.128	5

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10. Specific provisions provided against loans:

	31 December 2009	31 December 2008
Loans and other receivables with limited collectibility	265.495	76.487
Loans and other receivables with doubtful collectibility	610.618	220.670
Uncollectible loans and other receivables	1.338.808	804.289
<b>Total</b>	<b>2.214.921</b>	<b>1.101.446</b>

10 (i). Provisions related to loans:

	Corporate, Commercial and Other Loans	Consumer Loans	Credit Cards	Total
<b>1 January 2009</b>	<b>696.886</b>	<b>98.168</b>	<b>306.392</b>	<b>1.101.446</b>
Allowance for impairment	726.147	647.668	860.799	2.234.614
Amount recovered during the period	(311.816)	(360.390)	(302.991)	(975.197)
Loans written off during the period as uncollectible	(33.502)	(24.189)	(87.831)	(145.522)
Exchange differences	(405)	(15)	-	(420)
<b>31 December 2008</b>	<b>1.077.310</b>	<b>361.242</b>	<b>776.369</b>	<b>2.214.921</b>

	Corporate, Commercial and Other Loans	Consumer Loans	Credit Cards	Total
<b>1 January 2008</b>	<b>1.050.417</b>	<b>53.547</b>	<b>301.869</b>	<b>1.405.833</b>
Allowance for impairment	249.798	195.479	361.027	806.304
Amount recovered during the period	(122.654)	(148.766)	(171.159)	(442.579)
Loans written off during the period as uncollectible	(495.182)	(2.410)	(185.345)	(682.937)
Exchange differences	14.507	318	-	14.825
<b>31 December 2007</b>	<b>696.886</b>	<b>98.168</b>	<b>306.392</b>	<b>1.101.446</b>

11. Information on non-performing loans (Net):

11 (i). Information on non-performing loans restructured or rescheduled, and other receivables:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
<b>31 December 2009</b>			
<b>(Gross amounts before specific reserves)</b>	<b>5.348</b>	<b>47.329</b>	<b>50.390</b>
Restructured loans and other receivables	5.348	47.329	50.390
Rescheduled loans and other receivables	-	-	-
<b>31 December 2008</b>			
<b>(Gross amounts before specific reserves)</b>	<b>-</b>	<b>547</b>	<b>41.439</b>
Restructured loans and other receivables	-	547	41.439
Rescheduled loans and other receivables	-	-	-

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11 (ii). Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
<b>31 December 2008</b>	<b>401.278</b>	<b>424.226</b>	<b>920.239</b>
Additions (+)	2.350.841	209.039	171.046
Transfers from other categories of non-performing loans (+)	-	1.540.554	1.135.987
Transfer to other categories of non-performing loans (-)	(1.540.554)	(1.135.987)	-
Collections (-)	(851.974)	(355.534)	(500.582)
FX valuation differences	54	45	(498)
Write-offs(-)	-	-	(145.522)
Corporate and Commercial Loans	-	-	(31.234)
Consumer Loans	-	-	(24.189)
Credit Cards	-	-	(87.831)
Other	-	-	(2.268)
<b>31 December 2009</b>	<b>359.645</b>	<b>682.343</b>	<b>1.580.670</b>
Specific Provision (-)	(265.495)	(610.618)	(1.338.808)
<b>Net Balance on Balance Sheet</b>	<b>94.150</b>	<b>71.725</b>	<b>241.862</b>

At the Board of Directors Meeting held on 27 May 2009; it has been decided to sell a non-performing loan portfolio amounting to TL77.424 thousand (excluding the write-offs) included in non-performing loan accounts at a price of TL26.525 thousand. This transaction has affected the financial statements as TL22.668 thousand of pretax income after legal expenses.

11 (iii). Information on Non-performing loans granted as foreign currency loans

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
<b>31 December 2009</b>			
Period end balance	1.870	3.501	47.304
Specific provision (-)	(1.690)	(854)	(39.213)
<b>Net Balance on-balance sheet</b>	<b>180</b>	<b>2.647</b>	<b>8.091</b>
<b>31 December 2008</b>			
Period end balance	30	32.777	34.925
Specific provision (-)	(4)	(29.480)	(34.845)
<b>Net Balance on-balance sheet</b>	<b>26</b>	<b>3.297</b>	<b>80</b>



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11 (iv). Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
<b>31 December 2009</b>	<b>94.150</b>	<b>71.725</b>	<b>241.862</b>
Loans granted to real persons and corporate entities (Gross)	358.183	682.343	1.496.658
Specific provision amount (-)	(264.033)	(610.618)	(1.254.796)
Loans granted to real persons and corporate entities (Net)	94.150	71.725	241.862
Banks (Gross)	1.462	-	-
Specific provision amount (-)	(1.462)	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (Net)	-	-	-
<b>31 December 2008</b>	<b>324.791</b>	<b>203.556</b>	<b>115.950</b>
Loans granted to real persons and corporate entities (Gross)	401.278	391.480	835.253
Specific provision amount (-)	(76.487)	(191.199)	(719.303)
Loans granted to real persons and corporate entities (Net)	324.791	200.281	115.950
Banks (Gross)	-	-	-
Specific provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	32.746	84.986
Specific provision amount (-)	-	(29.471)	(84.986)
Other loans and receivables (Net)	-	3.275	-

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12. Policy followed-up for the collection of uncollectible loans and other receivables:

The loans and receivables classified as “Uncollectible loans and other receivables” in accordance with the provisioning communique, are liquidated through restructuring and/or the collection of collaterals by will or legal procedures as other follow-up accounts (i.e. the “Loans and other receivables with limited collectability” and “Loans and other receivables with doubtful collectability”). The policy of the Bank regarding the write-off of the loans under legal follow up is as write-off of the ones that is proved as uncollectible by legal follow-up.

**f. Information on held-to-maturity investments:**

1. Information on government debt securities held-to-maturity:

	31 December 2009	31 December 2008
Government Bond	13.110.619	12.615.309
Treasury Bill	208.100	86.348
Other debt securities	-	-
<b>Total</b>	<b>13.318.719</b>	<b>12.701.657</b>

2. Information on investment securities held-to-maturity:

	31 December 2008	31 December 2008
Debt Securities	13.386.216	12.750.072
Quoted on Stock Exchange <sup>(1)</sup>	13.386.216	12.750.072
Not Quoted	-	-
Impairment Provision (-)	(67.497)	(44.291)
<b>Total</b>	<b>13.318.719</b>	<b>12.705.781</b>

<sup>(1)</sup> As of 31 December 2009, Eurobonds amounting to TL6.519.991 thousand (2008: TL5.911.930 thousand) have been classified under debt securities quoted on Stock Exchange, even though they are not traded publicly.

3. Movement of held-to-maturity investments within the year:

	31 December 2009	31 December 2008
<b>Beginning balance</b>	<b>12.705.781</b>	<b>13.152.551</b>
FC differences on monetary assets <sup>(1)</sup>	(232.776)	1.522.256
Purchases during year	2.008.035	536.931
Disposals through sales and redemptions	(1.139.115)	(2.489.341)
Impairment provision (-)	(23.206)	(16.616)
<b>Period end balance</b>	<b>13.318.719</b>	<b>12.705.781</b>

<sup>(1)</sup> Includes the changes in interest income accruals.

4. Characteristics and carrying values of held-to-maturity investments given as collateral:

As of 31 December 2009, held-to-maturity investments given as collateral amount to TL922.708 thousand (2008: TL2.023.696 thousand). Held-to-maturity investments subject to repo transactions amount to TL1.375.465 thousand (2008: TL744.962 thousand).

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**g. Information on investments in associates (Net):**

1. Information on unconsolidated investments in associates:

No	Description	Address (City/ Country)	The Parent Bank’s share percentage if different voting percentage (%)	Bank’s risk group share percentage(%)
1	Kredi Kayıt Bürosu	İstanbul/Türkiye	18,18	18,18
2	Bankalararası Kart Merkezi A.Ş. <sup>(1)</sup>	İstanbul/Türkiye	9,98	9,98

No	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Market value
1	29.833	22.673	1.879	2.412	9	9.103	6.559	-
2	18.206	14.400	6.640	911	-	1.607	1.139	-

<sup>(1)</sup> Financial statement information in the table above has been obtained from the financial statements as at 30 September 2009

Financial statement information in the table above has been obtained from the financial statements as at 31 December 2009.

2. Consolidated investments in associates:

2 (i). Information on consolidated investments in associates:

No	Description	Address (City/ Country)	The Parent Bank’s share percentage if different voting percentage (%)	Other Shareholders’ share percentage (%)
1	Banque de Commerce et de Placements S.A.	Geneva/Switzerland	30,67	69,33

2 (ii). Main financial figures of the consolidated investments in associates in the order of the above table:

No	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	2.522.056	137.016	5.448	49.600	9.744	13.505	11.593	-

Financial statement information in the table above has been disclosed in thousand of CHF. As of 31 December 2009 the evaluation rate for CHF is TL1,4129 (2008: TL1,3942).

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2 (iii). Movement of consolidated investments in associates:

	31 December 2009	31 December 2008
<b>Balance at the beginning of the period</b>	<b>55.593</b>	<b>38.220</b>
<b>Movements during the period</b>	<b>3.346</b>	<b>17.373</b>
Purchases	-	-
Bonus shares obtained	-	-
Dividends from current year income	5.417	3.667
Sales	-	-
Revaluation (decrease)/increase	(2.071)	13.706
Impairment provision	-	-
<b>Balance at the end of the period</b>	<b>58.939</b>	<b>55.593</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share percentage at the end of the period (%)</b>	<b>30,67</b>	<b>30,67</b>

2 (iv). Information on sectors and the carrying amounts of consolidated investments in associates:

	31 December 2009	31 December 2008
Banks	58.939	55.593
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Investments	-	-
<b>Total Financial Investments</b>	<b>58.939</b>	<b>55.593</b>

2 (v). Investments in associates quoted on stock exchange: None.

**h. Information on subsidiaries (Net):**

1. Unconsolidated subsidiaries:

1 (i). Information on unconsolidated subsidiaries:

Since the total asset amount of the subsidiaries below is less than 1% of the total assets of the Parent Bank, the related subsidiaries are unconsolidated and are carried at restated cost.

Description	Address (City/ Country)	The Parent Bank's share percentage if different voting percentage(%)	Bank's risk group share percentage (%)
1 Yapı Kredi-Kültür Sanat Yayıncılık Tic. ve San. A.Ş.	İstanbul/Turkey	99,99	100,00
2 Enternasyonal Turizm Yatırım A.Ş.	İstanbul/Turkey	99,96	99,99
3 Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	30,45	30,45

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1 (ii). Main financial figures of the subsidiaries in the order of the above table:

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income From Market Securities Portfolio	Current Period Profit / Loss	Prior Period Profit /Loss	Market value <sup>(1)</sup>
1	10.681	8.412	207	47	-	806	759	-
2	35.785	21.679	19.831	280	-	8.804	1.361	-
3	88.043	80.302	2.014	659	20	(18.400)	(11.755)	77.200

<sup>(1)</sup> Fair value represents the market value of the Company's total shares based on ISE prices as of 31 December 2009.

Financial statement information in the table above has been obtained from the financial statements as at 31 December 2009.

2. Information on consolidated subsidiaries:

2 (i). Information on consolidated subsidiaries:

	Description	Address (City/ Country)	The Parent Bank's share percentage if different voting percentage(%)	Bank's risk group share percentage (%)
1	Yapı Kredi Holding B.V. <sup>(1)</sup>	Amsterdam/Netherlands	100,00	100,00
2	Yapı Kredi Menkul	Istanbul/Turkey	99,98	99,99
3	Yapı Kredi Faktoring	Istanbul/Turkey	99,95	100,00
4	Yapı Kredi Moscow <sup>(2)</sup>	Moscow/Russia	99,84	100,00
5	Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	74,01	93,94
6	Yapı Kredi Leasing	Istanbul/Turkey	98,85	99,58
7	Yapı Kredi Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	11,09	56,07
8	Yapı Kredi Emeklilik A.Ş.	Istanbul/Turkey	-	100,00
9	Yapı Kredi Portföy	Istanbul/Turkey	12,65	99,99
10	Yapı Kredi NV <sup>(1), (4)</sup>	Amsterdam/Netherlands	67,24	100,00
11	Yapı Kredi Azerbaycan <sup>(3), (5)</sup>	Baku/Azerbaijan	99,80	100,00

Although Yapı Kredi or any of its affiliates does not have any shareholding interest in, Yapı Kredi Diversified Payment Rights Finance Company (“Special Purpose Entity”) which is established for securitisation transactions of Yapı Kredi is included in the consolidation as the Bank has a control of 100% .

<sup>(1)</sup> Financial figures presented in note 2 (ii) are in thousands of EURO.

<sup>(2)</sup> Financial figures presented in note 2 (ii) are in thousands of USD.

<sup>(3)</sup> Financial figures presented in note 2 (ii) are in thousands of AZM. As of 31 December 2009 the evaluation rate for AZM is TLI,8279 (2008: TLI,8407).

<sup>(4)</sup> Includes the balances for Sticking Custody Services YKB.

<sup>(5)</sup> Includes the balances for Yapı Kredi Invest LLC.

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2 (ii). Main financial figures of the consolidated subsidiaries in the order of the below table:

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income From Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit /Loss	Market value <sup>(1)</sup>
1	45.430	44.374	-	-	-	(1.106)	(5.387)	-
2	425.651	239.971	15.403	27.592	17.971	71.216	52.094	-
3	1.499.269	99.131	658	123.644	-	27.365	19.037	-
4	207.828	55.484	5.874	18.892	1.975	7.332	355	-
5	752.854	289.990	23.065	46.897	14.553	(11.930)	54.384	856.000
6	2.346.846	700.503	1.537	256.296	-	150.133	132.799	1.076.200
7	74.027	72.993	24	3.848	1.122	19.115	(6.123)	40.500
8	742.841	135.938	18.887	21.792	15.817	20.218	20.186	-
9	90.698	82.262	641	9.885	2.868	52.530	47.206	-
10	1.560.689	171.575	292	86.715	34.352	15.361	14.535	-
11	153.366	43.029	4.269	8.566	2.751	4.656	5.292	-

<sup>(1)</sup> Fair value represents the market value of the Company's total shares based on ISE prices as of 31 December 2009.

Financial statement information in the table above has been obtained from the financial statements of subsidiaries as at 31 December 2009.

2 (iii). Movement schedule of consolidated subsidiaries:

	31 December 2009	31 December 2008
<b>Balance at the beginning of the period</b>	<b>1.781.083</b>	<b>1.391.400</b>
<b>Movements during the period</b>	<b>(1.432)</b>	<b>389.683</b>
Purchases <sup>(1)</sup>	-	389.683
Transfers	(1.432)	-
Bonus shares obtained	-	-
Dividends from current year income	-	-
Sales	-	-
Foreign exchange valuation differences	-	-
Impairment provision	-	-
<b>Balance at the end of the period</b>	<b>1.779.651</b>	<b>1.781.083</b>
<b>Capital commitments</b>	-	-
<b>Share percentage at the end of the period (%)</b>	-	-

<sup>(1)</sup> As of 31 December 2008, nominal share capital amount of TL34.897.132,53 (35,28% of the capital), owned by KFS in Yapı Kredi Yatırım Menkul Değerler A.Ş. was purchased by the Bank for USD158.754.689,63 and the cost of the share purchase has been paid to KFS as TL188.617 thousand converted with the CBRT exchange rate at 15 February 2008.

The nominal share capital amount of EUR32.672.880,00 (67,24% of the capital), owned by KFS in Yapı Kredi NV was purchased by the Bank for EUR97.502.661,71 and the cost of the share purchase has been paid to KFS as TL165.063 thousand converted with the CBRT EUR exchange buying rate at 11 January 2008.

In addition, the Bank has participated in the capital increase of its foreign subsidiary, Yapı Kredi Bank Azerbaycan Closed Joint Stock Company, where the share of the Bank is 99,80% amounting to TL36.003 thousand.

<sup>(2)</sup> As a result of the Extraordinary General Assembly Meetings, dated 30 June 2009, of Yapı Kredi Yatırım Menkul Değerler A.Ş. ("YK Yatırım"), and of Unicredit Menkul Değerler A.Ş. ("UCM") it has been decided that YK Yatırım's intermediary activities function, which serves corporate clients, was added to UCM's capital as capital in-kind through a partial spin-off over its book values at 31 December 2008. As a result of this operation, the share of YKB in YK Yatırım's capital did not change. According to the spin-off agreement, the Bank has acquired a share in UCM share capital (10,73%). The fair value of this business line was TL1.432 thousand and classified as share certificates under available for sale portfolio.

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2 (iv). Sectoral information on financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Banks	278.244	278.244
Insurance Companies	148.019	148.019
Factoring Companies	183.325	183.325
Leasing Companies	722.491	722.491
Finance Companies		-
Other Financial Subsidiaries	447.572	449.004
<b>Total Financial Subsidiaries</b>	<b>1.779.651</b>	<b>1.781.083</b>

2 (v). Subsidiaries quoted on Stock Exchange:

	<b>31 December 2009</b>	<b>31 December 2008</b>
Quoted on domestic stock exchanges	876.095	876.095
Quoted on foreign stock exchanges		-

**i. Information on hedging derivative financial assets:**

	<b>31 December 2009</b>		<b>31 December 2008</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedge	127.678	953	-	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>127.678</b>	<b>953</b>	<b>-</b>	<b>-</b>

Starting from 1 March 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on part of its fixed interest TL mortgage and car loan portfolios using cross-currency interest rate swaps. The net fair value of hedging instruments at 31 December 2009 is a liability amounting to TL228.982 thousand. At 31 December 2009, the fair value difference of the hedging instruments starting from the inception date is TL147.649 thousand and the fair value difference of the hedged item is TL140.137 thousand.

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**j. Information on property and equipment:**

	Immovables	Leased Fixed Assets	Vehicles	Other Tangible Fixed Assets	Total
<b>31 December 2008</b>					
Cost	2.247.522	309.770	6.358	779.368	3.343.018
Accumulated depreciation (-)	(1.393.460)	(178.951)	(5.050)	(560.424)	(2.137.885)
<b>Net book value</b>	<b>854.062</b>	<b>130.819</b>	<b>1.308</b>	<b>218.944</b>	<b>1.205.133</b>
<b>31 December 2009</b>					
<b>Net book value at beginning of the Period</b>	<b>854.062</b>	<b>130.819</b>	<b>1.308</b>	<b>218.944</b>	<b>1.205.133</b>
Additions	36.826	16.165	18	69.266	122.275
Disposals (-), net	(34.727)	(225)	(81)	(3.656)	(38.689)
Transfers from intangible assets	-	-	-	281	281
Reversal of impairment, net	2.541	10	-	480	3.031
Impairment (-)	-	-	-	-	-
Depreciation (-)	(44.880)	(41.496)	(359)	(57.422)	(144.157)
Foreign currency valuation difference (-), net	(292)	(22)	(15)	2	(327)
<b>Net book value at the end of the period</b>	<b>813.530</b>	<b>105.251</b>	<b>871</b>	<b>227.895</b>	<b>1.147.547</b>
Cost at the period end	2.140.272	339.849	5.417	795.521	3.281.059
Accumulated depreciation at the period end (-)	(1.326.742)	(234.598)	(4.546)	(567.626)	(2.133.512)
<b>31 December 2009</b>	<b>813.530</b>	<b>105.251</b>	<b>871</b>	<b>227.895</b>	<b>1.147.547</b>

As of 31 December 2009, the Parent Bank booked total provision for impairment on immovables amounting to TL597.904 thousand (2008: TL600.445 thousand) for the property and equipment.

**k. Information on intangible assets:**

	31 December 2009	31 December 2008
<b>Net book value at the beginning of the period</b>	<b>1.157.825</b>	<b>1.191.711</b>
Additions during the Period	81.416	37.115
Transfers	(281)	(30.363)
Unused and Disposed Items (-)	(6.083)	(289)
Impairment Charges on Income Statement	-	-
Amortisation Expenses (-)	(38.218)	(40.359)
Foreign exchange valuation differences	(10)	10
<b>Net book value at the closing of the period</b>	<b>1.194.649</b>	<b>1.157.825</b>



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**I. Information on deferred tax asset:**

	31 December 2009		31 December 2008	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Reserves for employment termination benefit	166.199	33.300	154.094	30.881
Provision for pension fund	864.059	172.812	774.366	154.873
Derivative financial liabilities	622.832	122.430	220.782	43.617
Subsidiaries, investment in associates and share certificates	123.117	24.624	119.870	23.974
Other	881.413	175.884	320.845	64.354
<b>Total deferred tax asset</b>	<b>2.657.620</b>	<b>529.050</b>	<b>1.589.957</b>	<b>317.699</b>
Derivative financial assets	(884.086)	(174.320)	(433.651)	(84.769)
Valuation difference of securities portfolio	(37.266)	(7.192)	(31.452)	(6.028)
Property, equipment and intangibles, net	(283.363)	(31.625)	(297.295)	(34.382)
Other	(34.575)	(6.928)	(46.443)	(9.649)
<b>Total deferred tax liability</b>	<b>(1.239.290)</b>	<b>(220.065)</b>	<b>(808.841)</b>	<b>(134.828)</b>
<b>Deferred Tax Asset, net</b>	<b>1.418.330</b>	<b>308.985</b>	<b>781.116</b>	<b>182.871</b>

According to TAS 12, deferred tax assets amounting to TL529.050 thousand and deferred tax liabilities amounting to TL220.065 thousand have been netted off in the financial statements of each subsidiary subject to consolidation. Deferred tax assets and liabilities of various subsidiaries are not netted-off in the consolidated financial statements.

**m. Movement schedule of assets held for resale:**

	31 December 2009	31 December 2008
<b>Net book value at the beginning of the period</b>	<b>90.046</b>	<b>139.877</b>
Additions	16.656	59.620
Disposals (-), net <sup>(1)</sup>	(21.381)	(149.929)
Impairment Provision	(1.012)	(515)
Impairment Cancellation	6.986	44.579
Depreciation (-)	(2.615)	(3.586)
<b>Net book value at the end of the period</b>	<b>88.680</b>	<b>90.046</b>
Cost at the end of the period	97.819	99.254
Depreciation at the end of the period (-)	(9.139)	(9.208)
<b>Net book value at the end of the period</b>	<b>88.680</b>	<b>90.046</b>

<sup>(1)</sup> By the decision of the Board of Directors at 3 October 2007; assets of Yapı Kredi Bank Deutschland A.G., which are owned 65,42% by the Bank and 34,58% by Yapı Kredi Holding BV and included in the consolidated financial statements, are reclassified under assets held for sale according to the sale agreement with Avenue Europe Investment LP. Moreover, as explained in details in Note I of section six, the sale of Yapı Kredi Bank Deutschland AG finalized as of 29 February 2008.

As of 31 December 2009, the Parent Bank booked impairment provision on assets held for resale with an amount of TL13.466 thousand (2008: TL19.440 thousand).

**n. Information on other assets:**

Other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES:**

**a. Information on deposits:**

1. Information on maturity structure of deposits/collected funds:

1 (i). 31 December 2009:

	Demand	With 7 days notifications	Up to 1 month	1-3 Months	3-6 Months	6 Months -1 Year	1 year and over	Total
Saving Deposits	1.440.267	68.306	3.959.921	9.385.626	167.796	193.994	171.060	15.386.970
Foreign Currency Deposits	4.071.274	124.462	4.808.321	6.266.905	1.713.034	325.210	1.643.440	18.952.646
Residents in Turkey	3.464.253	44.725	4.566.618	5.174.454	1.614.912	222.817	951.073	16.038.852
Residents Abroad	607.021	79.737	241.703	1.092.451	98.122	102.393	692.367	2.913.794
Public Sector Deposits	278.166	-	8.313	43.792	391	112	2.810	333.584
Commercial Deposits	1.722.280	-	2.410.829	2.629.021	85.027	32.449	24.470	6.904.076
Other Institutions Deposits	25.543	-	24.902	135.425	373	72	1.599	187.914
Gold Vault	214.271	-	-	37.018	17.041	9.089	8.679	286.098
Bank Deposits	276.889	-	523.591	77.262	99.741	346.114	-	1.323.597
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	63.052	-	90.059	-	2.029	7.282	-	162.422
Foreign Banks	85.058	-	433.532	77.262	97.712	338.832	-	1.032.396
Special Financial Institutions	128.766	-	-	-	-	-	-	128.766
Other	13	-	-	-	-	-	-	13
<b>Total</b>	<b>8.028.690</b>	<b>192.768</b>	<b>11.735.877</b>	<b>18.575.049</b>	<b>2.083.403</b>	<b>907.040</b>	<b>1.852.058</b>	<b>43.374.885</b>

1 (ii). 31 December 2008:

	Demand	With 7 days notifications	Up to 1 month	1-3 Months	3-6 Months	6 Months -1 Year	1 year and over	Total
Saving Deposits	1.063.959	7.040	3.164.834	11.345.159	147.899	42.494	61.571	15.832.956
Foreign Currency Deposits	3.288.070	114.481	6.147.780	6.632.808	922.157	443.685	1.057.818	18.606.799
Residents in Turkey	2.820.681	72.276	5.891.845	5.939.419	733.572	267.686	539.471	16.264.950
Residents Abroad	467.389	42.205	255.935	693.389	188.585	175.999	518.347	2.341.849
Public Sector Deposits	254.227	-	63.322	98.567	336	661	307	417.420
Commercial Deposits	1.300.691	24.418	2.303.970	3.991.743	457.933	75.249	13.428	8.167.432
Other Institutions Deposits	21.810	-	36.097	337.669	242	331	453	396.602
Gold Vault	129.812	-	10.285	223	595	940	2.335	144.190
Bank Deposits	232.639	-	73.795	125.955	35.808	199.192	44.909	712.298
The CBRT	85.483	-	-	-	-	-	-	85.483
Domestic Banks	7.455	-	21.749	8.236	-	-	-	37.440
Foreign Banks	40.959	-	52.046	117.719	35.808	199.192	44.909	490.633
Special Financial Institutions	98.742	-	-	-	-	-	-	98.742
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6.291.208</b>	<b>145.939</b>	<b>11.800.083</b>	<b>22.532.124</b>	<b>1.564.970</b>	<b>762.552</b>	<b>1.180.821</b>	<b>44.277.697</b>

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2. Information on saving deposits insurance:

- 2 (i). Information on saving deposits under the guarantee of saving deposits insurance fund and exceeding the limit of deposit insurance fund (Represents information regarding the Parent Bank):

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Saving Deposits</b>				
Saving Deposits	7.738.057	7.804.232	7.431.249	7.911.087
Foreign Currency Savings Deposit	2.596.806	2.553.090	5.973.850	5.637.303
Other deposits in the form of savings deposits	71.411	7.237	194.074	123.113
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

- 2 (ii). Saving deposits, which are not under the guarantee of saving deposits insurance fund (Represents information regarding the Parent Bank):

	31 December 2009	31 December 2008
Saving deposits in foreign branches	-	-
Saving deposits in off-shore banking regions	88.283	142.047
<b>Total</b>	<b>88.283</b>	<b>142.047</b>

- 2 (iii). Saving deposits which are not under the guarantee of saving deposit insurance fund of real person (Represents information regarding the Parent Bank):

	31 December 2009	31 December 2008
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	23.864	18.747
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	88.283	142.047

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**b. Information on trading derivative financial liabilities:**

Trading Derivative Financial Liabilities	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Forward Transactions	42.016	154	64.616	1.383
Swap Transactions	166.244	28.289	107.785	46.477
Futures Transactions	-	-	-	-
Options	4.366	27.446	4	517
Other	-	-	-	-
<b>Total</b>	<b>212.626</b>	<b>55.889</b>	<b>172.405</b>	<b>48.377</b>

**c. Information on borrowings:**

1. Information on borrowings:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	703.447	374.477	502.641	377.231
From Foreign Banks, Institutions and Funds	713.708	4.568.594	1.070.006	5.280.780
<b>Total</b>	<b>1.417.155</b>	<b>4.943.071</b>	<b>1.572.647</b>	<b>5.658.011</b>

2. Information on maturity structure of borrowings:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Short-Term	900.249	4.119.320	676.280	2.446.239
Medium and Long-Term	516.906	823.751	896.367	3.211.772
<b>Total</b>	<b>1.417.155</b>	<b>4.943.071</b>	<b>1.572.647</b>	<b>5.658.011</b>

**d. Information marketable securities issued:**

The Parent Bank has a securitisation borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting to equivalent of TL1.743.760 thousand using Yapı Kredi Diversified Payment Rights Finance Company (“Special Purpose Entity”) as an intermediary and Assured Guarantee, MBIA, Radian, Ambac, FGIC and XL Capital as guarantors. The interest rate of this borrowing ranges between Euribor/Libor+ 0,18% and 0,35%, and the maturity ranges between 7 and 8 years; the repayments will begin in the first period of 2010.

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	31 December 2009	31 December 2008
2010	334.875	369.495
2011	356.560	399.927
2012	356.560	399.927
2013	356.560	399.927
2014	314.722	357.538
2015	21.685	30.431
Interest Expense Accrual	2.798	9.053
<b>Total</b>	<b>1.743.760</b>	<b>1.966.298</b>

**e. Information on miscellaneous payables:**

As of 31 December 2009, miscellaneous payables do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**f. Information on financial leasing agreements:**

	31 December 2009		31 December 2008	
	Gross	Net	Gross	Net
Less than 1 year	114	113	274	271
Between 1-4 years	-	-	10	9
More than 4 years	-	-	-	-
<b>Total</b>	<b>114</b>	<b>113</b>	<b>284</b>	<b>280</b>

**g. Information on hedging derivative financial liabilities:**

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Fair Value Hedge	357.513	100	-	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>357.513</b>	<b>100</b>	-	-

**h. Information on provisions:**

**1. Information on general provisions:**

	31 December 2009	31 December 2008
Provisions for Group I loans and receivables	573.866	464.275
Provisions for Group II loans and receivables	207.516	71.419
Provisions for non cash loans	103.703	111.410
Other	24.545	11.914
<b>Total</b>	<b>909.630</b>	<b>659.018</b>

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2. Information on reserve for employment termination benefits:

In accordance with Turkish Labour Law, reserve for employment termination benefit is calculated over today’s possible liability of the Bank in case of the retirement of employees. TAS 19 necessitates the actuarial valuation methods to calculate the liabilities of enterprises.

The following actuarial assumptions are used in the calculation of total liabilities

	31 December 2009	31 December 2008
Discount rate (%)	5,92	6,26
The Rate Used Related to Retirement Expectation (%)	94,78	95,53

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL2.427,04 effective from 1 January 2010 has been taken into consideration in calculating the reserve for employment termination benefits (1 January 2009: TL2.260,05).

Movement of employment termination benefit liability in the balance sheet:

	31 December 2009	31 December 2008
<b>Prior period ending balance</b>	<b>94.889</b>	<b>96.626</b>
Changes during the period	20.610	15.308
Paid during the period	(15.031)	(17.238)
Foreign currency differences	14	193
<b>Balance at the end of the period</b>	<b>100.482</b>	<b>94.889</b>

In addition, the Group has accounted for unused vacation rights provision amounting to TL65.717 thousand as of 31 December 2009 (2008: TL59.205 thousand).

3. Other provisions:

	31 December 2009	31 December 2008
Pension fund provision	864.059	774.366
Tax risk provision <sup>(1)</sup>	69.948	40.848
Non-cash loan provision	78.250	62.288
Provisions on credit cards and promotion campaigns related to banking services	48.469	56.674
Provision on export commitment estimated liability	38.261	40.495
Legal risk provision <sup>(1)</sup>	26.668	22.927
Other	204.993	189.458
<b>Total</b>	<b>1.330.648</b>	<b>1.187.056</b>

<sup>(1)</sup> Represents provisions for possible risks.

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i) Pension Fund provision:

As of 31 December 2009, the Bank provided provision amounting to TL864.059 thousand for the technical deficit based on the report prepared by a registered actuary in accordance with the technical interest rate of 9,8% determined by the New Law and CSO 1980 mortality table. In the financial statements of the Bank prepared as of 31 December 2008, the provision for the technical deficit calculated using a technical interest rate 9,8% amounts to TL774.366 thousand.

	31 December 2009	31 December 2008
Income statement charge	89.693	170.088

The amounts recognised in the balance sheet are determined as follows:

	31 December 2009	31 December 2008
Present value of funded obligations	1.239.133	1.063.181
- Pension benefits transferable to SSI	1.048.561	1.036.138
- Post employment medical benefits transferable to SSI	190.572	27.043
Fair value of plan assets	(375.074)	(288.815)
<b>Provision for the actuarial deficit of the pension fund</b>	<b>864.059</b>	<b>774.366</b>

The principal actuarial assumptions used were as follows:

	31 December 2009	31 December 2008
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

**Mortality rate:** Average life expectation is defined according to the mortality table based on statistical data, as 15 years for men and 19 years for women who retire at the age of 64 and 63, respectively.

Plan assets are comprised as follows:

	31 December 2009		31 December 2008	
	Amount	%	Amount	%
Government bonds and treasury bills	180.519	48	144.207	50
Premises and equipment	113.826	30	94.596	33
Bank placements	29.328	8	17.240	6
Short term receivables	26.907	7	7.662	3
Other	24.494	7	25.110	8
<b>Total</b>	<b>375.074</b>	<b>100</b>	<b>288.815</b>	<b>100</b>

4. Information on Provisions Related with the Foreign Currency Difference of Foreign Indexed Loans:

As of 31 December 2009, the provision related to the foreign currency differences on foreign indexed loans amounts to TL36.290 thousand (2008: TL10.498 thousand).

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**i. Information on taxes payable:**

(i) Information on taxes payable:

	<b>31 December 2009</b>	<b>31 December 2008</b>
Corporate Tax Payable	76.160	8.339
Taxation of Marketable Securities	52.241	106.717
Property Tax	1.190	1.001
Banking Insurance Transaction Tax (BITT)	32.670	42.501
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	2.673	2.283
Other	23.043	25.843
<b>Total</b>	<b>187.977</b>	<b>186.684</b>

(ii) Information on premium payables:

	<b>31 December 2009</b>	<b>31 December 2008</b>
Social Security Premiums – Employee	533	472
Social Security Premiums – Employer	1.252	393
Bank Pension Fund Premiums – Employee	-	-
Bank Pension Fund Premiums – Employer	-	-
Pension Fund Deposit and Provisions – Employee	6.356	1.936
Pension Fund Deposit and Provisions – Employer	6.635	2.207
Unemployment Insurance – Employee	483	450
Unemployment Insurance – Employer	1.041	900
Other	820	-
<b>Total</b>	<b>17.120</b>	<b>6.358</b>



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**j. Information on subordinated loans:**

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.224.023	-	2.220.601
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	-	<b>2.224.023</b>	-	<b>2.220.601</b>

At 30 March 2006, the Parent Bank obtained a subordinated loan amounting to EUR500 million, with ten years maturity and a repayment option at the end of five years. The interest rate was determined as EURIBOR+2% for the first five years. The loan was obtained from Merrill Lynch Capital Corporation with UniCredito Italiano S.p.A. as guarantor. In addition, the subordinated loan obtained by Koçbank at 28 April 2006 amounting to EUR350 million, with ten years maturity and a repayment option at the end of five years has been transferred to the Bank. The interest rate is determined as EURIBOR+2,25% for the first five years. The loan was obtained decrees from Goldman Sachs International Bank with Unicredit S.p.A. as guarantor. In addition, the Bank obtained a subordinated loan on 25 June 2007 amounting to EUR200 million, with ten years maturity and a repayment option at the end of five years. The interest rate is determined as EURIBOR+1,85% for the first five years. The loan was obtained from Citibank, N.A., London Branch with Unicredito Italiano SpA as guarantor. With the written approvals of the BRSA dated 3 April 2006, 2 May 2006 and 19 June 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the “Capital Adequacy Regulation”.

**k. Information on shareholders’ equity:**

1. Presentation of Paid-in capital (as nominal; inflation unadjusted balances):

	31 December 2009	31 December 2008
Common Stock	4.347.051	4.347.051
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As nominal; inflation unadjusted balances):

The Parent Bank’s paid-in-capital is amounting of TL4.347.051 thousand and in accordance with the decision taken in the Ordinary General Assembly at 7 April 2008, the Bank has switched to the registered capital system and the registered share capital ceiling is TL5.000.000 thousand.

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3. Information on the share capital increases during the period and the sources:

There is no capital increase in the current period. In 2008, the Bank increased its issued capital by TL920.000.000 from TL3.427.051.284 to TL4.347.051.284 all in cash within the Bank’s registered capital ceiling of TL5.000.000.000.

4. Information on transfers from revaluation funds to capital during the current period: None.
5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.
6. Information on privileges given to shares representing the capital by considering the Groups income profitability, prior period indicators on liquidity and uncertainty on these indicators:

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk and legal limits.

7. Privilege on the corporate stock: None.

**l. Information on marketable securities value increase fund:**

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	16.036	58.577	16.071	(13.774)
Foreign Currency Difference	29.593	-	31.679	-
<b>Total</b>	<b>45.629</b>	<b>58.577</b>	<b>47.750</b>	<b>(13.774)</b>

**m. Information on minority interest:**

	31 December 2009	31 December 2008
<b>Period Opening Balance</b>	<b>47.980</b>	<b>295.034</b>
Current year income	10.230	3.722
Dividends paid	(1.438)	(1.450)
Purchase from minority interest	-	(249.566)
Foreign Currency translation differences	489	240
Increase/Decrease due to merger	-	-
<b>Period Ending Balance</b>	<b>57.261</b>	<b>47.980</b>

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**III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:**

**a. Information on interest income:**

1. Information on interest income on loans:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Short-term Loans	2.740.291	436.368	3.042.561	340.599
Medium/Long-term Loans	1.566.893	464.741	1.376.199	437.205
Interest on Loans Under Follow-up Premiums Received from Resource Utilisation Support Fund	62.295	474	80.483	7.803
	-	-	-	-
<b>Total <sup>(1)</sup></b>	<b>4.369.479</b>	<b>901.583</b>	<b>4.499.243</b>	<b>785.607</b>

<sup>(1)</sup> Includes fees and commissions received for cash loans.

2. Information on interest income on banks:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	12.220	19.565	13.453	32.947
From Foreign Banks	4.766	28.950	5.635	81.796
Headquarters and Branches Abroad	1.220	82	-	-
<b>Total</b>	<b>18.206</b>	<b>48.597</b>	<b>19.088</b>	<b>114.743</b>

3. Information on interest income on marketable securities:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
From Trading Financial Assets	18.203	11.473	9.119	14.195
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	94.046	54.943	76.111	22.958
From Held-to-maturity investments	788.018	486.460	1.046.323	470.808
<b>Total</b>	<b>900.267</b>	<b>552.876</b>	<b>1.131.553</b>	<b>507.961</b>

4. Information on interest income received from investments in associates and subsidiaries:

	31 December 2009	31 December 2008
Interests Received from Investments in Associates and Subsidiaries	1.363	41

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**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	31 December 2009		31 December 2008	
	TL	FC	TL	FC
Banks	185.112	291.904	115.890	423.772
The CBRT	-	-	2	-
Domestic Banks	48.907	18.125	63.531	5.040
Foreign Banks	136.190	273.779	52.357	418.732
Headquarters and Branches Abroad	15	-	-	-
Other Institutions	-	243	-	38.176
<b>Total<sup>(1)</sup></b>	<b>185.112</b>	<b>292.147</b>	<b>115.890</b>	<b>461.948</b>

<sup>(1)</sup> Includes fees and commissions received for borrowings.

2. Information on interest expense given to investments in associates and subsidiaries:

	31 December 2009	31 December 2008
Interests Paid to Investments in Associates and Subsidiaries	2.117	1.053

3. Maturity structure of the interest expense on deposits:

Account Name	Demand Deposit	Time Deposit					Cumulative Deposit	Total	31 December 2008
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
<b>TL</b>									
Bank Deposits	1.900	2.263	6	318	794	318	-	5.599	13.185
Saving Deposits	999	414.995	1.149.764	25.412	12.840	16.278	-	1.620.288	2.216.231
Public Sector Deposits	-	1.867	3.780	93	3	610	-	6.353	14.849
Commercial Deposits	14.288	218.607	353.723	32.898	3.543	3.394	-	626.453	1.165.922
Other Deposits	-	4.371	30.847	6.466	264	170	-	42.118	67.859
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17.187</b>	<b>642.103</b>	<b>1.538.120</b>	<b>65.187</b>	<b>17.444</b>	<b>20.770</b>	<b>-</b>	<b>2.300.811</b>	<b>3.478.046</b>
<b>FC</b>									
Foreign Currency Deposits	6.003	206.904	229.202	36.145	13.610	59.374	1.269	552.507	653.564
Bank Deposits	-	18.944	4.179	4.885	12.942	-	-	40.950	6.098
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-	-
Gold Vault	-	206	13	12	19	100	-	350	191
<b>Total</b>	<b>6.003</b>	<b>226.054</b>	<b>233.394</b>	<b>41.042</b>	<b>26.571</b>	<b>59.474</b>	<b>1.269</b>	<b>593.807</b>	<b>659.853</b>
<b>Grand Total</b>	<b>23.190</b>	<b>868.157</b>	<b>1.771.514</b>	<b>106.229</b>	<b>44.015</b>	<b>80.244</b>	<b>1.269</b>	<b>2.894.618</b>	<b>4.137.899</b>

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**c. Information on dividend income:**

	<b>31 December 2009</b>	<b>31 December 2008</b>
Trading Financial Assets	693	470
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-Sale Financial Assets	762	37.508
Other	1.947	3.575
<b>Total</b>	<b>3.402</b>	<b>41.553</b>

**d. Information on trading loss / income: (Net)**

	<b>31 December 2009</b>	<b>31 December 2008</b>
<b>Income</b>	<b>13.913.173</b>	<b>12.570.383</b>
Income from Capital Market Transactions	177.466	55.989
Derivative Financial Transactions	8.268.340	5.354.339
Foreign Exchange Gains	5.467.367	7.160.055
<b>Loss(-)</b>	<b>(13.542.171)</b>	<b>(12.520.806)</b>
Loss from Capital Market Transactions	(15.848)	(28.831)
Derivative Financial Transactions	(7.941.950)	(5.125.741)
Foreign Exchange Loss	(5.584.373)	(7.366.234)
<b>Net Gain/Loss</b>	<b>371.002</b>	<b>49.577</b>

**e. Information on loss / income from derivative financial operations**

	<b>31 December 2009</b>	<b>31 December 2008</b>
Effect of the change in foreign exchange on income / loss	650.501	159.354
Effect of the change in interest rate on income / loss	(324.111)	69.244
<b>Total</b>	<b>326.390</b>	<b>228.598</b>

**f. Information on other operating income:**

Other operating income mainly consist of collections from provisions recorded as expense in the previous years and income from sales of fixed assets due to reversal of impairments charged in previous years.

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**g. Provision expenses related to loans and other receivables:**

	<b>31 December 2009</b>	<b>31 December 2008</b>
Specific provisions for loans and other receivables	1.348.990	441.799
III. Group Loans and Receivables	158.689	53.118
IV. Group Loans and Receivables	457.344	99.960
V. Group Loans and Receivables	732.957	288.721
General Provision Expenses	243.775	124.874
Provision Expense for Possible Risks	21.088	41.005
Marketable Securities Impairment Expenses	660	193
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-Sale Financial Assets	660	193
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	26.759	16.616
Investments in Associates	-	-
Subsidiaries	3.553	-
Joint Ventures	-	-
Held-to-Maturity Investments	23.206	16.616
Other	11.009	2.398
<b>Total</b>	<b>1.652.281</b>	<b>626.885</b>

**h. Information related to other operating expenses:**

	<b>31 December 2009</b>	<b>31 December 2008</b>
Personnel Expenses	1.015.601	1.045.790
Reserve for Employee Termination Benefits	5.828	1.538
Provision Expense for Pension Fund	89.693	170.088
Impairment Expenses of Fixed Assets	-	1.895
Depreciation Expenses of Fixed Assets	144.157	124.280
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortisation Expenses of Intangible Assets	38.218	40.359
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	1.012	515
Depreciation Expenses of Assets Held for Resale	2.615	3.586
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	801.350	796.269
Operational Lease Expenses	109.147	89.593
Maintenance Expenses	28.645	36.499
Advertising Expenses	63.402	90.861
Other Expense	600.156	579.316
Loss on Sales of Assets	284	606
Other	411.484	375.223
<b>Total</b>	<b>2.510.242</b>	<b>2.560.149</b>

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**i. Explanations on profit and loss from continuing operations before tax:**

Profit and loss before tax consists of net interest income amounting to TL3.896.855 thousand (2008: TL2.841.100 thousand), net fee and commission income amounting to TL1.569.115 thousand (2008: TL1.388.044 thousand) and total other operating expense amounting TL2.510.242 thousand (2008: TL2.560.149 thousand).

**j. Provision for taxes on income from continuing operations:**

As of 31 December 2009, the Bank has current tax expense amounting to TL480.911 thousand (2008: TL255.320 thousand) and deferred tax expense amounting to TL125.651 thousand (2008: TL94.031 thousand deferred tax expense).

In 2008, the Bank made an agreement with local tax authorities in relation to the corporate tax declarations for the periods 2003/2005 and gave up the legal process against Boğaziçi Kurumlar Vergi Dairesi according to Law Numbered 5736 which came into force on 27 February 2008 and published in the Official Gazette numbered 26800. In relation to the agreement, a payment amounting to TL49.064 thousand was made to the related tax office and has been accounted under deferred tax expense account in 2008.

**k. Information on net income/loss for the period:**

1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions (other than provision expense for the actuarial deficit of the Pension Fund amounting to TL170 million, tax expense amounting to TL49 million related to the compromise with the tax office and provision reversal income amounting to TL185 million related with the revised general loan loss provision calculation) do not require any additional explanation to understand the Bank's current period performance.
2. Information on any change in the accounting estimates concerning the current period or consequent periods: None

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

**m. Profit/loss of minority interest:**

	31 December 2009	31 December 2008
Profit of minority interest	10.230	3.722

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**IV. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET COMMITMENTS  
ACCOUNTS**

**a. Information on off balance sheet commitments:**

1. The amount and type of non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments:

	<b>31 December 2009</b>	<b>31 December 2008</b>
Commitments on credit cards limits	10.954.268	11.244.536
Loan granting commitments	3.116.153	2.485.283
Commitments for cheque books	1.468.823	1.391.826
<b>Total</b>	<b>15.539.244</b>	<b>15.121.645</b>

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

- 2 (i). Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letter of credits:

	<b>31 December 2009</b>	<b>31 December 2008</b>
Bank acceptance loans	151.669	211.367
Letter of credits	2.738.235	2.781.564
Other guarantees and collaterals	399.410	444.717
<b>Total</b>	<b>3.289.314</b>	<b>3.437.648</b>

- 2 (ii). Revocable, irrevocable guarantees, contingencies and other similar commitments:

The total of revocable, irrevocable guarantees, contingencies and other similar commitments as of 31 December 2009 is TL13.296.741 thousand (2008: TL13.362.343 thousand).



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3(i). Total amount of non-cash loans:

	31 December 2009	31 December 2008
Non-cash loans given against cash loans	232.309	403.136
With original maturity of 1 year or less than 1 year	103.849	216.212
With original maturity of more than 1 year	128.460	186.924
Other non-cash loans	16.353.746	16.396.855
<b>Total</b>	<b>16.586.055</b>	<b>16.799.991</b>

3(ii). Information on sectoral concentration of non-cash loans:

	31 December 2009				31 December 2008			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>112.666</b>	<b>1,80</b>	<b>352.875</b>	<b>3,42</b>	<b>78.450</b>	<b>1,29</b>	<b>164.230</b>	<b>1,53</b>
Farming and Raising Livestock	78.469	1,25	348.639	3,38	53.093	0,88	155.602	1,45
Forestry	27.409	0,44	3.684	0,04	19.613	0,32	7.369	0,07
Fishing	6.788	0,11	552	0,01	5.744	0,09	1.259	0,01
<b>Manufacturing</b>	<b>2.680.163</b>	<b>42,84</b>	<b>4.554.979</b>	<b>44,09</b>	<b>2.427.156</b>	<b>40,02</b>	<b>4.556.833</b>	<b>42,45</b>
Mining	149.203	2,39	637.763	6,17	116.861	1,93	91.652	0,85
Production	2.151.782	34,39	3.239.512	31,36	2.060.567	33,97	3.894.065	36,28
Electric, Gas and Water	379.178	6,06	677.704	6,56	249.728	4,12	571.116	5,32
<b>Construction</b>	<b>1.633.745</b>	<b>26,11</b>	<b>2.747.640</b>	<b>26,60</b>	<b>1.610.566</b>	<b>26,55</b>	<b>2.835.854</b>	<b>26,42</b>
<b>Services</b>	<b>1.693.304</b>	<b>27,07</b>	<b>2.009.812</b>	<b>19,46</b>	<b>1.822.433</b>	<b>30,06</b>	<b>2.186.990</b>	<b>20,36</b>
Wholesale and Retail Trade	860.116	13,75	332.650	3,22	894.521	14,75	369.745	3,44
Hotel, Food and Beverage Services	69.689	1,11	108.175	1,05	68.778	1,13	86.601	0,81
Transportation and Telecommunication	218.483	3,49	245.793	2,38	238.312	3,93	329.416	3,06
Financial Institutions	332.078	5,32	869.293	8,42	382.587	6,31	876.312	8,16
Real Estate and Leasing Services	45.918	0,73	94.518	0,92	86.463	1,43	168.808	1,57
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	14.001	0,22	14.497	0,14	10.017	0,17	2.894	0,03
Health and Social Services	153.019	2,45	344.886	3,34	141.755	2,34	353.214	3,29
<b>Other</b>	<b>136.600</b>	<b>2,18</b>	<b>664.271</b>	<b>6,43</b>	<b>127.241</b>	<b>2,08</b>	<b>990.238</b>	<b>9,24</b>
<b>Total</b>	<b>6.256.478</b>	<b>100,00</b>	<b>10.329.577</b>	<b>100,00</b>	<b>6.065.846</b>	<b>100,00</b>	<b>10.734.145</b>	<b>100,00</b>

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3 (iii). Information on non-cash loans classified in Group I. and Group II.:

31 December 2009	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>				
Letters of Guarantee	6.151.277	7.000.768	100.350	44.346
Bank Acceptances	-	151.616	-	53
Letters of Credit	1.410	2.736.539	-	286
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	3.441	390.095	-	5.874
<b>Total</b>	<b>6.156.128</b>	<b>10.279.018</b>	<b>100.350</b>	<b>50.559</b>

31 December 2008	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>				
Letters of Guarantee	5.965.016	7.043.060	97.226	257.041
Bank Acceptances	-	211.367	-	-
Letters of Credit	547	2.766.213	-	14.804
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	3.057	415.122	-	26.538
<b>Total</b>	<b>5.968.620</b>	<b>10.435.762</b>	<b>97.226</b>	<b>298.383</b>

3 (iv). Maturity distribution of non cash loans:

31 December 2009 <sup>(1)</sup>	Indefinite	Up to 1 year	1-5 Years	Above 5 years	Total
Letter of Credit	1.395.290	944.002	398.943	-	2.738.235
Letter of Guarantee	7.213.576	2.104.208	3.076.144	902.813	13.296.741
Bank Acceptances	151.669	-	-	-	151.669
Other	100.362	77.980	200.309	20.759	399.410
<b>Total</b>	<b>8.860.897</b>	<b>3.126.190</b>	<b>3.675.396</b>	<b>923.572</b>	<b>16.586.055</b>

31 December 2008 <sup>(1)</sup>	Indefinite	Up to 1 year	1-5 Years	Above 5 years	Total
Letter of Credit	1.418.078	904.288	459.198	-	2.781.564
Letter of Guarantee	7.275.939	2.059.223	3.324.035	703.146	13.362.343
Bank Acceptances	211.367	-	-	-	211.367
Other	27.379	34.442	327.493	55.403	444.717
<b>Total</b>	<b>8.932.763</b>	<b>2.997.953</b>	<b>4.110.726</b>	<b>758.549</b>	<b>16.799.991</b>

<sup>(1)</sup> The distribution is based on the original maturities.

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**b. Information on derivative financial instruments:**

	31 December 2009	31 December 2008
Types of trading transactions		
Foreign currency related derivative transactions (I)	21.830.076	12.692.681
FC trading forward transactions	4.076.196	3.875.363
Trading swap transactions	13.815.348	8.047.504
Futures transactions	-	-
Trading option transactions	3.938.532	769.814
Interest related derivative transactions (II)	11.485.129	5.634.131
Forward interest rate agreements	-	-
Interest rate swaps	9.691.141	5.367.691
Interest rate options	1.793.988	266.440
Interest rate futures	-	-
Other trading derivative transactions (III)	948.863	46.462
<b>A. Total trading derivative transactions (I+II+III)</b>	<b>34.264.068</b>	<b>18.373.274</b>
Types of hedging transactions	-	-
Fair value hedges	3.968.893	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
<b>B. Total hedging related derivatives</b>	<b>3.968.893</b>	<b>-</b>
<b>Total derivative transactions (A+B)</b>	<b>38.232.961</b>	<b>18.373.274</b>

**c. Breakdown of derivative instruments according to their remaining contractual maturities:**

31 December 2009 <sup>(1)</sup>	Up to 1 month	1-3 Months	3-12 Months	1-5 Year	Above 5 years	Total
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	36.554	370.512	10.610	86.184	525.056	1.028.916
– Inflow	7.578.917	2.720.600	725.628	353.728	262.528	11.641.401
– Outflow	(7.542.363)	(2.350.088)	(715.018)	(267.544)	262.528	(10.612.485)
Interest rate derivatives:	(4.266)	(4.283)	(109.391)	(268.337)	(35.527)	(421.804)
– Inflow	94.622	893.260	358.828	3.558.805	987.070	5.892.585
– Outflow	(98.888)	(897.543)	(468.219)	(3.827.142)	(1.022.597)	(6.314.389)
<b>Derivatives held for hedging</b>						
Foreign exchange derivatives:						
– Inflow						
– Outflow						
Interest rate derivatives:	(9.395)	(12.904)	(131.221)	(259.909)	(22.295)	(435.724)
– Inflow	452	865	8.057	1.806.284	213.395	2.029.053
– Outflow	(9.847)	(13.769)	(139.278)	(2.066.193)	(235.690)	(2.464.777)
<b>Total inflow</b>	<b>7.673.991</b>	<b>3.614.725</b>	<b>1.092.513</b>	<b>5.718.817</b>	<b>1.462.993</b>	<b>19.563.039</b>
<b>Total outflow</b>	<b>(7.651.098)</b>	<b>(3.261.400)</b>	<b>(1.322.515)</b>	<b>(6.160.879)</b>	<b>(995.759)</b>	<b>(19.391.651)</b>

<sup>(1)</sup> In table above no amortisation of the notional amount has been taken into consideration.

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<b>31 December 2008 <sup>(1)</sup></b>	<b>Up to 1 month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>Above 5 years</b>	<b>Total</b>
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	11.805	605	274.094	(405)	-	286.099
– Inflow	3.313.034	544.424	2.613.667	41.498	-	6.512.623
– Outflow	(3.301.229)	(543.819)	(2.339.573)	(41.903)	-	(6.226.524)
Interest rate derivatives:	283.179	1.864.850	(144.966)	(1.963.346)	-	39.717
– Inflow	499.929	1.871.994	163.571	17.636	328.646	2.881.776
– Outflow	(216.750)	(7.144)	(308.537)	(1.980.982)	(328.646)	(2.842.059)
<b>Derivatives held for hedging</b>	-	-	-	-	-	-
Foreign exchange derivatives:	-	-	-	-	-	-
– Inflow	-	-	-	-	-	-
– Outflow	-	-	-	-	-	-
Interest rate derivatives:	-	-	-	-	-	-
– Inflow	-	-	-	-	-	-
– Outflow	-	-	-	-	-	-
<b>Total inflow</b>	<b>3.812.963</b>	<b>2.416.418</b>	<b>2.777.238</b>	<b>59.134</b>	<b>328.646</b>	<b>9.394.399</b>
<b>Total outflow</b>	<b>(3.517.979)</b>	<b>(550.963)</b>	<b>(2.648.110)</b>	<b>(2.022.885)</b>	<b>(328.646)</b>	<b>(9.068.583)</b>

<sup>(1)</sup> In table above no amortisation of the notional amount has been taken into consideration.

**d. Information on contingent liabilities:**

Outstanding legal cases against the group have been considered as contingent liabilities and a TL26.668 thousand (2008: TL22.927 thousand) provision against these legal cases has been accounted for in the financial statements under “Other Provisions” account.

**e. Information on services in the name of others’ names and accounts:**

The Bank’s activities of saving and depositing in the name of real and legal persons are not considered as material.

**V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS’ EQUITY**

**a. Information on dividends:**

None.

**b. Information on available for sale financial assets:**

“Unrealised gain/loss” arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year profit and loss statement but recognized in the “Marketable securities value increase fund” account under equity, until the financial assets are derecognised, sold, disposed or impaired.

**c. Information on increase/decrease amounts result from the merger:**

It is explained in details in Note VII. of Section Five.

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**d. Information on foreign currency valuation differences:**

During the consolidation of the Group’s subsidiaries abroad, balance sheet items are translated to Turkish Lira with the relevant period and exchange rates and income statement items are translated with the relevant period exchange rate. Translation differences arising from these calculations are recorded in equity as “Marketable Securities Valuation Difference”.

**e. Information on share issue premium:**

Explained in details in Note XIX of Section Three.

**VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS**

**a. Information on cash and cash equivalent assets:**

1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as “Cash”; Interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash Equivalents”.

2. Effect of a change on the accounting policies: None.  
3. Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:  
3 (i). Cash and cash equivalents at the beginning of period:

	31 December 2009	31 December 2008
<b>Cash</b>	<b>2.768.546</b>	<b>1.434.389</b>
Cash and Effectives	607.721	443.863
Demand Deposits in Banks	2.160.825	990.526
<b>Cash Equivalents</b>	<b>1.420.136</b>	<b>999.768</b>
Interbank Money Market	227.553	431.517
Deposits in Bank	1.192.583	568.251
<b>Total Cash and Cash Equivalents</b>	<b>4.188.682</b>	<b>2.434.157</b>

The total amount from the operations occurring in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

- 3(ii). Cash and cash equivalents at the end of the period:

	31 December 2009	31 December 2008
<b>Cash</b>	<b>2.032.372</b>	<b>2.768.546</b>
Cash and Effectives	655.382	607.721
Demand Deposits in Banks	1.376.990	2.160.825
<b>Cash Equivalents</b>	<b>3.015.471</b>	<b>1.420.136</b>
Interbank Money Market	1.581.164	227.553
Deposits in Bank	1.434.307	1.192.583
<b>Total Cash and Cash Equivalents</b>	<b>5.047.843</b>	<b>4.188.682</b>

- b. Information on cash and cash equivalents that are not in use due to legal limitations and other reasons: None.**

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**c. The effects of the change in foreign exchange rates on cash and cash equivalents:**

Decrease in "Other Account" amounting to TL2.064.026 thousand (2008: TL3.320.309 thousand) which is classified under "Operating profit before changes in operating assets and liabilities" basically includes Fee and Commissions, Other Operating Expenses excluding Personnel Expenses, Foreign Exchange Gains/Losses as well as Provision and Depreciation that do not create cash in/outflow.

Increase in "Net increase/decrease in other liabilities amounting to TL240.168 thousand (2008: TL83.169 thousand) which is classified under "Operating profit before changes in operating assets and liabilities" includes changes in Miscellaneous Payables, Other Liabilities, Taxes Payable, Charges, Duties and Premiums.

The effects of the change in foreign exchange rates on cash and cash equivalents is calculated approximately TL32.709 thousand as of 31 December 2009.

To conform to changes in presentation of financial statements as of 31 December 2009, the effects of the change in foreign exchange rates on cash and cash equivalents has been calculated as TL632.517 thousand and related reclassifications have been made on comparative figures as of 31 December 2008.

**VII. EXPLANATIONS AND NOTES RELATED TO GROUP'S MERGER, TRANSFERS AND COMPANIES ACQUIRED BY BANKS**

***Mergers and transfers in the year 2009:***

- (i) As a result of the Extraordinary General Assembly Meetings, dated 30 June 2009, of Yapı Kredi Yatırım Menkul Değerler A.Ş. ("YK Yatırım"), and of Unicredit Menkul Değerler A.Ş. ("UCM") it has been decided that YK Yatırım's intermediary activities function, which serves corporate clients, was added to UCM's capital as capital in-kind through a partial spin-off over its book values at 31 December 2008. As a result of this operation, the share of YKB in YK Yatırım's capital did not change. According to the spin-off agreement, the Bank has acquired a share in UCM share capital (10,73%). The fair value of this business line was TL1.432 thousand and classified as share certificates under available for sale portfolio.

***Mergers and transfers in the year 2008:***

- (i) Extraordinary General Assemblies meetings regarding the transfer of Koç Yatırım, with all its rights, receivables, liabilities and obligations to the Yapı Kredi Menkul and the consequential dissolution without liquidation were held on 29 December 2006 and the merger was registered on 12 January 2007. As a result of the merger, the Bank's share in Yapı Kredi Menkul has decreased from 99,99% to 64,70%. However, share of the Bank's risk Group is 100%.
- (ii) Regarding the restructuring process of the foreign investments of the Parent Bank and KFS, the merger transaction of Yapı Kredi Bank Nederland N.V., established in Holland and wholly-owned by Bank (through Yapı Kredi Holding B.V. which is a 100% owned investment in associate), with the Koçbank Nederland N.V. 100% investment in associate of KFS, was completed as of 2 July 2007. After the merger, regarding the new structure of the partnership, the Parent's Bank's shareholding ratio is realised as %32,76 and the shareholding ratio of KFS is realised as 67,24%. Due to this merger, the Bank has restated its financial statements as of 31 December 2007. Besides, as a part of the structural reorganization, transfer of 99,80% the shares of Yapı Kredi Azerbaycan owned by KFS with a nominal value of AZN 6.336.200 was completed as of 31 October 2007.
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During and after transactions stated above, as there has been no change in the owners of final control rights of Yapı Kredi Bank Nederland N.V., Koçbank Nederland N.V. and Yapı Kredi Bank Azerbaycan, these transactions have been identified as transactions under common control.

- (iii) Transfer of the 59,47% of the shares of Yapı Kredi Faktoring with a nominal value of TL9.992.000, 73,10% of the shares of Yapı Kredi Leasing with a nominal value of TL285.048.428 and 99,80% of the shares of Yapı Kredi Bank Azerbaycan with a nominal value of AZN6.336.200; all formerly owned by KFS have been completed as of 31 October 2007. As a part of this share exchange the Bank’s capital was increased by TL277.601.284 through increasing the shareholding of KFS. Besides, the TL495.852 difference between the nominal values of the shares issued by the Bank and the fair values of the shares transferred to the Bank, have been recorded in equity as “Share Premium”. As this transaction is defined as a transaction with minority interests, differences of TL322.862 thousand and TL450.591 thousand have been recorded in equity as, “Prior Period Net Income / (Loss)” and “Minority Interest” respectively. The share exchange had no effect in total equity when these amounts have been considered together with the capital increase and share issue premium amounts.

**VIII. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP**

**a. The volume of transactions relating to the Group’s risk group, outstanding loan and deposit transactions and profit and loss of the period:**

1. Information on loans of the Group’s Risk Group:

31 December 2009 Groups’ Risk Group <sup>(1)(2)</sup>	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period	5	940	219.751	64.690	561.783	567.664
Balance at the End of the Period	5.128	1.281	68.674	54.926	545.598	550.074
<b>Interest and Commission Income Received</b>	<b>1.363</b>	<b>18</b>	<b>13.384</b>	<b>1.187</b>	<b>56.412</b>	<b>2.984</b>

(1) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(2) The information in table above includes banks, loans and marketable securities.

31 December 2008 Groups’ Risk Group <sup>(1)(2)</sup>	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period		10.256	4.930	48.862	388.179	630.240
Balance at the End of the Period	5	940	219.751	64.690	561.783	567.664
<b>Interest and Commission Income Received</b>	<b>41</b>	<b>42</b>	<b>19.066</b>	<b>614</b>	<b>71.001</b>	<b>1.960</b>

(1) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(2) The information in table above includes banks, loans and marketable securities.

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2. Information on deposits of the Bank’s risk group:

Group’s Risk Group <sup>(1)(2)</sup>	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Deposit</b>						
Beginning of the Period	25.966	7.823	3.999.194	1.731.617	1.693.037	1.705.315
End of the Period	41.731	25.966	3.060.980	3.999.194	2.330.627	1.693.037
<b>Interest Expense on Deposits</b>	<b>2.117</b>	<b>1.053</b>	<b>210.921</b>	<b>216.077</b>	<b>139.252</b>	<b>220.800</b>

(1) Defined in the 49th Article of subsection 2 of the Banking Act No. 5411.

(2) The information in table above includes borrowings as well as deposits.

3. Information on forward and option agreements and other derivative instruments with the Bank’s risk group:

Group’s Risk Group <sup>(1)</sup>	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Transactions for trading purposes<sup>(2)</sup></b>						
Beginning of the Period <sup>(3)</sup>	-	-	171.366	118.568	540.506	277.590
End of the Period <sup>(3)</sup>	-	-	378.169	171.366	710.036	540.506
<b>Total Profit / Loss</b>	<b>-</b>	<b>-</b>	<b>3.395</b>	<b>(285)</b>	<b>13.343</b>	<b>(6.842)</b>
<b>Transactions for hedging purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Total Profit / Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Defined in the 49th Article of subsection 2 of the Banking Act No. 5411.

(2) The Bank’s derivative instruments are classified as “Financial Assets at Fair Value Through Profit or Loss” according to TAS 39.

(3) The balances at the beginning and end of the periods are disclosed as the total of purchase and sell amounts of derivative financial instruments.

**b. With respect to the Group’s risk group:**

1. The relations with entities that are included in the Group’s risk group and controlled by the Bank irrespective of the relationship between the parties:

The Parent Bank performs various transactions with group companies during its banking activities. These are commercial transactions realised with market prices.

2. Type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:



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<b>Total Risk Group</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Loans	595.618	494.980
Banks	1.423	210.261
Marketable Securities	22.359	76.298
Leasing receivables/ (payables), net	15.449	13.437
Factoring receivables /(payables), net	462.773	87.062
Interest Income Received	71.159	90.108
Non- Cash Loans	606.281	633.294
Commission Income Received	4.189	2.616
Deposit	4.265.538	4.364.967
Borrowings and Money Markets	1.167.800	1.353.230
Interest Expense Paid	352.290	437.930
Trading Transactions	1.088.205	711.872
Trading Transactions Profit, net	16.738	(7.127)

3. Information regarding benefits provided to the Group's key management:

Salaries paid to the Group's key management amount to TL35.238 thousand as of 31 December 2009 (2008: TL31.304 thousand).

**IX. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE  
BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK**

	<b>Number</b>	<b>Employee number</b>			<b>Statutory Share capital</b>
Domestic Branch	837	14.328			
			<b>Country of Incorporation</b>		
Foreign Rep. Office	-	-			
				<b>Total Asset</b>	
Foreign Branch	-	-		-	-
Off-Shore Banking Region Branch	1	5	1-Bahrain	10.240.963	-

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**X. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

None.

**SECTION SIX**

**OTHER EXPLANATIONS AND NOTES**

**I. OTHER EXPLANATIONS ON GROUP’S OPERATIONS**

None.

**SECTION SEVEN**

**EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT**

The consolidated financial statements and explanatory notes as of 31 December 2009 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). The independent auditor’s report dated 2 March 2010 is presented prior to the consolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR**

None.

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