

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

**INDEPENDENT AUDITORS'
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE INTERIM PERIOD
JANUARY 1, 2009 TO SEPTEMBER 30, 2009**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Türkiye Sınai Kalkınma Bankası A.Ş.
İstanbul

TÜRKİYE SINAI KALKINMA BANKASI A.Ş.

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

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

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

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

Additional Paragraph for English Translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Sibel Türker
Partner
Istanbul, November 5, 2009

**THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2009**

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The unconsolidated financial report for the nine months includes the following sections in accordance with “Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT

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

November 5, 2009

Kadir AKGÖZ	A. Orhan BEŞKÖK	Ömer ERYILMAZ	Mustafa GÖKTAŞ
Deputy Chairman of Board of Directors	Deputy General Manager	Executive Vice President in Charge of Financial Reporting	Head of Financial Control Department

Kemal Serdar DIŞLI	Murat BILGIÇ
Member of Audit Committee	Member of Audit Committee

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

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INDEX**Page Number****SECTION ONE**

General Information

I. Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute	1
II. Explanations Regarding Bank's Shareholding Structure, Shareholders holding directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank ..	1
III. Explanations Regarding the Chairman and the Members of Board of the Directors, Audit Committee, General Manager and Assistant General Managers and Their Shares in the Bank	2
IV. Information about the Persons and Institutions that have Qualified Shares	3
V. Summary on the Bank's Functions and Areas of Activity	3

SECTION TWO

Unconsolidated Financial Statements

I. Balance Sheets.....	4
II. Statement of Off Balance Sheet Contingencies and Commitments.....	6
III. Income Statements	7
IV. Statement of Profit/Loss Items Accounted for under Shareholders' Equity	8
V. Statement of Shareholders' Equity.....	9
VI. Statement of Cash Flows	11

SECTION THREE

Accounting Policies

I. Basis of Presentation	12
II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions	13
III. Explanations on Forward and Option Contracts and Derivative Instruments.....	14
IV. Interest Income and Expenses	14
V. Fees and Commission Income and Expenses	14
VI. Explanations and Disclosures on Financial Assets	15
VII. Explanations on Impairment on Financial Assets.....	17
VIII. Offsetting of Financial Assets and Liabilities.....	17
IX. Explanations on Sales and Repurchase Agreements and Lending of Securities	18
X. Explanations on Assets Held For Sale and Discontinued Operations	18
XI. Explanations on Goodwill and Other Intangible Assets.....	19
XII. Explanations on Tangible Fixed Assets.....	19
XIII. Explanations on Leasing Transactions	20
XIV. Explanations on Provisions and Contingent Liabilities.....	20
XV. Explanations on Liabilities Regarding Employee Benefits.....	20
XVI. Explanations on Taxation	22
XVII. Additional Explanations on Borrowings	22
XVIII. Explanations on Exported Share Certificates	23
XIX. Explanations on Acceptances.....	23
XX. Explanations on Government Incentives.....	23
XXI. Explanations on Segment Reporting.....	23
XXII. Explanations on Other Matters.....	24

SECTION FOUR

Information on Financial Structure

I. Explanations Related to the Capital Adequacy Standard Ratio	25
II. Explanations Related to Market Risk	28
III. Explanations Related to Currency Risk.....	29
IV. Explanations Related to Interest Rate Risk	31
V. Explanations Related to Liquidity Risk	35

SECTION FIVE

Explanations and Disclosures on Unconsolidated Financial Statements

I. Explanations Related to the Assets	37
II. Explanations Related to the Liabilities	52
III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments	58
IV. Explanations and Disclosures Related to the Statement of Income.....	60
V. Explanations on the Risk Group of the Bank	64
VI. Other Explanations Related to the Operations of the Bank.....	65
VII. Other Explanations Related to the Events Arising Subsequent to Balance Sheet Date	65

SECTION SIX

Independent Auditors' Limited Review Report

I. Explanations on the Independent Auditor's Limited Review Report.....	66
II. Explanations and Notes Prepared by Independent Auditors	66

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue

The Bank was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on May 12, 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on May 12, 1950.

According to the classification set out in the Banking Law No: 5411, the statute of the Bank is "Development and Investment Bank". The Bank does not have the license of "Accepting Deposit". Since the establishment date of the Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank

Türkiye İş Bankası A.Ş. has the authority of managing and controlling power indirectly or directly, alone or together with other shareholders.

Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	300.587	50,10	300.587	-
T. Vakıflar Bankası T.A.O.	50.265	8,38	50.265	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	249.135	41,52	249.135	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	600.000	100,00	600.000	-

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION ONE (Cont'd)

GENERAL INFORMATION (Cont'd)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistant General Managers and Their Shares in the Bank

<u>Title (*)</u>	<u>Name and Surname</u>	<u>Academic Background</u>	<u>Task</u>	<u>Experience in Banking and Management Before Appointment</u>
Chairman of the Board of Directors	H. Ersin Özince (**)	Undergraduate		33 years
Vice Chairman of the Board of Directors	Kadir Akgöz	Undergraduate		28 years
Members of the Board of Directors	Yavuz Canevi	Postgraduate		13 years
	Süleyman Kalkan (***)	Undergraduate		26 years
	Mustafa Baran Tuncer	Doctorate		28 years
	Ertan Burhanettin Kantar	Undergraduate		16 years
	Kemal Serdar Dışli	Undergraduate		19 years
	Murat Bilgiç	Postgraduate		15 years
	Remzi Altınok	Undergraduate		17 years
	Memduh Aslan Akçay	Postgraduate		17 years
Member of the Board of Directors and General Manager	Halil Eroğlu	Undergraduate	CEO	24 years
Members of Audit Committee	Kemal Serdar Dışli	Undergraduate		19 years
	Murat Bilgiç	Postgraduate		15 years
Executive Vice Presidents	Şemseddin Arat	Postgraduate	Information Technology and Human Resources	23 years
	A.Orhan Beşkök	Postgraduate	Technical Services	19 years
	Şeniz Yarcın	Undergraduate	Treasury, Investment Banking and External Relation	16 years
	Burak Akgüç	Undergraduate	Corporate Marketing	14 years
	Ömer Eryılmaz	Undergraduate	Financial Control and Securities	20 years
	Çiğdem İçel	Undergraduate	Operations	17 years
	Ufuk Bala Yücel	Undergraduate	Loans	20 years
Statutory Auditors	Zeynep Hansu Uçar	Undergraduate	Auditor	13 years
	Mete Uluyurt	Postgraduate	Auditor	12 years

Changes

<u>Title</u>	<u>Left during the period</u>	<u>Appointed during the period</u>
Chairman of the Board of Directors	İsmet Cahit Kocaömer	H. Ersin Özince
Member of the Board of Directors	Mahmut Magemizoğlu	Süleyman Kalkan

(*)The shares of above directors in the Bank are symbolic.

(**) In the General Assembly held on March 25, 2009, İsmet Cahit Kocaömer who was the Chairman of the Board of Directors resigned his duty due to termination of term of office and H. Ersin Özince was appointed and declared as a member of the Board of Directors. In the Board of Directors meeting held on April 3, 2009, H. Ersin Özince was appointed as Chairman of the Board of Directors.

(***) In the Board of Directors Meeting held on March 25, 2009, Mahmut Magemizoğlu who was the member of the Board of Directors resigned from his duty due to termination of the term of office and Süleyman Kalkan was appointed and declared as a member of the Board of Directors.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION ONE (Cont'd)

GENERAL INFORMATION (Cont'd)

IV. Information about the Persons and Institutions that have Qualified Shares

T. İş Bankası A.Ş. (İş Bank) Group owns the qualified shares that control the Bank's capital directly or indirectly.

Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	300.587	50,10	300.587	-
T. Vakıflar Bankası T.A.O.	50.265	8,38	50.265	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	249.135	41,52	249.135	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	600.000	100,00	600.000	-

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

Türkiye Sınai Kalkınma Bankası A.Ş. ("the Bank") is the first private investment and development bank which was established by the Council of Ministers' resolution number of 3/11203 established in 1950 with the support of World Bank, T.R. Government, T.R. Central Bank and commercial banks. As per the articles of association published in the Official Gazette on June 2, 1950, the aim of TSKB is to support all private sector investments but specifically industrial sectors, to help domestic and foreign capital investors to finance the new firms and to help the development of Turkish capital markets. The Bank is succeeding its aim of developing private sector by giving, consulting, giving technical support and financial intermediary services.

The Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Bank has supported the development of the private sector by extending medium-term loans to more than 4000 firms. Since 1960's the Bank had continued to finance over 100 firms by investing in these entities as a shareholder. The Bank has also participated in improvement of capital markets by organizing public offerings of some firms.

The Bank has opened two branches in İzmir and Ankara in April 2006 to enhance marketing and valuation operations.

TSKB Bahrain Branch, is the only branch of TSKB in abroad, started its operations on January 18, 2005 after obtaining the off-shore banking license from Bahrain Central Bank (BMA) on December 30, 2004. The mission of the branch is to expand to Middle East and exercise all activities including capital market transactions and giving foreign currency loans.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

I.a Presentation of financial statements:

As prescribed in the Article 37 of the Banking Act No. 5411, banks shall, in line with the principles and procedures to be established by the Banking Regulation and Supervision Agency (“BRSA”) upon consulting the associations of financial institutions and the Turkish Accounting Standards Board taking into consideration international standards, ensure uniformity in their accounting systems; correctly record all their transactions; and timely and accurately prepare their financial reports in a style and format that will meet disclosure requirements, clearly reliable and comparable, and suitable for auditing, analysis and interpretation.

The Bank prepares its financial statements and underlying documents according to Communiqué on Banks’ Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, other communiqués, pronouncements and explanations about accounting and financial reporting issued by Banking Regulation and Supervision Agency, Turkish Commercial Code and Tax Legislation.

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

Amounts in the financial statements, the underlying explanations and disclosures are expressed in Thousands of Turkish Lira unless otherwise stated.

I.b The valuation principles used in the preparation of the financial statements:

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the related regulations, announcements and decrees of Turkish Accounting Standards, Turkish Financials Reporting Standards and BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXII.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

The main sources of the funds of the Bank have variable interest rates. The financial balances are monitored regularly and fixed and variable interest rate placements are undertaken according to the return on alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Due to the fact that the great majority of the loans extended by the Bank have the flexibility of reflecting the changes in market interest rates to customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebtedness securities portfolio have the attribute of eliminating the risks of interest rate volatility.

The Bank liquidity is regularly monitored. Moreover, the need of liquidity in foreign currencies is safeguarded by monetary swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors' expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in the placement decisions. The long term placements are made under project finance. A credit policy is implemented such a way that harmonizing the profitability of the project, the collateral and the value add introduced by the Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. When taking positions, the Bank's unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed.

The Bank's strategy of hedging interest rate and foreign currency risks arising from fixed and variable interest rate funds and foreign currency available for sale securities:

A great majority of foreign currency available for sale securities are financed with foreign currency resources. Accordingly, the expected depreciation of local currency against other currencies is eliminated. A foreign currency basket is in terms of the indicated foreign currency to eliminate the risk exposure of cross currency rates.

To mitigate the interest rate risk, a balanced asset composition is established in compliance with the structure of fixed and variable rate funding resources.

The hedging strategies for other foreign exchange risk exposures:

A stable foreign exchange position strategy is implemented. To be secured from cross currency risk, the current foreign exchange position is taken by considering a specific basket of foreign currencies.

The foreign exchange gains and losses on foreign currency transactions are accounted for in the period of the transaction. Foreign exchange assets and liabilities are translated to Turkish Lira using foreign exchange bid rates as of the balance sheet date, and the resulting gains and losses are recorded in foreign exchange gains or losses.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

III. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank is exposed to significant financial risk originating from the changes in the interest and foreign exchange rates as part of its normal operations. The Bank exercises derivative financial instruments to manage these interest and foreign exchange financial risks.

The Bank generally exercises foreign currency forward, swap, futures and option agreements.

The derivative instruments are accounted for at their fair values as of the date of the agreements entered into and subsequently valued at fair value. Some of the derivative instruments, although economical hedges, are accounted for as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments: Recognition and Measurement" ("TAS 39"). Realized gains or losses are reflected in the statement of income on these derivative instruments. Unrealized gains or losses arising from the change in the fair value are considered as in disallowable expenses or exempt income according to the current tax legislation.

The Bank has no derivative instruments used for hedging purposes.

IV. Interest Income and Expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method (the rate that equalizes the future cash flows of financial assets and liabilities to the current net book value).

In the current period, the Bank adopts discount of future cash flows method by excluding realized cash flows of financial assets or liabilities for the effective interest rate calculation. The effect of this application is accounted as interest income on loans and securities and interest expense on funds borrowed in the financial statements in the current period. If such change had not been made, accounts subject to the change would have been TRY 157 million, TRY 206 million and TRY 88 million, respectively.

In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

V. Fees and Commission Income and Expenses

Fees and commissions received from cash loans, that are not an integral part of the effective interest rate, and fees for various banking services are recorded as income when collected. Fees and commissions paid for the funds borrowed, which are not integral parts of the effective interest rate of the funds borrowed, are recorded as expense on the date of the payment. All other income and expenses, fee and commission income and expenses, including commissions received from non-cash loans are recorded on an accrual basis.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

VI. Explanations and Disclosures on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments constitute the basis of Bank's trading activities and operations. Risks related with these instruments constitute majority of total risks. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. The Bank trades these instruments on behalf of its customers and on its own behalf.

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

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

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

Fair value differences are not accounted for assets valued at cost or amortized cost; gain or loss of financial assets at fair value through profit and loss are reflected in the statement of income; gain or loss of available for sale assets are accounted for under the shareholders' equity.

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

Cash, Banks, and Other Financial Institutions:

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

Marketable Securities:

The Bank classifies its marketable securities in three groups:

Financial assets at fair value through profit and loss: These transactions are classified in two categories. (i) Trading securities for the purposes of short term profit taking through sale or buying back in a near future. (ii) The financial assets classified at inception as financial assets at fair value through profit or loss by the Bank. The Bank use such classification above when permitted or for the purposes of providing a more proper disclosure.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

VI. Explanations and Disclosures on Financial Assets (Cont'd)

In this category, trading securities are initially recognized at cost and measured at fair value on the financial statements. Fair values of securities that are traded in an active market are determined based on quoted prices or current market prices.

The difference between initial cost and fair value of financial assets at fair value through profit and loss is reflected to interest income or impairment on marketable securities accounts. Interest income and dividends from financial assets at fair value through profit and loss are reflected in interest income and dividend income.

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability. This portfolio excludes loans and receivables. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

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

Available for sale financial assets are initially recognized at cost including the transaction costs. The interest income related to securities with fixed and variable interest under available for sale financial assets are recorded in interest income. After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. At the disposal of available for sale financial assets, value increases/decreases recorded in the securities value increase fund under equity are transferred to income statement.

Loans:

Loans are financial assets which have fixed payment terms and are not traded.

Loans are initially recognized at cost and measured at amortized cost by using effective interest rate. The duties, charges and other expenses paid for the collaterals obtained against loans are accepted as transaction costs and reflected to customers.

Turkish Lira (TRY) cash loans are composed of foreign currency indexed loans, export guaranteed loans, loans financed by government funds. Foreign currency (FC) cash loans are composed of export financing loans and working capital loans.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

VI. Explanations and Disclosures on Financial Assets (Cont'd)

Foreign currency indexed loans, are converted into TRY from the foreign currency rates as of the opening date and followed in TRY accounts. Repayments are measured with the foreign currency rates at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement as well as their classification to non-performing loans as per the related regulations. The collections made related to loans including those on non-performing loans are recorded in "Provision for Loans and Other Receivables" and "Interest Received from Non-performing Loans" account.

Releases of loan loss provisions are recorded by reversing the provisions booked during the year and the collections made related to loan losses previously accounted for are recorded to collections related to the prior period expenses.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying value of a financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

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

VIII. Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

Funds provided under repurchase agreements are accounted under “Funds Provided under Repurchase Agreements-TRY” and “Funds Provided under Repurchase Agreements-FC” accounts.

All of the repurchase agreements of the Bank are based on the short-term government bonds. In the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement.

Receivables from reverse repurchase agreements are recorded in “Receivables from Reverse Repurchase Agreements” account in the balance sheet.

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale are measured at the lower of the assets’ carrying amount and fair value less costs to sell. Held for sale assets are not amortized and presented separately in the financial statements. In order to classify an asset as held for sale, only when the sale is highly probable, experienced quite often and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale. Highly saleable condition requires a plan by the management regarding the sale of the asset to be disposed of (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low. Various circumstances and conditions could extend the completion period of the sale more than one year. If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets).

A discontinued operation is a division that is either disposed or held for sale. Results of discontinued operations are included separately in the income statement.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XI. Explanations on Goodwill and Other Intangible Assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Bank's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The standalone financial statements of the Bank do not include goodwill as of the balance sheet date.

Intangible assets that are acquired prior to January 1, 2005 are carried at restated historical cost as of December 31, 2004; and intangible assets that are acquired subsequently are carried at cost less accumulated amortization, and any impairment. Intangible assets are depreciated over their expected useful lives. Depreciation method and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights and they are depreciated principally on a straight-line basis over 5 years.

XII. Explanations on Tangible Fixed Assets

The tangible fixed assets, purchased before January 1, 2005, are accounted for at their restated costs as of December 31, 2004 and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment.

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

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage or any other lien on tangible fixed assets.

Tangible fixed assets are depreciated with straight-line method and their useful lives are determined in accordance with the Turkish Accounting Standards.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XIII. Explanations on Leasing Transactions

The Bank as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. The lease payments are allocated as principle and interest. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

The Bank as Lessee

Assets held under finance leases are recognized as assets of the Bank at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in profit or loss in accordance with the Bank's general policy on borrowing costs. Tangible fixed assets acquired by financial leases are amortized based on the useful lives of the assets.

XIV. Explanations on Provisions and Contingent Liabilities

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

XV. Explanations on Liabilities Regarding Employee Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Bank. In retirement and involuntarily leaving, the Bank records the present value of the defined benefit obligation.

There is no indemnity obligations related to the employees who are employed with contract of limited duration exceeding 12 month period.

Employees of the Bank are members of "Türkiye Sınai Kalkınma Bankası Anonim Şirketi Memur ve Müstahdemleri Yardım ve Emekli Vakfı" and "Türkiye Sınai Kalkınma Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Vakfı" ("the Pension Fund"). Technical financial statements of those funds are subject to audit in accordance with the Insurance Law and provisions of "Regulations on Actuaries" issued based on the related law by an actuary registered in the Actuarial Registry.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XV. Explanations on Liabilities Regarding Employee Benefits (Cont'd)

Paragraph 1 of the provisional Article 23 of the Banking Act ("Banking Act") No: 5411 published in the Official Gazette No: 25983 on November 1, 2005 requires the transfer of banking funds to the Social Security Institution within 3 years as of the enactment date of the Banking Act. Under the Banking Act, in order to account for obligations, actuarial calculations will be made considering the income and expenses of those funds by a commission consisting of representatives from various institutions. Such calculated obligation shall be settled in equal installments in maximum 15 years. Nonetheless, the related Article of the Banking Law was annulled by the Constitutional Court's decision No: E. 2005/39 and K. 2007/33 dated March 22, 2007 that were published in the Official Gazette No: 26479 on March 31, 2007 as of the release of the related decision, the execution of this article was cancelled as of the publication of the decision and the underlying reasoning for the cancellation of the related article was published in the Official Gazette No: 26731 on December 15, 2007.

After the publication of the reasoning of the cancellation decision of the Constitutional Court, articles related with the transfer of banks pension fund participants to Social Security Institution based on Social Security Law numbered 5754 were accepted by the Grand National Assembly of Turkey on April 17, 2008 and published in the Official Gazette No: 26870 on May 8, 2008.

Present value for the liabilities of the transferees as of the transfer date would be calculated by a commission that involves representatives of Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, SDIF, banks and banks' pension fund institutions and technical interest rate, used in actuarial account, would be 9,80 %. If salaries and benefits paid by the pension fund of banks and income and expenses of the pension funds in respect of the insurance branches, stated in the Law, exceeds the salaries and benefits paid under the regulations of Social Security Institution, such differences would be considered while calculating the present value for the liabilities of the transferees and the transfers are completed within 3 years beginning from January 1, 2008.

The Main Opposition Party has appealed to the Higher Court on June 19, 2008 for cancellation of some articles, including the first paragraph of 20. temporary article of the Law, and requested them to be ineffective until the case of revocatory action is finalized. As of the date of the publication of these financial statements, there is no decision announced by the Higher Court regarding the revocatory action.

Unmet social benefits and payments of the pension fund participants and other employees that receive monthly income although they are within the scope of the related settlement deeds would be met by pension funds and the institutions employ these participants after the transfer of pension funds to the Social Security Institution.

The present value of the liabilities, subject to the transfer to the Social Security Institution, of the Pension Fund as of December 31, 2008 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per February 8, 2009 dated actuarial report, the liabilities, subject to the transfer to the Social Security Institution, are financed by the assets of the Pension Fund.

In addition, the Bank's management anticipates that any liability that may come out during the transfer period and after in the context expressed above, would be financed by the assets of the Pension Fund and would not cause any extra burden on the Bank.

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XVI. Explanations on Taxation

The income tax charge is composed of the sum of current tax and deferred tax.

The current tax liability is calculated over taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is also associated directly with equity. Deferred tax assets and liabilities are offset.

The Bank has adjusted its statutory financial statements as per the inflation accounting as of January 1, 2004 in accordance with the repeated article numbered 298 in Tax Procedural Law numbered 213 which was changed by the Law No: 5024.

According to the second paragraph of the Article 53 of the Banking Act No 5411 dated October 19, 2005, all specific reserves for loans and other receivables are considered as deductible expense for determining corporate tax base.

XVII. Additional Explanations on Borrowings

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

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

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XVIII. Explanations on Share Certificates

In the current period, the Bank's share capital has increased by TRY 100.000 Thousand. In the meeting of the General Assembly held on March 25, 2009; it has been resolved that, paid-in capital of the Bank will be increased from TRY 500.000 Thousand to TRY 600.000 Thousand by TRY 100.000 Thousand. In respect of the resolution of the General Assembly, TRY 96.000 Thousand of this increase will be incorporated from the profit of the year 2008 and TRY 4.000 Thousand from extraordinary reserves. The increase in paid-in capital was approved by BRSA on April 29, 2009 and the registration has been completed on June 12, 2009. The increase in paid in capital has been published in the Turkey Trade Registry Gazette No: 7335 on June 18, 2009.

In the prior period, the Bank's share capital has increased by TRY 100.000 Thousand. In respect of the resolution of the General Assembly, TRY 84.000 Thousand of this increase has been incorporated from the profit of the year 2007 and TRY 16.000 Thousand from the share capital inflation restatement adjustment. The increase in paid in capital was approved by the BRSA on April 11, 2008 and by the resolution of the Capital Markets Board numbered 15/582 on May 23, 2008. The registration has been completed by T.C. Istanbul Trade Registry on May 30, 2008 and the increase has been recorded to the capital account.

XIX. Explanations on Acceptances

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

XX. Explanations on Government Incentives

The Bank does not use government incentives.

XXI. Explanations on Segment Reporting

In accordance with its mission, the Bank mainly operates in investment and corporate banking segments.

Corporate Marketing Management operations are included in the corporate banking. The corporate banking is serving financial solutions and banking services for its large-scale corporate customers. Among the services given to corporate customers are; TRY and foreign exchange operating loans, investment credits, project financing, letters of credit and letters of guarantees.

The activities of investment banking are; the operations of Treasury, Corporate Finance, Research, Financial Institutions and Marketable Securities and Portfolio Management departments. Under the investment banking activities, portfolio management for corporate and individual customers, marketable securities intermediary activities, cash management and all types of corporate finance services are provided.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XXI. Explanations on Segment Reporting (Cont'd)

The segmental allocation of the Bank's net profit with total assets and total liabilities are shown below.

Current Period	Corporate	Investment Banking	Other	Total
Net Interest Income	72.384	117.381	-	189.765
Net Commission and Fees Income	2.754	1.512	331	4.597
Other Income	20.069	2.945	20.516	43.530
Other Expense	(42.262)	(21.366)	(13.509)	(77.137)
Profit Before Tax	52.945	100.472	7.338	160.755
Tax Provision				(27.878)
Net Profit				132.877
Current Period	Corporate	Investment Banking	Other	Total
Segment Assets	3.769.683	2.570.662	79.352	6.419.697
Investment in Associates and Subsidiaries	-	-	234.726	234.726
Total Assets	3.769.683	2.570.662	314.078	6.654.423
Segment Liabilities	3.922.570	1.582.368	153.265	5.658.203
Shareholder's Equity	-	-	996.220	996.220
Total Liabilities	3.922.570	1.582.368	1.149.485	6.654.423
Prior Period (*)	Corporate	Investment Banking	Other	Total
Net Interest Income	68.832	105.663	-	174.495
Net Commission and Fees Income	1.644	1.368	(260)	2.752
Other Income	4.559	-	28.035	32.594
Other Expense	(17.756)	(49.632)	(19.167)	(86.555)
Profit Before Tax	57.279	57.399	8.608	123.286
Tax Provision				(22.465)
Net Profit				100.821
Prior Period (**)	Corporate	Investment Banking	Other	Total
Segment Assets	3.884.019	1.939.617	196.696	6.020.332
Investment in Associates and Subsidiaries	-	-	188.525	188.525
Total Assets	3.884.019	1.939.617	385.221	6.208.857
Segment Liabilities	4.003.192	1.336.713	118.895	5.458.800
Shareholder's Equity	-	-	750.057	750.057
Total Liabilities	4.003.192	1.336.713	868.952	6.208.857

(*)The information is related to September 30, 2008.

(**)The information is related to December 31, 2008.

XXII. Explanations on Other Matters

Explanation for convenience translation to English

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

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The capital adequacy ratio is 24,30% as at September 30, 2009 (December 31, 2008: 21,11%). Related to the calculation of the capital adequacy ratio, the risk weighted assets, the commitments and non-cash loans are classified according to the collateral groups and evaluated within the particular risk group.

Information related to the capital adequacy ratio: (Thousand TRY)

	Risk Weight						
	Bank						
	0 %	10 %	20 %	50 %	100 %	150 %	200 %
Amounts Subject to Credit Risk							
Balance Sheet items (Net)	155.857	-	630.763	794.086	2.665.248	-	-
Cash	279	-	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	2.565	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	67.384	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	20.175	-	-	-	-	-	-
Loans	5.420	-	526.488	766.798	2.309.499	-	-
Non-performing Loans (Net)	-	-	-	-	-	-	-
Financial Lease Receivables	493	-	36.891	27.288	96.806	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-	-
Held to Maturity Investments	98.327	-	-	-	-	-	-
Receivables from Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	2.271	-	-
Interest and Income Accruals (*)	-	-	-	-	-	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	7.597	-	-	-	227.129	-	-
Tangible Assets	-	-	-	-	23.780	-	-
Other Assets	21.001	-	-	-	5.763	-	-
Off-Balance Sheet Items	860.126	-	104.996	15.452	267.816	-	-
Guarantees and Commitments	860.126	-	89.594	15.452	263.116	-	-
Derivative Financial Instruments	-	-	15.402	-	4.700	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	1.015.983	-	735.759	809.538	2.933.064	-	-

(*) Interest and income accruals are included in related accounts.

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	3.484.985	3.505.155
Amount Subject to Market Risk (ASMR)	563.663	374.888
Amount Subject to Operational Risk (ASOR)	330.695	280.666
Shareholders' Equity	1.064.369	878.510
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	24,30	21,11

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

I. Explanations Related to the Capital Adequacy Standard Ratio (Cont'd)

Information related to the components of shareholders' equity:

	September 30, 2009	December 31, 2008
CORE CAPITAL		
Paid-in capital	600.000	500.000
Nominal capital	600.000	500.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	374	374
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	55.900	42.581
First legal reserve (Turkish Commercial Code 466/1)	28.184	22.235
Second legal reserve (Turkish Commercial Code 466/2)	27.716	20.346
Other legal reserve per special legislation	-	-
Statutory reserves	28.184	22.235
Extraordinary reserves	99.712	102.699
Reserves allocated by the General Assembly	96.792	99.779
Retained earnings	2.920	2.920
Accumulated losses	-	-
Foreign currency share capital exchange differences	-	-
Inflation adjustment on legal reserves, statutory reserves and extraordinary reserves	-	-
Profit	132.877	118.981
Current period profit	132.877	118.981
Prior years' profits	-	-
Provisions for possible losses up to 25 % of core capital	-	25.000
Gains on sale of associates and subsidiaries and properties to be added to capital	28.378	28.378
Primary subordinated loans up to 15 % of the Core Capital	-	-
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Leasehold improvements (-)	(439)	-
Prepaid expenses (-)	(4.525)	(3.368)
Intangible assets (-)	(547)	(437)
Deferred tax asset exceeding 10 % of the Core Capital (-)	-	-
Excess amount as per the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	939.914	836.443

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

I. Explanations Related to the Capital Adequacy Standard Ratio (Cont'd)

Information related to the components of shareholders' equity (Cont'd):

	September 30, 2009	December 31, 2008
SUPPLEMENTARY CAPITAL		
General Loan Loss Provisions	31.108	32.598
45 % of the revaluation reserve for movable fixed assets	-	-
45 % of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	74.300	75.800
Marketable securities value increase fund	19.898	(65.191)
Associates and subsidiaries	(5.381)	(36.196)
Available for sale securities	25.279	(28.995)
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	125.306	43.207
TIER III CAPITAL	-	-
CAPITAL	1.065.220	879.650
DEDUCTIONS FROM THE CAPITAL	(851)	(1.140)
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than Ten percent of capitals which exceed the ten Percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements in securities of these entities that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	(851)	(1.140)
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	1.064.369	878.510

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

II. Explanations Related to Market Risk

In order to avoid the market risk and restrict the risks carried, the Board of Directors determines the limits on market risk. Risk, nominal and proportional limitation systems are used and the related reports are presented to Board of Directors, relevant committees and top management.

The guidelines prepared by Risk Management Group that is composed of Risk Management Directorate and Risk Management Committee regarding organization, responsibility and operations are approved by the Board of Directors. Risk management policies are determined and announced throughout the Bank.

The standard method is used to calculate the consolidated and unconsolidated market risk. In addition to the standard method, the Bank applies parametric and historical simulation models to securities portfolio, foreign currency position on a daily or monthly basis to detect the market risks. The success of these models is tested retrospectively. The Bank also makes VaR calculations, scenario analyses and stress tests to detect the risks not caught by using internal models. Market risk is measured on a daily basis and reported to top management, Audit Committee and Board of Directors weekly and monthly.

The market risk table is as follows:

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	36.026
Resulting from Financial Instruments related to Interest Income	34.048
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	1.978
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	7.422
Resulting from Financial Instruments related to Interest Income	3.699
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	3.723
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	1.645
Capital Requirement	1.636
Capital Requirement Calculated for Options Subject to Foreign Currency Risk	9
(IV) Capital Requirement to be Employed for Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed for Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed for Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed for Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	45.093
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	563.663

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

III. Explanations Related to Currency Risk

No long or short position is taken due to the uncertainties and changes in the markets therefore; no exposure to foreign currency risk is expected. However, possible foreign currency risks are calculated on a weekly and monthly basis under the standard method in the foreign currency risk table and their results are reported to the official authorities and the Bank's top management. Thus, foreign currency risk is closely monitored. Foreign currency risk, as a part of general market risk, is also taken into consideration in the calculation of Capital Adequacy Standard Ratio.

No short position is taken regarding foreign currency risk, whereas, counter position is taken for any foreign currency risks arising from customer transactions as to avoid foreign currency risk.

The Bank has no hedging transactions through derivative instruments for its foreign currency borrowings and net foreign currency investments.

Announced current foreign exchange buying rates of the Bank as at the balance sheet date and the previous five working days in USD, EURO and YEN are as follows:

	1 US Dollar	1 EURO	YEN
A. Bank "Foreign Exchange Valuation Rate"			
September 30, 2009	1,4860	2,1728	0,0166
<u>Prior Five Workdays:</u>			
September 29, 2009	1,4860	2,1761	0,0165
September 28, 2009	1,4900	2,1751	0,0167
September 25, 2009	1,4830	2,1773	0,0163
September 24, 2009	1,4830	2,1824	0,0163
September 23, 2009	1,4700	2,1763	0,0162

Simple arithmetic thirty-day averages of the USD, EURO and YEN buying rates of the Bank before the balance sheet date are TRY 1,4862, TRY 2,1637 and TRY 0,0163; respectively.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

III. Explanations Related to Currency Risk (Cont'd)

Information on the Bank's foreign currency risk: Foreign Currencies (TRY Thousand):

Current Period	EURO	USD	Yen	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey.	2.365	94	-	4	2.463
Banks	14.527	22.829	448	1.232	39.036
Financial Assets at Fair Value Through Profit and Loss	1.591	1.534	-	-	3.125
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	100.718	384.091	-	-	484.809
Loans (*)	1.918.454	1.624.098	22.087	-	3.564.639
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	2	2
Intangible Assets	-	-	-	-	-
Other Assets (**)	154.363	31.065	3.068	4	188.500
Total Assets	2.192.018	2.063.711	25.603	1.242	4.282.574
Liabilities					
Bank Deposits	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-
Money Market Borrowings	14.972	37.624	-	-	52.596
Funds Provided From Other Financial Institutions	2.231.039	1.959.282	39.519	476	4.230.316
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	5.881	9.913	-	2	15.796
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	1.525	1.587	5	-	3.117
Total Liabilities	2.253.417	2.008.406	39.524	478	4.301.825
Net Balance Sheet Position	(61.399)	55.305	(13.921)	764	(19.251)
Net Off-Balance Sheet Position	62.206	(45.030)	5.232	-	22.408
Financial Derivative Assets	173.827	158.097	41.587	5.089	378.600
Financial Derivative Liabilities	(111.621)	(203.127)	(36.355)	(5.089)	(356.192)
Non-Cash Loans (****)	132.115	260.532	-	-	392.647
Prior Period					
Total Assets	2.271.496	2.230.104	58.598	1.508	4.561.706
Total Liabilities	2.276.246	2.133.047	80.536	2.278	4.492.107
Net Balance Sheet Position	(4.750)	97.057	(21.938)	(770)	69.599
Net Off-Balance Sheet Position	29.682	(88.623)	21.878	1.708	(35.355)
Financial Derivative Assets	74.701	100.179	21.878	1.708	198.466
Financial Derivative Liabilities	(45.019)	(188.802)	-	-	(233.821)
Non-Cash Loans (****)	141.772	174.453	-	30.676	346.901

(*) Loans extended, include TRY 1.518.793 Thousand foreign currency indexed loans.

(**) TRY 4.002 Thousand prepaid expenses have not been included to other assets.

(***)TRY 8.822 Thousand marketable securities valuation differences have not been presented in others liabilities.

(****) Has no effect on net off-balance sheet position.

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Interest Rate Risk

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank. General and specific interest rate risk tables in the standard method, by including assets and liabilities, are taken into account in determination of Capital Adequacy Standard Ratio and to calculate the overall interest rate risk of the Bank.

Forecast results which have been formed using estimation-simulation reports are prepared and then the effects of fluctuations in interest rates are evaluated with sensitivity and scenario analyzes. Cash requirement for every maturity period are determined based on maturity distribution analysis (Gap). In addition, a positive spread between the yield on assets and the cost of liabilities is kept while determining interest rates.

The amount of local borrowings is very low considering the total liabilities of the Bank. As the Bank is a development and investment bank, it obtains most of the funding from abroad.

The fluctuations in interest rates are controlled with interest rate risk tables, gap analysis, scenario analysis and stress tests, its effect in assets and liabilities and the probable changes in cash flows are being screened. The Bank screens many risk control ratios including the markets risk ratio to the sum of risk weighted assets and the ratio of the value at risk calculated as per the internal model to the equity.

Under the scope of risk policies, continuous controls are made to prevent assets or shareholders' equity from adverse effects because of fluctuations in interest rates or liquidity difficulties and upper management, Board of Directors and Audit Committee are informed of these risks.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Interest Rate Risk (Cont'd)

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Non-interest bearing(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey.	-	-	-	-	-	2.844	2.844
Banks	37.557	-	-	-	-	29.827	67.384
Financial Assets at Fair Value Through Profit and Loss	888	6.520	4.653	40.218	-	698	52.977
Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	560.559	151.019	835.117	495.790	282.621	24.024	2.349.130
Loans	682.257	1.120.483	1.609.772	155.480	40.213	-	3.608.205
Held-to-Maturity Investments	-	-	98.327	-	-	-	98.327
Other Assets	28.234	78.705	35.704	18.835	-	314.078	475.556
Total Assets	1.309.495	1.356.727	2.583.573	710.323	322.834	371.471	6.654.423
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	1.143.086	3.858	27.976	-	-	-	1.174.920
Sundry Creditors	-	-	-	-	-	40.062	40.062
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	688.682	1.355.011	2.175.630	59.031	34.626	-	4.312.980
Other Liabilities	648	6.555	3.690	6.145	-	1.109.423	1.126.461
Total Liabilities	1.832.416	1.365.424	2.207.296	65.176	34.626	1.149.485	6.654.423
Balance Sheet Long Position	-	-	376.277	645.147	288.208	-	1.309.632
Balance Sheet Short Position	(522.921)	(8.697)	-	-	-	(778.014)	(1.309.632)
Off-Balance Sheet Long Position	-	82	465	5.349	-	-	5.896
Off-Balance Sheet Short Position (**)	(1.655.667)	-	-	-	-	-	(1.655.667)
Total Position	(2.178.588)	(8.615)	376.742	650.496	288.208	(778.014)	(1.649.771)

(*) Amounts in other assets and shareholders' equity are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

(**) TRY 1.653.524 Thousand of this amount is interest rate futures - buy with a maturity between 1-5 years and showed as nominal value. These balance is showed under "Up to 1 month" column since these transactions are under daily interest exposure.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Interest Rate Risk (Cont'd)

Average interest rates applied to monetary financial instruments: %

	EURO	USD	Yen	TRY
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0,55	-	-	8,53
Financial Assets at Fair Value through Profit and Loss	-	-	-	9,79
Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	4,08	6,10	-	13,45
Loans	4,14	3,69	4,87	12,91
Held-to-Maturity Investments	-	-	-	14,24
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,33	1,09	-	7,58
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	1,60	1,44	1,96	-

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Interest Rate Risk (Cont'd)

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Non-interest bearing(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey.	-	-	-	-	-	2.878	2.878
Banks	118.406	-	-	-	-	28.662	147.068
Financial Assets at Fair Value Through Profit and Loss	983	2.903	8.501	14.205	-	550	27.142
Money Market Placements	7.584	-	-	-	-	-	7.584
Available-for-Sale Financial Assets	4.819	502.186	633.326	320.776	272.759	21.079	1.754.945
Loans	1.368.925	1.296.140	803.365	166.237	33.739	-	3.668.406
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	11.629	107.818	69.667	18.553	7.945	385.222	600.834
Total Assets	1.512.346	1.909.047	1.514.859	519.771	314.443	438.391	6.208.857
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	804.422	1.324	650	-	-	-	806.396
Sundry Creditors	-	-	-	-	-	29.925	29.925
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1.435.852	1.853.760	1.071.937	106.161	38.863	-	4.506.573
Other Liabilities	7.368	4.775	10.354	4.440	-	839.026	865.963
Total Liabilities	2.247.642	1.859.859	1.082.941	110.601	38.863	868.951	6.208.857
Balance Sheet Long Position	-	49.188	431.918	409.170	275.580	-	1.165.856
Balance Sheet Short Position	(735.296)	-	-	-	-	(430.560)	(1.165.856)
Off-Balance Sheet Long Position	-	14	-	9.635	-	-	9.649
Off-Balance Sheet Short Position	(6.090)	-	(519.131)	-	-	-	(525.221)
Total Position	(741.386)	49.202	(87.213)	418.805	275.580	(430.560)	(515.572)

(*) Amounts in other assets and shareholders' equity are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Interest Rate Risk (Cont'd)

Average interest rates applied to monetary financial instruments in prior period: %

	EURO	USD	Yen	TRY
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	1,18	-	-	-
Banks	1,89	-	-	15,00
Financial Assets at Fair Value through Profit and Loss	-	-	-	12,24
Money Market Placements	-	2,00	-	-
Available-for-Sale Financial Assets	5,29	7,13	-	18,32
Loans	6,78	5,27	4,88	20,05
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,86	1,38	-	15,33
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	4,44	3,47	1,96	16,00

V. Explanations Related to Liquidity Risk

The Bank's future cash flows and current positions are taken into consideration for managing the market and liquidity risks. The Bank does not invest into illiquid markets and instruments. The liquidity ratios are followed up and the maturity match and the coverage of liquidity need are targeted in the context of asset- liability management.

Although the Bank started to perform tests to calculate liquidity risk with internal models, the risk is still followed up basically by adapting the risks to "holding period" data.

For the purpose of meeting the liquidity requirement, the Bank chooses one of the three or more of the following; disposing liquid assets, increasing short-term borrowing, decreasing unliquid assets or increasing capital. The Bank's liquidity management is implemented by meeting all the obligations on time considering the Bank's reputation. The cash flow projections and the fund requirement predictions are made by using adverse scenarios to determine liquidity risk under urgent and unexpected circumstances.

As seen on interest rate risk tables, the difference in interest rates of assets and liabilities is in favor of the assets. Such mismatch positively affects the profitability and is checked by the Bank Management with regular reports.

The Bank meets its short term liquidity requirements with repurchase agreements and inter-bank money market operations. The Bank may also use its available for sale portfolio for urgent liquidity requirement. The Bank meets its long term liquidity needs from the international institutions through borrowings.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

V. Explanations Related to Liquidity Risk (Cont'd)

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Undistributed(*)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	2.844	-	-	-	-	-	-	2.844
Banks	29.827	37.557	-	-	-	-	-	67.384
Financial Assets at Fair Value Through Profit and Loss	698	888	6.520	4.653	40.218	-	-	52.977
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	3.370	183.602	63.919	556.406	1.238.641	282.538	20.654	2.349.130
Loans Held-to-Maturity	-	51.026	111.888	687.588	2.209.782	547.921	-	3.608.205
Investments	-	-	-	-	98.327	-	-	98.327
Other Assets	-	6.060	12.498	56.041	86.879	-	314.078	475.556
Total Assets	36.739	279.133	194.825	1.304.688	3.673.847	830.459	334.732	6.654.423
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	270.659	34.776	399.869	1.571.079	2.036.597	-	4.312.980
Money Market Borrowings	-	1.143.086	3.858	27.976	-	-	-	1.174.920
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	-	-	-	-	-	40.062	40.062
Other Liabilities	-	648	6.555	3.690	6.145	-	1.109.423	1.126.461
Total Liabilities	-	1.414.393	45.189	431.535	1.577.224	2.036.597	1.149.485	6.654.423
Liquidity Gap	36.739	(1.135.260)	149.636	873.153	2.096.623	(1.206.138)	(814.753)	-
Prior Period								
Total Assets	34.834	274.856	158.430	1.090.711	3.071.469	1.174.998	403.559	6.208.857
Total Liabilities	-	1.067.373	103.087	592.577	1.438.645	2.138.224	868.951	6.208.857
Liquidity Gap	34.834	(792.517)	55.343	498.134	1.632.824	(963.226)	(465.392)	-

(*) Other asset and liability balances, which are necessary and cannot be converted into cash in the near future for the Bank's ongoing activities, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans are classified under undistributed.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations Related to the Assets

1.a Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	115	164	89	168
Balances with the Central Bank of Turkey	266	2.299	484	2.137
Other	-	-	-	-
Total	381	2.463	573	2.305

1.b Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposits	266	2.299	484	2.137
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Total	266	2.299	484	2.137

2.a Information on financial assets at fair value through profit and loss:

2.a.1 Trading securities

2.a.1.a Trading securities given as collateral or blocked

As of the balance sheet date, the Bank has no trading securities given as collateral or blocked (December 31, 2008: None).

2.a.1.b Trading securities subject to repurchase agreements

As of the balance sheet date, the Bank has no trading securities subject to repurchase agreements (December 31, 2008: None).

2.a.2 Information on financial assets designated at fair value through profit and loss

2.a.2.a Information on financial assets designated at fair value through profit and loss given as collateral or blocked

As of the balance sheet date, the Bank has no financial assets designated at fair value through profit and loss given as collateral or blocked (December 31, 2008: None).

2.a.2.b Financial assets designated at fair value through profit and loss subject to repurchase agreements

As of the balance sheet date, the Bank has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2008: None).

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

2.b Positive differences table related to derivative financial assets held-for-trading:

Held for trading financial derivative instruments	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	71	-	57	-
Swap Transactions	7.582	1.646	18.698	667
Futures Transactions	-	-	-	-
Options	7.277	1.479	-	1.633
Other	-	-	-	-
Total	14.930	3.125	18.755	2.300

3. Information on Banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	28.348	21.069	2.754	914
Foreign	-	17.967	-	143.400
Branches and head office abroad	-	-	-	-
Total	28.348	39.036	2.754	144.314

4. Information on Financial Assets Available-for-Sale:

4.a.1 Financial assets available-for-sale subject to repurchase agreements

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	1.163.148	52.477	827.384	41.302
Treasury bills	-	-	72	-
Other debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1.163.148	52.477	827.456	41.302

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

4. Information on Financial Assets Available-for-Sale (Cont'd)

4.a.2 Information on financial assets available-for-sale given as collateral or blocked

All financial assets available for sale given as collateral comprise of financial assets issued by the Turkish Treasury. The carrying value of those assets is TRY 298.777 Thousand (December 31, 2008: TRY 292.951 Thousand).

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	136.605	162.172	129.809	163.142
Other	-	-	-	-
Total	136.605	162.172	129.809	163.142

4.b Major types of available for sale financial assets

Available for sale financial assets comprise 80,69 % government bonds, 11,49 % Eurobonds and 7,82 % shares and other securities (December 31, 2008: 1,53% treasury bills, 76,79% government bonds, 16,52% Eurobonds and 5,16% shares and other securities).

Financial and non-financial investments, to which the Bank has invested between 0,15% to 5% are classified in available-for-sale financial assets.

4.b.1 Information on financial assets available for sale portfolio

	Current Period	Prior Period
Debt securities	2.330.973	1.768.626
Quoted on a stock exchange	1.917.982	1.397.467
Not quoted	412.991	371.159
Share certificates	28.765	28.217
Quoted on a stock exchange	4.691	4.593
Not quoted	24.074	23.624
Impairment provision(-)	(13.978)	(44.640)
Other	3.370	2.742
Total	2.349.130	1.754.945

All unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 13.431 Thousand which is recorded at cost since respective fair values cannot be reliably measured.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

I. Explanations Related to the Assets (Cont'd)

5. Information on Loans:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	94.740	141.759	72.765	141.759
Corporate shareholders	94.740	141.759	72.765	141.759
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	216	-	225	-
Total	94.956	141.759	72.990	141.759

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

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	3.501.368	25.907	16.843	64.087
Discount notes	16.993	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Investment loans	2.077.718	7.019	9.312	60.781
Loans given to financial sector	836.699	-	-	-
Foreign loans	43.961	-	-	-
Consumer loans	216	-	-	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	525.781	18.888	7.531	3.306
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	3.501.368	25.907	16.843	64.087

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

I. Explanations Related to the Assets (Cont'd)

5. Information on Loans (Cont'd):

5.c Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TRY	145	71	216
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	145	71	216
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	145	71	216

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

5. Information on Loans (Cont'd):

5.d Information on commercial loans with installments and corporate credit cards

The Bank has not granted any commercial loans with installments and corporate credit cards as of the balance sheet date (December 31, 2008: None).

5.e Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	3.564.244	3.663.343
Foreign loans	43.961	5.063
Total	3.608.205	3.668.406

5.f Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	158.924	134.654
Indirect loans granted to subsidiaries and associates	-	-
Total	158.924	134.654

5.g Specific provisions provided against loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	-	-
Loans and receivables with doubtful collectability	-	-
Uncollectable loans and receivables	22.553	25.428
Total	22.553	25.428

The Bank allocates 100 % provision for all non-performing loans regardless of the collaterals.

5.h Information on non-performing loans (Net)

5.h.1 Information on loans and other receivables restructured or rescheduled from non-performing loans

	III. Group Loans and Receivables With Limited Collectability	IV. Group Loans and Receivables With Doubtful Collectability	V. Group Uncollectable Loans and Receivables
Current Period			
(Gross amounts before provisions)	-	-	7.163
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	7.163
Prior Period			
(Gross amounts before provisions)	-	-	5.336
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	5.336

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

5. Information on Loans (Cont'd):

5.h Information on non-performing loans (Net) (Cont'd)

5.h.2 Movement of non-performing loans:

	III. Group Loans and Receivables With Limited Collectability	IV. Group Loans and Receivables With Doubtful Collectability	V. Group Uncollectible Loans and Receivables
Prior period end balance	-	-	25.428
Additions (+)	181	4	1.147
Transfers from other categories of non-performing loans (+)	-	-	181
Transfers to other categories of non-performing loans (-)	(181)	-	-
Collections (-)	-	(4)	(4.090)
Write-offs (-)	-	-	(113)
Corporate and Commercial Loans	-	-	(113)
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current period end balance	-	-	22.553
Specific provision (-)	-	-	(22.553)
Net Balances on Balance Sheet	-	-	-

5.h.3 Information on foreign currency non-performing loans and other receivables:

	III. Group Loans and Receivables With Limited Collectability	IV. Group Loans and Receivables With Doubtful Collectability	V. Group Uncollectible Loans and Receivables
Current Period			
Period End Balance	-	-	5.685
Special Provision (-)	-	-	(5.685)
Net Balance on Balance Sheet	-	-	-
Prior Period			
Period End Balance	-	-	7.464
Special Provision (-)	-	-	(7.464)
Net Balance on Balance Sheet	-	-	-

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

I. Explanations Related to the Assets (Cont'd)

5. Information on Loans (Cont'd):

5.h Information on non-performing loans (Net) (Cont'd)

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

	III. Group Loans and Receivables With Limited Collectability	IV. Group Loans and Receivables With Doubtful Collectability	V. Group Uncollectable Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	17.210
Specific Provision Amount (-)	-	-	(17.210)
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	5.343
Specific Provision Amount (-)	-	-	(5.343)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	20.085
Specific Provision Amount (-)	-	-	(20.085)
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	5.343
Specific Provision Amount (-)	-	-	(5.343)
Other Loans and Receivables (Net)	-	-	-

5.i Main principles of liquidating loans and receivables:

If there are collaterals received complying Article 9 of the Communiqué regarding “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, these collaterals are converted into cash immediately using either administrative or legal procedures in order to collect those receivables.

In cases of no collaterals, several financial investigations are made to determine whether any property holdings are subsequently acquired by applying legal procedures, even if there is evidence of insolvency for the debtor.

Before and after the beginning of the liquidation process; the Bank management makes investigations on the financial data of the debtor companies. As a result of these investigations, if the Bank management agrees that the companies show any indication of operating on an ongoing basis and probably are going to have contributions in the economical environment in the future; the Bank management tries to make the collection through rescheduling the payment terms.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

6. Information on Held-to-Maturity Investments:

6.a Information on held-to-maturity investments given as collateral or blocked

6.a.1 As of the balance sheet date, the Bank has no held-to-maturity investments securities given as collateral or blocked (December 31, 2008: None).

6.a.2 As of the balance sheet date, the Bank has TRY 74.790 Thousand of investment securities held-to-maturity subject to repurchase agreements (December 31, 2008: None).

6.b Information on investment securities held-to-maturity

As of the balance sheet date, the Bank has TRY 98.327 Thousand of investment securities held-to-maturity (December 31, 2008: None).

6.c Movement of investment securities held-to-maturity

	Current Period	Prior Period
Beginning Balance	-	-
Foreign currency differences on monetary assets	-	-
Purchases during year	95.788	-
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Closing Balance	95.788	-
Interest and Income Accruals	2.539	-
Total	98.327	-

The Bank transferred a portion of its marketable securities in the Available-for-Sale and Financial Assets at Fair Value through Profit and Loss portfolio with a notional amount of TRY 81.166 Thousand and TRY 4.900 Thousand respectively to its Held-to-Maturity portfolio due to the change in the intention. The fair value of these securities was TRY 95.788 Thousand as of the transfer date, which is shown as "Purchases during the year" in the above table. For the securities transferred from Available-for-Sale portfolio, the positive valuation differences amounting to TRY 2.220 Thousand under equity realized until the transfer date of these securities will be amortized and transferred to profit/loss till the maturity of these securities. As of the balance sheet date, the positive valuation difference that remains under equity is TRY 2.149 Thousand.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

7. Information on Associates (Net):

7.a.1 Information on associates

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	GÖZLÜK SANAYİ A.Ş. (Gözlük)	Izmir/Turkey	21,71	21,71
2	İŞ FACTORİNG FİNANSMAN HİZMETLERİ A.Ş. (İş Factoring)	Istanbul/Turkey	21,75	100,00
3	İŞ FİNANSAL KİRALAMA A.Ş. (İş Finansal)	Istanbul/Turkey	28,56	58,54
4	İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. (İş Girişim)	Istanbul/Turkey	16,67	48,75
5	SENAPA-STAMPA AMBALAJ SANAYİ VE TİCARET A.Ş. (Senapa)	Kocaeli/Turkey	6,95	6,95
6	TERME METAL SANAYİ VE TİCARET A.Ş. (Terme)	Istanbul/Turkey	17,83	18,76
7	TSKB YATIRIM ORTAKLIĞI A.Ş. (TSKB Y.O.)	Istanbul/Turkey	22,53	36,25
8	ÜNSA AMBALAJ SANAYİ VE TİCARET A.Ş. (Ünsa)	Istanbul/Turkey	7,52	7,52

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit /Loss	Prior Period Profit/Loss	Fair Value
Gözlük (1)	3.052	2.610	73	86	-	98	3.666	-
İş Factoring (2)	225.740	38.474	104	4.483	4	5.782	20.016	-
İş Finansal (3)	1.185.854	309.401	724	10.725	-	30.689	76.309	66.402
İş Girişim (4)	127.447	124.544	840	-	-	3.782	19.832	11.173
Senapa (5)	34.372	6.209	24.951	-	-	(118)	(1.536)	-
Terme (6)	12.753	1.959	954	54	-	489	420	-
TSKB Y.O. (7)	39.496	39.185	-	38	677	10.346	(3.081)	4.780
Ünsa (8)	75.775	32.279	22.362	149	-	746	(5.327)	-

- (1) Represents un-reviewed 30.06.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.
(2) Represents un-reviewed 30.09.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.
(3) Represents un-reviewed 30.09.09 unconsolidated financial statements. Prior year profit/loss is obtained from 31.12.08 consolidated financial statements. Fair value is presented as of 30.09.09.
(4) Represents reviewed 30.06.09 consolidated financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements. Fair value is presented as of 30.09.09.
(5) Represents un-reviewed 30.06.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.
(6) Represents un-reviewed 30.06.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.
(7) Represents un-reviewed 30.09.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements. Fair value is presented as of 30.09.09.
(8) Represents un-reviewed 30.06.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

I. Explanations Related to the Assets (Cont'd)

7. Information on Associates (Net) (Cont'd):

7.a.2 Information on associates

	Current Period	Prior Period
Balance at the Beginning of the Period	45.986	99.938
Movements During the Period	46.201	(53.952)
Purchases	-	-
Bonus Shares Obtained	15.386	12.995
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase	30.815	-
Provision for Impairment	-	(66.947)
Balance at the End of the Period	92.187	45.986
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

TSKB Yatırım Ortaklığı A.Ş. and Yatırım Finansman Yatırım Ortaklığı A.Ş., associates of the Bank, merged under TSKB Yatırım Ortaklığı A.Ş. on June 25, 2009 according to prior approval of the Capital Market Board on May 13, 2009 and resolution of extraordinary General Assembly, by ceasing all rights, receivables, liabilities and legal jurisdiction of Yatırım Finansman Yatırım Ortaklığı A.Ş. After the merger, the capital of TSKB Yatırım Ortaklığı A.Ş. has been increased to TRY 29.068 Thousand from TRY 18.000 Thousand; and TRY 1.107 Thousand unit of stocks of merged entity was given against to each TRY 1 unit of stock of Yatırım Finansman Yatırım Ortaklığı A.Ş.

7.a.3 Sectoral information of associates and the related carrying amounts in the legal books

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.551	1.551
Leasing Companies	66.402	27.476
Financial Service Companies	-	-
Other Associates	24.234	16.959

7.a.4 Information on associates quoted on stock market:

	Current Period	Prior Period
Associates quoted on domestic stock exchanges	82.355	36.157
Associates quoted on foreign stock exchanges	-	-

7.a.5 Information on associates sold in the current period

No associate has been sold in the current period (December 31, 2008: None).

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

7. Information on Associates (Net) (Cont'd):

7.a.6 Information on associates purchased in the current period

In the current period, the Bank obtained TRY 15.386 Thousand bonus shares which comes from TRY 65.000 Thousand capital increase of İş Finansal Kiralama A.Ş., TRY 1.800 Thousand capital increase of İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and TRY 1.068 Thousand capital increase of Yatırım Finansman Yatırım Ortaklığı A.Ş. due to the merger rate of Yatırım Finansman Yatırım Ortaklığı A.Ş. during the merger of it.

In the prior period, the Bank obtained TRY 12.995 Thousand bonus shares through the capital increase of İş Finansal Kiralama A.Ş. amounting to TRY 45.500 Thousand.

8. Information on Subsidiaries (Net):

8.a.1 Information on subsidiaries

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	İstanbul /Turkey	99,99	99,99
2	Yatırım Finansman Menkul Değerler A.Ş.(YF MEN. DEĞ.)	İstanbul /Turkey	95,78	98,42
3	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.(TSKB GYO)	İstanbul /Turkey	96,00	100,00

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
TSKB GMD (1)	3.057	2.724	1.103	-	-	143	571	-
YF MEN.DEĞ. (2)	206.884	49.266	1.570	4.770	1.895	4.120	1.398	-
TSKB GYO (3)	218.243	111.458	204.541	789	7	2.671	3.063	-

- (1) Represents un- reviewed 30.06.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.
(2) Represents un- reviewed 30.09.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.
(3) Represents un- reviewed 30.09.09 financial statements. Prior year profit/loss is obtained from 31.12.08 financial statements.

8.a.2 Information on subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	142.539	110.338
Movements in period	-	32.201
Purchases	-	24.060
Bonus shares obtained	-	8.141
Current year share of profit	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
Balance at the end of the period	142.539	142.539
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

8. Information on Subsidiaries (Cont'd)

8.a.3 Sectoral information on subsidiaries and the related carrying amounts in the legal books

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Subsidiaries	142.539	142.539

8.a.4 Subsidiaries quoted on stock market

As of the balance sheet date, the Bank has no subsidiaries quoted on the stock exchange (December 31, 2008: None).

8.a.5 Subsidiaries sold in the current period

The Bank has not sold any subsidiaries in the current period (December 31, 2008: None).

8.a.6 Subsidiaries purchased in the current period:

The Bank has not purchased any subsidiaries in the current period.

In the prior period, the Bank obtained TRY 8.141 Thousand bonus shares through the capital increase of Yatırım Finansman Menkul Değerler A.Ş. amounting to TRY 8.500 Thousand. Besides the Bank has contributed to the capital increase of TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. by cash amounting to TRY 24.000 Thousand and increased its nominal shareholding to TRY 96.000 Thousand. As per December 16, 2008 dated Board of Directors' meeting of TSKB Gayrimenkul Değerleme A.Ş., the subsidiary of the Bank, it has been resolved to transfer TRY 60 Thousand nominal shares of TSKB Gayrimenkul Değerleme A.Ş. to the Bank.

9. Information on Entities under Common Control:

The Bank has no entities under common control as of the balance sheet date (December 31, 2008: None).

10. Information on Finance Lease Receivables (Net):

10.a Maturities of investments on finance leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	17.204	16.702	16.212	15.519
Between 1- 4 years	117.631	112.053	187.109	170.509
More than 4 years	35.288	32.723	36.710	29.585
Total	170.123	161.478	240.031	215.613

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Assets (Cont'd)

10. Information on Finance Lease Receivables (Net) (Cont'd):

10.b The information on net investments in finance leases

	Current Period	Prior Period
Gross investments in finance leases	170.123	240.031
Unearned revenue from finance leases (-)	(8.645)	(24.418)
Cancelled finance leases (-)	-	-
Net investments in finance leases	161.478	215.613

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement

Finance lease agreements are made in accordance with the related articles of financial leasing law 3286. There are no restructuring or restrictions; which has material effect on financial statements.

11. Information on Derivative Financial Assets for Hedging Purposes:

The Bank has no derivative financial assets for hedging purposes as of the balance sheet date (December 31, 2008: None).

12. Information on Investment Property:

The Bank has no investment property (December 31, 2008: None).

13. Information on Deferred Tax Assets:

13.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset

The Bank has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases.

Deferred tax asset:	Current Period	Prior Period
Useful life difference of fixed assets	914	949
Financial lease adjustments	3.314	1.608
Derivative instrument accruals	(424)	554
Employee benefit provision	592	522
Loan commissions accrual adjustment	3.494	2.496
Other provisions	10.847	7.317
Other	2.202	2.267
Total	20.939	15.713

In addition, TRY 13.212 Thousand deferred tax, which is calculated over the fair value differences on available for sale securities, is offset against the "available for sale securities value increase fund" item under equity (December 31, 2008: TRY 5.557 Thousand).

SECTION FIVE (Cont'd)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)**

I. Explanations Related to the Assets (Cont'd):

13. Information on Deferred Tax Assets (Cont'd):

13.b Temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions

The Bank has no deductible temporary differences that are not included in calculation of deferred tax asset and not reflected to financial statements in prior periods.

13.c Allowance for deferred tax and deferred tax assets from reversal of allowance

As of the balance sheet date, the Bank has no allowance for deferred tax and deferred tax assets from reversal of allowance.

14. Information on Assets Held For Sale

In the current period, the Bank has no assets held for sale.

In the prior period, the fixed assets amounting to TRY 10.510 Thousand, accounted for as assets held for sale in the prior period, has been classified into Assets for Resale under Tangible Assets in accordance with TAS 16, TFRS 5 and BRSA regulations due to unrealized sales plan and conditions and also no longer qualifying as assets held for sale. For the related asset, depreciation is booked from the date when the asset was classified under assets held for sale and the net book value of these assets are calculated as TRY 9.173 Thousand.

15. Information about Other Assets:

15.a Other assets which exceed 10 % of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20 % of grand total

Other assets are not exceeding 10 % of total assets, excluding off-balance sheet commitments (December 31, 2008: None).

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

II. Explanations Related to the Liabilities

1. Information of Maturity Structure of Deposits:

1.a.1 Maturity Structure of Deposits

The Bank is not authorized to accept deposits.

1.a.2 Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund

The Bank is not authorized to accept deposits.

1.b Information on the scope whether the Bank with a foreign head office suits saving deposit insurance of the related country

The Bank is not authorized to accept deposits.

1.c Saving deposits which are not under the guarantee of deposit insurance fund

The Bank is not authorized to accept deposits.

2. Information on Derivative Financial Liabilities Held-For-Trading:

2.a Negative differences table related to derivative financial liabilities held-for-trading

Derivative financial liabilities held for trading	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	13	-	-	-
Swap Transactions	6.632	1.707	17.914	514
Futures Transactions	-	-	-	-
Options	7.276	1.410	-	8.508
Other	-	-	-	-
Total	13.921	3.117	17.914	9.022

3. Information on Funds Borrowed:

3.a Information on banks and other financial institutions

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	78.518	177.992	14.006	70.193
From Foreign Banks, Institutions and Funds	4.146	3.976.577	60.878	4.290.856
Total	82.664	4.154.569	74.884	4.361.049

3.b Maturity analysis of funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	78.518	316.142	70.729	493.273
Medium and long-term	4.146	3.838.427	4.155	3.867.776
Total	82.664	4.154.569	74.884	4.361.049

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

II. Explanations Related to the Liabilities (Cont'd)

4. Other Liabilities which Exceed 10 % of the Balance Sheet Total (Excluding Off-Balance Sheet Commitments) and the Breakdown of These which Constitute at Least 20 % of Grand Total:

There are no other liabilities which exceed 10% of the balance sheet total (December 31, 2008: None).

5. Explanations on Financial Lease Obligations (Net):

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

The Bank entered into the financial lease transactions with its affiliate; İş Finansal Kiralama A.Ş. and Vakıf Finansal Kiralama A.Ş.. The lease agreements are paid in equal installments. There are no issues in these transactions bringing important liabilities to the Bank.

5.b The explanation on modifications in agreements and new obligations that these modifications cause

There are no changes in financial leasing contracts.

5.c Explanations on finance lease payables

	Current Period			Prior Period	
	Gross	Net		Gross	Net
Less than 1 year	1	-		1	-
Between 1 and 4 years	2	-		2	-
More than 4 years	-	-		-	-
Total	3	-		3	-

5.d Explanations regarding operational leases:

As of the balance sheet date, the Bank's 1 head office buildings and 3 branches are subject to operational leasing. Additionally, 10 cars are under operational leasing. The Bank has no obligations for operational leases in the current period (December 31, 2008: 1 head office buildings, 3 branches and 21 cars under operational leasing).

5.e Explanations on the lessor and lessee in sales and lease back transactions, agreement conditions, and major agreement terms:

The Bank has no sale and lease back transactions as of the balance sheet date (December 31, 2008: None).

6. Information on Derivative Financial Liabilities for Hedging Purposes:

The Bank has no derivative financial liabilities for hedging purposes as of the balance sheet date (December 31, 2008: None).

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

II. Explanations Related to the Liabilities (Cont'd)

7. Information on Provisions:

7.a Information on general provisions

	Current Period	Prior Period
General Provisions	31.108	32.598
Provisions for First Group Loans and Receivables	25.268	25.890
Provisions for Second Group Loans and Receivables	1.526	1.380
Provisions for non-Cash Loans	1.000	818
Other	3.314	4.510

7.b Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

The foreign exchange losses on the foreign currency indexed loans amount to TRY 11.821 Thousand (December 31, 2008: TRY 2.645 Thousand). The foreign exchange losses on the foreign currency indexed loans are netted off from the loans in the financial statements.

7.c Information related to other provisions:

7.c.1 Provision for possible losses:

	Current Period	Prior Period
Provisions for Possible Losses	-	25.000

7.c.2 If other provisions exceeds 10% of total provisions, the name and amount of sub-accounts

	Current Period	Prior Period
Provision for Possible Losses (*)	-	25.000
Provision for Dividend Received from Subsidiaries	2.424	2.424
Other (*)	51.832	9.182
Total	54.256	36.606

(*) Other provision account includes TRY 51.808 Thousand provision for possible risks on credit portfolio in the future period. In the prior period, this provision was calculated as TRY 25.000 Thousand and recorded in "Provision for Possible Losses" account.

8. Explanations on the Number of Subordinated Loans the Bank Used, Maturity, Interest Rate, Institution that the Loan was Borrowed From, and Conversion Option, If Any:

The Bank has signed an agreement with the International Finance Corporation, for a subordinated loan of USD 50.000 Thousand (TRY 74.300 Thousand). The interest expense accrual of this borrowing is TRY 1.447 Thousand as of the balance sheet date.

The first agreement date of the loan was September 21, 2004. The first usage date was November 5, 2004. The interest rate is variable; at the balance sheet date it is 4,177 % (1,677+2,5 spread). Principal repayment of the loan will be on October 15, 2016 as a whole.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

II. Explanations Related to the Liabilities (Cont'd)

9. Information on Taxes Payable:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Corporate Taxes and Deferred Taxes				
Corporate tax payable (*)	22.024	-	14.211	-
Deferred tax liability	-	-	-	-
Total	22.024	-	14.211	-

(*) In the current period, Corporate Tax Provision is TRY 51.973 Thousand and netted off from Prepaid Tax of TRY 29.949 (December 31, 2008: Corporate Tax Provision is TRY 31.019 Thousand and netted off from Prepaid Tax of TRY 16.808 Thousand).

9.a Information on deferred taxes liabilities:

At the balance sheet date, the Bank has no deferred tax liability (December 31, 2008: None).

9.a.1 Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	22.024	14.211
Taxation of securities	1.567	1.018
Property tax	-	-
Banking and Insurance Transaction Tax (BITT)	351	286
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	215	92
Other	685	1.513
Total	24.842	17.120

9.a.2 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	-	-
Social Security Premiums-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment insurance-Employee	12	12
Unemployment insurance-Employer	25	24
Other	-	-
Total	37	36

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

II. Explanations Related to the Liabilities (Cont'd)

10. Information on Shareholders' Equity:

10.a Presentation of paid-in capital

	Current Period	Prior Period
Common stock	600.000	500.000
Preferred stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Capital System	1.000.000	1.000.000

10.c Information on share capital increases and their sources; other information on increased capital shares in current period

In the current period, the Bank's share capital has increased by TRY 100.000 Thousand. In the meeting of the General Assembly held on March 25, 2009; it has been resolved that, paid-in capital of the Bank will be increased from TRY 500.000 Thousand to TRY 600.000 Thousand by TRY 100.000 Thousand. In respect of the resolution of the General Assembly, TRY 96.000 Thousand of this increase will be incorporated from the profit of the year 2008 and TRY 4.000 Thousand from extraordinary reserves. The increase in paid-in capital was approved by BRSA on April 29, 2009 and the registration has been completed on June 12, 2009. The increase in paid in capital has been published in the Turkey Trade Registry Gazette No: 7335 on June 18, 2009.

During the prior period, the Bank's share capital has increased by TRY 100.000 Thousand. In respect of the resolution of the General Assembly, TRY 84.000 Thousand of this increase has been incorporated from the profit of the year 2007 and TRY 16.000 Thousand from the share capital inflation restatement adjustment. The increase in the paid in capital was approved by the BRSA on April 11, 2008 and by the resolution of the Capital Markets Board numbered 15/582 on May 23, 2008. The registration has been completed by T.C. İstanbul Trade Registry on May 30, 2008 and this increase has been recorded to the capital account.

10.d Information on share capital increases from capital reserves

In the current period there is no share capital increases from capital reserves (December 31, 2008: TRY 16.000 Thousand).

10.e Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank has no capital commitments in the last fiscal year and at the end of the following interim period.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

II. Explanations Related to the Liabilities (Cont'd)

10. Information on Shareholders' Equity (Cont'd)

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

The prior period income, profitability and liquidity of the Bank and their trends in the successive periods are followed by Financial Controlling Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses. The Bank operations are profitable, and the Bank retains the major part of its profit by capital increases or capital reserves within the shareholders equity.

10.g Information on preferred shares

The Bank has no preferred shares.

10.h Information on marketable securities value increase fund

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Associates, Subsidiaries, and Entities Under Common Control	(5.381)	-	(36.196)	-
Valuation Differences	47.354	8.822	1.064	(30.059)
Foreign Exchange Difference	-	-	-	-
Total	41.973	8.822	(35.132)	(30.059)

11. Information on minority shares:

There are no minority shares in the accompanying unconsolidated financial statements.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

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

1. Information on Off-Balance Sheet Liabilities:

1.a Nature and amount of irrevocable loan commitments

None other than those disclosed in 1.b.1 and 1.b.2 below.

1.b Possible losses and commitments related to off-balance sheet items including items listed below

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

As at the balance sheet date, total letters of credit are TRY 198.280 Thousand (December 31, 2008: TRY 260.512 Thousand).

1.b.2 Guarantees, surety ships, and similar transactions

As at the balance sheet date, total letters of guarantee is TRY 320.847 Thousand (December 31, 2008: TRY 299.449 Thousand).

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

	Current Period	Prior Period
Non-cash loans given against obtaining cash loans	101.209	7.530
With maturity of one year or less than one year	-	-
With maturity of more than one year	101.209	7.530
Other non-cash loans	553.661	560.400
Total	654.870	567.930

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments (Cont'd)

1. Information on Off-Balance Sheet Liabilities (Cont'd)

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

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	57.290	22	114.080	29	64.928	29	155.642	45
Mining	-	-	-	-	4.501	2	-	-
Manufacturing Industry	7.593	3	25.675	7	9.010	4	31.325	9
Electricity, Gas, Water	49.697	19	88.405	22	51.417	23	124.317	36
Construction	26.890	10	25.619	7	9.123	4	37.070	11
Services	147.120	56	252.948	64	146.978	67	154.189	44
Wholesale and Retail Trade	-	-	142.437	36	-	-	144.790	41
Hotel, Food and Beverage	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Transportation and Communication	2	-	101.209	26	2	-	-	-
Financial Institutions	143.008	54	8.916	2	142.971	65	9.096	3
Real Asset and Leasing Services	110	-	386	-	5	-	303	-
Self-employment Services	4.000	2	-	-	4.000	2	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	30.923	12	-	-	-	-	-	-
Total	262.223	100	392.647	100	221.029	100	346.901	100

1.c.3 Information on Ist and IInd group non-cash loans

	I st Group		II nd Group	
	TRY	FC	TRY	FC
Non-cash Loans	262.223	392.647	-	-
Letters of Guarantee	231.300	89.547	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	198.280	-	-
Endorsements	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-
Factoring Guarantees	-	-	-	-
Other	30.923	104.820	-	-

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments (Cont'd)

2. Explanations on Contingent Liabilities and Assets:

There are 6 legal cases against the Bank which are amounting to TRY 129 Thousand as of the balance date.

IV. Explanations Related to the Statement of Income

1.a Information on interest on loans

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans				
Short term loans	1.843	2.636	3.371	1.745
Medium and long term loans	80.550	96.788	57.535	79.124
Interest on non-performing loans	2.929	-	1.508	445
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	85.322	99.424	62.414	81.314

1.b Information on interest received from banks

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	2.896	11	1.346	1.898
Foreign banks	4	790	2	1.227
Branches and head office abroad	-	-	-	-
Total	2.900	801	1.348	3.125

1.c Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from associates and subsidiaries	6.507	2.818

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

IV. Explanations Related to the Statement of Income (Cont'd)

2.a Information on interest on funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	787	14.470	3.614	28.592
The Central Bank of Turkey	21	-	48	-
Domestic banks	445	283	2.746	2.111
Foreign banks	321	14.187	820	26.481
Branches and head office abroad	-	-	-	-
Other financial institutions	-	117.245	-	65.845
Total	787	131.715	3.614	94.437

2.b Information on interest expense to associates and subsidiaries

The Bank has no interest expense to its associates and subsidiaries.

3. Information on Net Trading Income (Net):

	Current Period	Prior Period
Profit	327.864	553.468
Gains on capital market operations	8.989	3.937
On derivative financial instruments	93.868	166.992
Foreign exchange gains	225.007	382.539
Losses (-)	(324.918)	(578.679)
Losses on capital market operations	(6.588)	(15.263)
On derivative financial instruments	(91.627)	(175.425)
Foreign exchange losses	(226.703)	(387.991)

4. Information related to Other Operating Income:

	Current Period	Prior Period
Provisions Released	20.078	5.002
Gains on Sale of Assets	193	1.890
From Associate and Subsidiary Sales	-	-
From Movable Fixed Asset Sales	161	1.890
From Properties Sales	32	-
From Other Asset Sales	-	-
Other	1.344	1.803
Total	21.615	8.695

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

IV. Explanations Related to the Statement of Income (Cont'd)

5. Provision Expenses related to Loans and Other Receivables of The Bank:

	Current Period	Prior Period
Specific provisions for loans and other receivables	774	5.991
III. Group	-	457
IV. Group	4	-
V. Group	770	5.534
General provision expenses	-	3.673
Provision expenses for possible losses	-	7.350
Marketable securities impairment expenses	7.799	6.505
Trading securities	77	191
Investment securities available for sale	7.722	6.314
Impairment provisions	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (joint vent.)	-	-
Investment securities held to maturity	-	-
Other (*)	30.000	-
Total	38.573	23.519

(*) In the current period, the Bank has recorded TRY 30.000 Thousand provision for possible risks on credit portfolio in the future period.

6. Information related to Other Operating Expenses:

	Current Period	Prior Period
Personnel expenses	22.417	21.628
Reserve for employee termination benefits	121	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	880	783
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	199	140
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets for resale	1.115	1.448
Impairment expenses of assets held for sale	-	-
Other operating expenses	10.212	9.660
Rent expenses	3.792	3.460
Maintenance expenses	264	370
Advertisement expenses	380	602
Other expenses	5.776	5.228
Loss on sales of assets	26	3
Other	3.594	4.163
Total	38.564	37.825

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

IV. Explanations Related to the Statement of Income (Cont'd)

7. Information on Tax Provision for Taxes on Income:

7.a Information on current tax charge or benefit and deferred tax charge or benefit

The Bank's current tax charge for the period is TRY 51.973 Thousand (September 30, 2008: TRY 18.248 Thousand). Deferred tax benefit is TRY 24.095 Thousand (September 30, 2008: TRY 4.217 Thousand deferred tax charge).

7.b Information related to deferred tax charge or benefit on temporary differences

Deferred tax benefit calculated on temporary differences is TRY 24.095 Thousand (September 30, 2008: TRY 4.217 Thousand deferred tax charge).

7.c Information related to deferred tax charge on temporary differences, losses, tax deductions and exceptions

As of September 30, 2009 deferred tax benefit calculated based on temporary differences is TRY 24.095 Thousand (September 30, 2008: TRY 4.217 Thousand deferred tax charge). There is no deferred tax benefit or charge reflected to the income statement on carry forward tax losses, tax deductions and exceptions (September 30, 2008: None).

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

As of September 30, 2009, profit before tax of the Bank has increased by 30,39% (September 30, 2008: 24,30%).

9. Information on Net Profit/Loss

9.a The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

The Bank has generated TRY 396.317 Thousand interest income, TRY 206.552 Thousand interest expenses and TRY 4.597 Thousand net fee and commission income from banking operations (September 30, 2008: TRY 346.792 Thousand interest income, TRY 172.297 Thousand interest expense, TRY 2.752 Thousand net fee and commission income).

9.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any

There are no changes in the accounting estimates and accordingly any effect on the financial statement items (September 30, 2008: None).

9.c Minority share of profit and loss

There is no profit and loss attributable to minority interest in the accompanying unconsolidated financial statements (September 30, 2008: None).

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

None other than those explained in note IV.4; other operating income and IV.6; other operating expense.

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

V. Explanations on the Risk Group of the Bank

1. Information on the Volume of Transactions Related to the Bank's Own Risk Group, Outstanding Loan and Deposit Transactions and Income and Expenses of the Period:

1.a Current Period

Risk Group of the Bank	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group (*)	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	130.415	172	-	141.759	66.812	226
Balance at end of period	155.400	278	18.017	141.759	17.943	-
Interest and commission income	6.434	2	36	312	539	-

(*) Other entities included in the risk group; covers the financial lease receivables amounting of TRY 2.164 Thousand (December 31, 2008: TRY 2.776 Thousand)

1.b Prior Period

Risk Group of the Bank	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group (*)	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	46.778	168	-	24.347	65.319	225
Balance at end of period	130.415	172	-	141.759	66.812	226
Interest and commission income received (**)	2.574	-	-	18	1.708	-

(*) Other entities included in the risk group; covers the financial lease receivables amounting of TRY 2.776 Thousand.(December 31, 2007: TRY 3.240 Thousand).

(**) The information is related to September 30, 2008.

1.c Information on deposit held by Bank's own risk group

The Bank is not authorized to accept deposits.

2. Information on forward, option and other similar agreements made with Bank's own risk group:

The Bank has no forward, option and other similar agreements with the Bank's own risk group.

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to the key managemet personnel in the current period amount to TRY 3.501 Thousand (September 30, 2008: TRY 3.140 Thousand).

TURKIYE SINAI KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

VI. Explanations on the Risk Group of the Bank

VI.a Brief Information Related to Rating Carried Out By International Rating Firms:

FITCH RATINGS

Foreign Currency	
Long-term Maturity (*)	BB
Outlook	Stable
Short-term Maturity	B
Turkish Lira	
Long-term Maturity (*)	BB+
Outlook	Stable
Short-term Maturity (*)	B
National	
Long-term Maturity	AA+(tur)
Outlook	Stable
Individual	C/D
Support	3

(*) According to the Fitch Ratings' declaration on November 4, 2009, it has been stated that the Bank's long-term foreign currency rating and long-term and short-term local currency ratings have been changed to watch positive for an expected improvement.

Information above is received from Fitch Ratings report dated July 28, 2009.

MOODY'S

Financial Rating Note	D+
Outlook	Stable
Foreign Currency	
Long-term Maturity	B1
Outlook (*)	Positive
Short-term Maturity	N/P

(*) Moody's has noted that, the Foreign Currency Outlook of some Banks in Turkey raised from Stable to Positive on its report as of September 24, 2009.

Information above is received from Moody's Investors Service report as of April 30, 2009.

VII. Significant Events and Matters Arising Subsequent to Balance Sheet Date

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, declared TSKB's corporate governance rating as 8,77 over 10 (87,69%) on its report dated on October 20, 2009. With respect to CMB's board decision No: 4/100 on February 7, 2005, ratings under the main topics of Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors are declared as; 85,46 (Weight: 25%), 93,07 (Weight: 35%), 95,70 (Weight: 15%), 77,58 (Weight: 25%) respectively. The number of firms in Istanbul Stock Exchange Corporate Governance Index rises to 18 with TSKB, the 12th Istanbul Stock Exchange firm rated by SAHA A.Ş.

SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

VII. Significant Events and Matters Arising Subsequent to Balance Sheet Date (Cont'd)

According to the Fitch Ratings' declaration on November 4, 2009, some of the Turkish Banks and Financial Institutions' long-term local and foreign currency ratings have been changed to watch positive for an expected improvement. It has been declared that only the Bank's short-term local currency ratings have been changed to watch positive, within these institutions. At the same time Fitch Ratings declared that national long term rating and individual ratings on short-term local and foreign currency ratings have been approved.

SECTION SIX

INDEPENDENT AUDITORS' REPORT

I. Explanations on the Independent Auditors' Limited Review Report

The financial statements and the notes to the financial statements as at September 30, 2009 have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("Member Firm of Deloitte Touche Tohmatsu").

The independent auditors' limited review report is presented at the beginning of the financial statements and related notes.

II. Explanations and Notes prepared by Independent Auditor

There are no other explanations and notes not expressed in sections above related with the Bank's operations.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Unconsolidated Balance Sheet as of September 30, 2009 (Statement of Financial Position)
(In Thousand of Turkish Lira)

ASSETS	Note Ref	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		September 30, 2009			December 31, 2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	381	2,463	2,844	573	2,305	2,878
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	49,852	3,125	52,977	24,842	2,300	27,142
2.1 Trading financial assets		49,852	3,125	52,977	24,842	2,300	27,142
2.1.1 Public sector debt securities		34,224	-	34,224	5,537	-	5,537
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		14,930	3,125	18,055	18,755	2,300	21,055
2.1.4 Other marketable securities		698	-	698	550	-	550
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	28,348	39,036	67,384	2,754	144,314	147,068
IV. MONEY MARKET PLACEMENTS		-	-	-	-	7,584	7,584
4.1 Interbank money market placements		-	-	-	-	7,584	7,584
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	1,864,321	484,809	2,349,130	1,324,705	430,240	1,754,945
5.1 Share certificates		17,697	2,957	20,654	15,379	2,957	18,336
5.2 Public sector debt securities		1,825,142	340,297	2,165,439	1,289,072	375,379	1,664,451
5.3 Other marketable securities		21,482	141,555	163,037	20,254	51,904	72,158
VI. LOANS	(5)	1,562,359	2,045,846	3,608,205	1,628,433	2,039,973	3,668,406
6.1 Loans		1,562,359	2,045,846	3,608,205	1,628,433	2,039,973	3,668,406
6.1.1 Loans to risk group of the Bank		154,488	34,708	189,196	128,739	65,712	194,451
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		1,407,871	2,011,138	3,419,009	1,499,694	1,974,261	3,473,955
6.2 Non-performing loans		16,868	5,685	22,553	17,964	7,464	25,428
6.3 Specific provisions (-)		(16,868)	(5,685)	(22,553)	(17,964)	(7,464)	(25,428)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	98,327	-	98,327	-	-	-
8.1 Public sector debt securities		98,327	-	98,327	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	92,187	-	92,187	45,986	-	45,986
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		92,187	-	92,187	45,986	-	45,986
9.2.1 Financial investments		83,907	-	83,907	37,706	-	37,706
9.2.2 Non-financial investments		8,280	-	8,280	8,280	-	8,280
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	142,539	-	142,539	142,539	-	142,539
10.1 Unconsolidated financial subsidiaries		142,160	-	142,160	142,160	-	142,160
10.2 Unconsolidated non-financial subsidiaries		379	-	379	379	-	379
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(9)	-	-	-	-	-	-
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(10)	438	161,040	161,478	1,182	214,431	215,613
12.1 Finance lease receivables		469	169,654	170,123	1,320	238,711	240,031
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		(31)	(8,614)	(8,645)	(138)	(24,280)	(24,418)
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		25,068	2	25,070	25,973	5	25,978
XV. INTANGIBLE ASSETS (Net)		547	-	547	437	-	437
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		547	-	547	437	-	437
XVI. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET	(13)	20,939	-	20,939	15,713	-	15,713
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		20,939	-	20,939	15,713	-	15,713
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
18.1 Assets held for sale		-	-	-	-	-	-
18.2 Assets of discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(15)	1,334	31,462	32,796	1,928	152,640	154,568
TOTAL ASSETS		3,886,640	2,767,783	6,654,423	3,215,065	2,993,792	6,208,857

The accompanying notes form an integral part of this financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Unconsolidated Balance Sheet as of September 30, 2009 (Statement of Financial Position)
(In Thousand of Turkish Lira)

LIABILITIES	Note Ref	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		September 30, 2009			December 31, 2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. DEPOSITS	(1)	-	-	-	-	-	-
1.1 Deposits from Risk Group of the Bank		-	-	-	-	-	-
1.2 Other		-	-	-	-	-	-
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	13,921	3,117	17,038	17,914	9,022	26,936
III. FUNDS BORROWED	(3)	82,664	4,154,569	4,237,233	74,884	4,361,049	4,435,933
IV. MONEY MARKET BALANCES		1,122,324	52,596	1,174,920	765,148	41,248	806,396
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1,122,324	52,596	1,174,920	765,148	41,248	806,396
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	11	-	11
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	11	-	11
VII. SUNDRY CREDITORS		24,266	15,796	40,062	19,766	10,159	29,925
VIII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1 Finance lease payables		-	3	3	-	3	3
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	(3)	(3)	-	(3)	(3)
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	88,324	-	88,324	71,814	-	71,814
12.1 General loan loss provisions		31,108	-	31,108	32,598	-	32,598
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		2,960	-	2,960	2,610	-	2,610
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		54,256	-	54,256	36,606	-	36,606
XIII. TAX LIABILITY	(9)	24,879	-	24,879	17,156	-	17,156
13.1 Current tax liability		24,879	-	24,879	17,156	-	17,156
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(8)	-	75,747	75,747	-	70,629	70,629
XVI. SHAREHOLDERS' EQUITY	(10)	987,398	8,822	996,220	780,116	(30,059)	750,057
16.1 Paid-in capital		600,000	-	600,000	500,000	-	500,000
16.2 Capital reserves		70,725	8,822	79,547	(6,380)	(30,059)	(36,439)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		41,973	8,822	50,795	(35,132)	(30,059)	(65,191)
16.2.4 Tangible assets revaluation differences		28,378	-	28,378	28,378	-	28,378
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		374	-	374	374	-	374
16.3 Profit reserves		183,796	-	183,796	167,515	-	167,515
16.3.1 Legal reserves		55,900	-	55,900	42,581	-	42,581
16.3.2 Statutory reserves		28,184	-	28,184	22,235	-	22,235
16.3.3 Extraordinary reserves		96,792	-	96,792	99,779	-	99,779
16.3.4 Other profit reserves		2,920	-	2,920	2,920	-	2,920
16.4 Profit or loss		132,877	-	132,877	118,981	-	118,981
16.4.1 Prior years' income/losses		-	-	-	-	-	-
16.4.2 Current year income/loss		132,877	-	132,877	118,981	-	118,981
16.5 Minority shares	(11)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		2,343,776	4,310,647	6,654,423	1,746,809	4,462,048	6,208,857

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Unconsolidated Statement of Off-Balance Sheet Contingencies and Commitments as of September 30, 2009

(In Thousand of Turkish Lira)

	Note Ref	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		September 30, 2009			December 31, 2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,037,409	3,167,013	4,204,422	862,134	1,795,935	2,658,069
I. GUARANTEES AND COLLATERALS	(1)	262,223	392,647	654,870	221,029	346,901	567,930
1.1. Letters of guarantee		231,300	89,547	320,847	221,021	78,428	299,449
1.1.1. Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3. Other letters of guarantee		231,300	89,547	320,847	221,021	78,428	299,449
1.2. Bank loans		-	-	-	-	439	439
1.2.1. Import letters of acceptance		-	-	-	-	439	439
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	198,280	198,280	-	260,512	260,512
1.3.1. Documentary letters of credit		-	198,280	198,280	-	260,512	260,512
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		30,923	104,820	135,743	8	7,522	7,530
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		347,829	480,090	827,919	382,682	412,923	795,605
2.1. Irrevocable commitments		168,076	208,226	376,302	22,958	46,284	69,242
2.1.1. Forward asset purchase and sales commitments		168,028	208,226	376,254	22,958	46,284	69,242
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		-	-	-	-	-	-
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		48	-	48	-	-	-
2.1.7. Payment commitment for checks		-	-	-	-	-	-
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10. Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		-	-	-	-	-	-
2.2. Revocable commitments		179,753	271,864	451,617	359,724	366,639	726,363
2.2.1. Revocable loan granting commitments		179,753	271,864	451,617	359,724	366,639	726,363
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		427,357	2,294,276	2,721,633	258,423	1,036,111	1,294,534
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		427,357	2,294,276	2,721,633	258,423	1,036,111	1,294,534
3.2.1. Forward foreign currency buy/sell transactions		8,449	8,343	16,792	-	3,473	3,473
3.2.1.1. Forward foreign currency transactions-buy		8,449	-	8,449	-	1,708	1,708
3.2.1.2. Forward foreign currency transactions-sell		-	8,343	8,343	-	1,765	1,765
3.2.2. Swap transactions related to f.c. and interest rates		44,078	260,262	304,340	147,275	283,248	430,523
3.2.2.1. Foreign currency swaps-buy		22,679	129,679	152,358	65,990	150,360	216,350
3.2.2.2. Foreign currency swaps-sell		21,399	127,227	148,626	81,285	132,477	213,762
3.2.2.3. Interest rate swaps-buy		-	1,643	1,643	-	203	203
3.2.2.4. Interest rate swaps-sell		-	1,713	1,713	-	208	208
3.2.3. Foreign currency, interest rate and securities options		198,190	322,205	520,395	91,188	168,245	259,433
3.2.3.1. Foreign currency options-buy		99,795	131,179	230,974	65,094	26,902	91,996
3.2.3.2. Foreign currency options-sell		98,395	132,526	230,921	26,094	72,381	98,475
3.2.3.3. Interest rate options-buy		-	29,250	29,250	-	34,481	34,481
3.2.3.4. Interest rate options-sell		-	29,250	29,250	-	34,481	34,481
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
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		-	1,653,524	1,653,524	-	514,422	514,422
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	1,653,524	1,653,524	-	514,422	514,422
3.2.6. Other		176,640	49,942	226,582	19,960	66,723	86,683
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		3,060,039	11,068,924	14,128,963	2,027,945	9,572,876	11,600,821
IV. ITEMS HELD IN CUSTODY		2,100,087	111,708	2,211,795	1,718,787	84,100	1,802,887
4.1. Assets under management		18,408	2,953	21,361	15,152	4,404	19,556
4.2. Investment securities held in custody		375,066	108,755	483,821	353,128	79,696	432,824
4.3. Checks received for collection		156	-	156	40	-	40
4.4. Commercial notes received for collection		-	-	-	-	-	-
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		456,247	-	456,247	453,021	-	453,021
4.8. Custodians		1,250,210	-	1,250,210	897,446	-	897,446
V. PLEDGED ITEMS		959,952	10,957,216	11,917,168	309,158	9,488,776	9,797,934
5.1. Marketable securities		52	510,940	510,992	16	514,285	514,301
5.2. Guarantee notes		53,381	1,786,001	1,839,382	85,155	1,924,996	2,010,151
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		107,375	3,756,350	3,863,725	121,304	3,559,660	3,680,964
5.6. Other pledged items		799,144	4,903,925	5,703,069	102,683	3,489,835	3,592,518
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		4,097,448	14,235,937	18,333,385	2,890,079	11,368,811	14,258,890

The accompanying notes form an integral part of this financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Unconsolidated Income Statement for the period ended September 30, 2009
(In Thousand of Turkish Lira)

INCOME / (LOSS) ACCOUNTS	Note Ref	Reviewed	Reviewed	Reviewed	Reviewed
		CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		January 1 - September 30, 2009	January 1 - September 30, 2008	July 1 - September 30, 2009	July 1 - September 30, 2008
I. INTEREST INCOME	(1)	396,317	346,792	122,104	127,916
1.1 Interest on loans		184,746	143,728	44,183	51,608
1.2 Interest received from reserve deposits		146	645	7	220
1.3 Interest received from banks		3,701	4,473	742	2,031
1.4 Interest received from money market placements		65	23	10	-
1.5 Interest received from marketable securities portfolio		200,379	184,983	75,336	70,526
1.5.1 Held-for-trading financial assets		1,901	1,266	1,198	493
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		190,714	183,717	70,739	70,033
1.5.4 Investments held-to-maturity		7,764	-	3,399	-
1.6 Finance lease income		7,210	12,318	1,809	3,329
1.7 Other interest income		70	622	17	202
II. INTEREST EXPENSES	(2)	(206,552)	(172,297)	(42,908)	(56,352)
2.1 Interest on deposits		-	-	-	-
2.2 Interest on funds borrowed		(132,502)	(98,051)	(18,815)	(32,506)
2.3 Interest on money market borrowings		(73,646)	(74,139)	(23,944)	(23,834)
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		(404)	(107)	(149)	(12)
III. NET INTEREST INCOME (I - II)		189,765	174,495	79,196	71,564
IV. NET FEES AND COMMISSIONS INCOME		4,597	2,752	1,973	970
4.1 Fees and commissions received		5,288	3,739	2,162	1,251
4.1.1 Non-cash loans		2,338	1,386	764	577
4.1.2 Other		2,950	2,353	1,398	674
4.2 Fees and commissions paid		(691)	(987)	(189)	(281)
4.2.1 Non-cash loans		(2)	(1)	(1)	-
4.2.2 Other		(689)	(986)	(188)	(281)
V. DIVIDEND INCOME		18,969	23,899	450	507
VI. NET TRADING INCOME	(3)	2,946	(25,211)	267	(16,929)
6.1 Securities trading gains/ (losses)		2,401	(11,326)	639	(7,124)
6.2 Derivative financial instruments gains/losses		2,241	(8,433)	(3,230)	(17,559)
6.3 Foreign exchange gains/losses (net)		(1,696)	(5,452)	2,858	7,754
VII. OTHER OPERATING INCOME	(4)	21,615	8,695	2,568	1,167
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		237,892	184,630	84,454	57,279
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(5)	(38,573)	(23,519)	(20,936)	(11,486)
X. OTHER OPERATING EXPENSES (-)	(6)	(38,564)	(37,825)	(11,291)	(11,559)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		160,755	123,286	52,227	34,234
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. PROFIT / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)	(8)	160,755	123,286	52,227	34,234
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(7)	(27,878)	(22,465)	(10,144)	(6,841)
16.1 Provision for current income taxes		(51,973)	(18,248)	(22,047)	(11,672)
16.2 Provision for deferred taxes		24,095	(4,217)	11,903	4,831
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		132,877	100,821	42,083	27,393
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Provision for current income taxes		-	-	-	-
21.2 Provision for deferred taxes		-	-	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XVIII. NET PROFIT/LOSS (XVII+XXII)	(9)	132,877	100,821	42,083	27,393
23.1 Group's profit/loss		132,877	100,821	42,083	27,393
23.2 Minority shares		-	-	-	-
Earnings/(losses) per share		0.221	0.168	0.070	0.046

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Profit-Loss Items Accounted for under Shareholders' Equity for the period ended September 30, 2009
(In Thousand of Turkish Lira)

PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY	Reviewed	Reviewed
	CURRENT PERIOD	PRIOR PERIOD
	January 1- September 30, 2009	January 1- September 30, 2008
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	100,326	(41,438)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion of fair value differences)	-	-
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY AS PER TAS	30,815	(56,246)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(18,869)	6,355
X. NET PROFIT/LOSS ACCOUNTED FOR DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	112,272	(91,329)
XI. CURRENT YEAR PROFIT/LOSS	3,714	(3,791)
1.1 Net changes in fair value of securities (Recycled to Profit/Loss)	3,714	(3,791)
1.2 Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Recycling hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X±XI)	115,986	(95,120)

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Shareholders' Equity for the period ended September 30, 2009
(In Thousand of Turkish Lira)

CHANGES IN SHAREHOLDER'S EOUITY		Note Ref	Paid in Capital	Inflation on Paid in Capital	Share Premiums	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extra_ordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable securities value increase fund	Tangible and intangible assets revaluation differences	Bonus shares obtained from associates, subst. and jointly controlled entities	Hedging funds	Acc. val. diff. from assets held for sale and from disc. op.	Total Equity Attributable to Parent	Minority Shares	Total Shareholders Equity
Reviewed CURRENT PERIOD (01/01 - 30/09/2009)																				
I.	Opening Balance (01/01/2009)		500,000	374	-	-	42,581	22,235	99,779	2,920	-	118,981	(65,191)	28,378	-	-	-	750,057	-	750,057
Changes during the period																				
II.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities value increase fund		-	-	-	-	-	-	-	-	-	-	115,986	-	-	-	-	115,986	-	115,986
IV.	Hedging funds (Effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		100,000	-	-	-	-	-	(4,000)	-	-	(96,000)	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		100,000	-	-	-	-	-	(4,000)	-	-	(96,000)	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	The effect of inflation on paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income		-	-	-	-	-	-	-	-	132,877	-	-	-	-	-	-	132,877	-	132,877
XVIII.	Profit distribution		-	-	-	-	13,319	5,949	1,013	-	-	(22,981)	-	-	-	-	-	(2,700)	-	(2,700)
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	(2,700)	-	-	-	-	-	(2,700)	-	(2,700)
18.2	Transfers to reserves		-	-	-	-	13,319	5,949	1,013	-	-	(20,281)	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)			600,000	374	-	-	55,900	28,184	96,792	2,920	132,877	-	50,795	28,378	-	-	-	996,220	-	996,220

The accompanying notes form an integral part of this financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Shareholders' Equity for the period ended September 30, 2008
(In Thousand of Turkish Lira)

CHANGES IN SHAREHOLDER'S EQUITY		Note Ref	Paid in Capital	Inflation on Paid in Capital	Share Premiums	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extra_ordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable securities value increase fund	Tangible and intangible assets revaluation differences	Bonus shares obtained from associates, subsi. and jointly controlled entities	Hedging funds	Acc. val. diff. from assets held for sale and from disc. op.	Total Equity Attributable to Parent	Minority Shares	Total Shareholders Equity
Reviewed PRIOR PERIOD (01/01 - 30/09/2008)																				
I.	Opening Balance (01/01/2008)		400,000	16,374	-	-	28,526	14,861	88,920	2,920	-	147,481	39,270	-	-	-	-	738,352	-	738,352
Changes during the period																				
II.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities value increase fund		-	-	-	-	-	-	-	-	-	-	(95,120)	-	-	-	-	(95,120)	-	(95,120)
IV.	Hedging funds (Effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	(28,378)	-	28,378	-	-	-	-	-	-
VI.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		100,000	(16,000)	-	-	-	-	-	-	-	(84,000)	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		100,000	(16,000)	-	-	-	-	-	-	-	(84,000)	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	The effect of inflation on paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income		-	-	-	-	-	-	-	-	100,821	-	-	-	-	-	-	100,821	-	100,821
XVIII.	Profit distribution		-	-	-	-	14,055	7,374	10,859	-	-	(35,103)	-	-	-	-	-	(2,815)	-	(2,815)
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	(2,815)	-	-	-	-	-	(2,815)	-	(2,815)
18.2	Transfers to reserves		-	-	-	-	14,055	7,374	10,859	-	-	(32,288)	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)			500,000	374	-	-	42,581	22,235	99,779	2,920	100,821	-	(55,850)	28,378	-	-	-	741,238	-	741,238

The accompanying notes form an integral part of this financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Unconsolidated Statement of Cash Flow for September 30, 2009
(In Thousand of Turkish Lira)

STATEMENT OF CASH FLOWS	Note Ref	Reviewed CURRENT PERIOD	Reviewed PRIOR PERIOD
		January 1 - September 30, 2009	January 1 - September 30, 2008
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		115,042	105,196
1.1.1 Interest received		382,426	367,217
1.1.2 Interest paid		(204,385)	(233,892)
1.1.3 Dividends received		2,057	2,763
1.1.4 Fees and commissions received		5,288	3,739
1.1.5 Other income		15,950	14,164
1.1.6 Collections from previously written off loans		1,647	3,230
1.1.7 Payments to personnel and service suppliers		(33,173)	(33,406)
1.1.8 Taxes paid		(29,949)	(18,106)
1.1.9 Others		(24,819)	(513)
1.2 Changes in operating assets and liabilities		366,497	32,590
1.2.1 Net (increase) decrease in financial assets		(24,863)	29,979
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		-	-
1.2.4 Net (increase) decrease in loans		108,910	(344,729)
1.2.5 Net (increase) decrease in other assets		125,804	12,858
1.2.6 Net increase (decrease) in bank deposits		-	-
1.2.7 Net increase (decrease) in other deposits		-	-
1.2.8 Net increase (decrease) in funds borrowed		172,764	349,111
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(16,118)	(14,629)
I. Net cash provided from banking operations		481,539	137,786
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(564,627)	84,916
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(577)	-
2.4 Fixed assets sales		3,328	1,301
2.5 Cash paid for purchase of financial assets available for sale		(567,378)	-
2.6 Cash obtained from sale of financial assets available for sale		-	83,615
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(2,700)	(2,927)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		(2,700)	(2,815)
3.5 Payments for finance leases		-	(112)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(1,696)	(5,452)
V. Net increase / (decrease) in cash and cash equivalents		(87,484)	214,323
VI. Cash and cash equivalents at beginning of the period		157,519	31,807
VII. Cash and cash equivalents at end of the period		70,035	246,130

The accompanying notes form an integral part of this financial statements.