

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

**INDEPENDENT AUDITORS'
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE INTERIM PERIOD
JANUARY 1, 2009 TO MARCH 31, 2009**

*Translated into English from the
Original Turkish Report*

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

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TÜRKİYE SINAI KALKINMA BANKASI A.Ş.

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT FOR THE PERIOD JANUARY 1, 2009 – MARCH 31, 2009

We have reviewed the accompanying balance sheet of Türkiye Sınai Kalkınma Bankası A.Ş. ("The Bank") as at March 31, 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 March 31, 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, May 13, 2009

**THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2009**

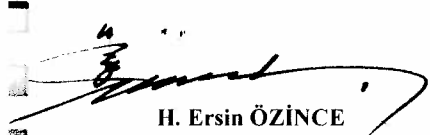
E-Mail Address for Contact Person: nazlicaa@tskb.com.tr

The unconsolidated financial report for the three months includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanation and Notes that will be made Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- 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
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

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

May 13, 2009



H. Ersin ÖZİNCE

**President of Board
of Directors**



A. Orhan BEŞKÖK

**Deputy
General Manager**



Ömer ERYILMAZ

**Executive Vice President
Responsible for Financial Reporting**



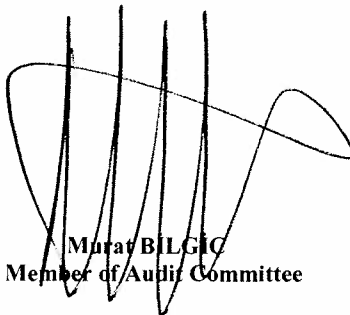
Mustafa GÖKTAS

**Head of Financial
Control Department**



Kemal Serdar DİŞLİ

Member of Audit Committee



Murat BİLGİC

Member of Audit Committee

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

Name-Surname / Title : Ayşe Nazlıca / Head of Budgeting and Planning

Telephone Number : (212) 334 51 94

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TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO MARCH 31, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

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

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.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO MARCH 31, 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	Postgraduate		28 years
	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 CEO	Halil Eroğlu	Undergraduate	CEO	24 years
Executive Vice Presidents	Şemseddin Arat	Postgraduate	Information Technology and Human Resources	23 years
	A.Orhan Beşkök	Postgraduate	Technical Services	19 years
	Şeniz Yarcan	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

Title

Left during the period

Appointed during the period

Chairman of the Board of Directors
Member of the Board of Directors

İsmet Cahit Kocaömer
Mahmut Magemizoğlu

H. Ersin Özince
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 MARCH 31, 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	250.489	50,10	250.489	-
T. Vakıflar Bankası T.A.O.	41.888	8,38	41.888	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	207.580	41,51	207.580	-
Physically Under Custody (Other Institutions and Individuals)	43	0,01	43	-
Total	500.000	100,00	500.000	-

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.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Balance Sheets as of March 31, 2009 and December 31, 2008

(In Thousand of Turkish Lira)

ASSETS	Note Ref	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2009			December 31, 2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	249	2.533	2.782	573	2.305	2.878
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	41.984	2.626	44.610	24.842	2.300	27.142
2.1 Trading financial assets		41.984	2.626	44.610	6.087	-	6.087
2.1.1 Public sector debt securities		20.135	-	20.135	5.537	-	5.537
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		21.310	2.626	23.936	18.755	2.300	21.055
2.1.4 Other marketable securities		539	-	539	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)	37.081	196.243	233.324	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)	1.408.919	462.117	1.871.036	1.324.705	430.240	1.754.945
5.1 Share certificates		17.742	2.957	20.699	15.379	2.957	18.336
5.2 Public sector debt securities		1.369.940	402.671	1.772.611	1.289.072	375.379	1.664.451
5.3 Other marketable securities		21.237	56.489	77.726	20.254	51.904	72.158
VI. LOANS	(5)	1.696.292	2.151.017	3.847.309	1.628.433	2.039.973	3.668.406
6.1 Loans		1.696.292	2.151.017	3.847.309	1.628.433	2.039.973	3.668.406
6.1.1 Loans to risk group of the Bank		132.432	59.678	192.110	128.739	65.712	194.451
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		1.563.860	2.091.339	3.655.199	1.499.694	1.974.261	3.473.955
6.2 Non-performing loans		17.803	5.870	23.673	17.964	7.464	25.428
6.3 Specific provisions (-)		(17.803)	(5.870)	(23.673)	(17.964)	(7.464)	(25.428)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	96.953	-	96.953	-	-	-
8.1 Public sector debt securities		96.953	-	96.953	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	50.165	-	50.165	45.986	-	45.986
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		50.165	-	50.165	45.986	-	45.986
9.2.1 Financial investments		41.885	-	41.885	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)	837	206.595	207.432	1.182	214.431	215.613
12.1 Finance lease receivables		926	224.950	225.876	1.320	238.711	240.031
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		(89)	(18.355)	(18.444)	(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)		27.876	5	27.881	25.973	5	25.978
XV. INTANGIBLE ASSETS (Net)		495	-	495	437	-	437
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		495	-	495	437	-	437
XVI. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET	(13)	17.769	-	17.769	15.713	-	15.713
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		17.769	-	17.769	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)	2.153	169.431	171.584	1.928	152.640	154.568
TOTAL ASSETS		3.523.312	3.190.567	6.713.879	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 Sheets as of March 31, 2009 and December 31, 2008
(In Thousand of Turkish Lira)

LIABILITIES	Note Ref	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2009			December 31, 2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. DEPOSITS	(1)	-	-	-	-	-	-
I.1 Deposits from Risk Group of the Bank		-	-	-	-	-	-
I.2 Other		-	-	-	-	-	-
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	21.759	2.442	24.201	17.914	9.022	26.936
III. FUNDS BORROWED	(3)	5.955	4.590.769	4.596.724	74.884	4.361.049	4.435.933
IV. MONEY MARKET BALANCES		1.033.283	54.171	1.087.454	765.148	41.248	806.396
IV.1 Interbank money market takings		-	-	-	-	-	-
IV.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
IV.3 Funds provided under repurchase agreements		1.033.283	54.171	1.087.454	765.148	41.248	806.396
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
V.1 Bills		-	-	-	-	-	-
V.2 Asset backed securities		-	-	-	-	-	-
V.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	11	-	11
VI.1 Borrower funds		-	-	-	-	-	-
VI.2 Others		-	-	-	11	-	11
VII. SHINDRY CREDITORS		19.750	16.722	36.472	19.766	10.159	29.925
VIII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
X.1 Finance lease payables		-	1	1	-	1	1
X.2 Operating lease payables		-	-	-	-	-	-
X.3 Other		-	-	-	-	-	-
X.4 Deferred finance lease expenses (-)		-	(1)	(1)	-	(1)	(1)
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
XI.1 Fair value hedge		-	-	-	-	-	-
XI.2 Cash flow hedge		-	-	-	-	-	-
XI.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	64.606	-	64.606	71.814	-	71.814
XII.1 General loan loss provisions		34.895	-	34.895	32.598	-	32.598
XII.2 Restructuring provisions		-	-	-	-	-	-
XII.3 Reserve for employee benefits		3.105	-	3.105	2.610	-	2.610
XII.4 Insurance technical reserves (Net)		-	-	-	-	-	-
XII.5 Other provisions		26.606	-	26.606	36.606	-	36.606
XIII. TAX LIABILITY	(9)	17.661	-	17.661	17.156	-	17.156
XIII.1 Current tax liability		17.661	-	17.661	17.156	-	17.156
XIII.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
XIV.1 Held for sale		-	-	-	-	-	-
XIV.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(8)	-	86.831	86.831	-	70.629	70.629
XVI. SHAREHOLDERS' EQUITY	(10)	844.819	(44.889)	799.930	780.116	(30.059)	750.057
16.1 Paid-in capital		500.000	-	500.000	500.000	-	500.000
16.2 Capital reserves		26.929	(44.889)	(17.960)	(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		(1.823)	(44.889)	(46.712)	(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)		-	-	-	1	-	1
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	1	1
16.2.10 Other capital reserves		374	-	374	374	-	374
16.3 Profit reserves		187.796	-	187.796	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		100.792	-	100.792	99.779	-	99.779
16.3.4 Other profit reserves		2.920	-	2.920	2.920	-	2.920
16.4 Profit or loss		130.094	-	130.094	118.981	-	118.981
16.4.1 Prior years' income/losses		96.000	-	96.000	-	-	-
16.4.2 Current year income/loss		34.094	-	34.094	118.981	-	118.981
16.5 Minority shares	(11)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		2.007.833	4.706.046	6.713.879	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 March 31, 2009 and December 31, 2008

(In Thousand of Turkish Lira)

	Note Ref	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2009			December 31, 2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1.051.812	2.035.143	3.086.955	862.134	1.795.935	2.658.069
I. GUARANTEES AND COLLATERALS	(1)	240.495	347.349	587.844	221.029	346.901	567.930
1.1 Letters of guarantee		225.469	75.505	300.974	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		225.469	75.505	300.974	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		-	264.421	264.421	-	260.512	260.512
1.3.1 Documentary letters of credit		-	264.421	264.421	-	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		15.026	7.423	22.449	8	7.522	7.530
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		454.488	519.880	974.368	382.682	412.923	795.605
2.1 Irrevocable commitments		109.825	196.535	306.360	22.958	46.284	69.242
2.1.1 Forward asset purchase and sales commitments		109.825	196.535	306.360	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		-	-	-	-	-	-
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		344.663	323.345	668.008	359.724	366.639	726.363
2.2.1 Revocable loan granting commitments		344.663	323.345	668.008	359.724	366.639	726.363
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		356.829	1.167.914	1.524.743	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		356.829	1.167.914	1.524.743	258.423	1.036.111	1.294.534
3.2.1 Forward foreign currency buy/sell transactions		3.165	3.114	6.279	-	3.473	3.473
3.2.1.1 Forward foreign currency transactions-buy		3.165	-	3.165	-	1.708	1.708
3.2.1.2 Forward foreign currency transactions-sell		-	3.114	3.114	-	1.765	1.765
3.2.2 Swap transactions related to f.c. and interest rates		209.136	399.973	609.109	147.275	283.248	430.523
3.2.2.1 Foreign currency swaps-buy		167.816	132.728	300.544	65.990	150.360	216.350
3.2.2.2 Foreign currency swaps-sell		41.320	264.645	305.965	81.285	132.477	213.762
3.2.2.3 Interest rate swaps-buy		-	1.317	1.317	-	203	203
3.2.2.4 Interest rate swaps-sell		-	1.283	1.283	-	208	208
3.2.3 Foreign currency, interest rate and securities options		124.568	202.595	327.163	91.188	168.245	259.433
3.2.3.1 Foreign currency options-buy		64.819	65.503	130.322	65.094	26.902	91.996
3.2.3.2 Foreign currency options-sell		59.749	71.110	130.859	26.094	72.381	98.475
3.2.3.3 Interest rate options-buy		-	32.991	32.991	-	34.481	34.481
3.2.3.4 Interest rate options-sell		-	32.991	32.991	-	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		-	536.938	536.938	-	514.422	514.422
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	536.938	536.938	-	514.422	514.422
3.2.6 Other		19.960	25.294	45.254	19.960	66.723	86.683
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		5.353.871	11.875.614	17.229.485	2.027.944	9.572.876	11.600.820
IV. ITEMS HELD IN CUSTODY		5.035.965	100.327	5.136.292	1.718.786	84.100	1.802.886
4.1 Assets under management		16.497	3.910	20.407	15.152	4.404	19.556
4.2 Investment securities held in custody		1.823.562	96.417	1.919.979	353.128	79.696	431.324
4.3 Checks received for collection		-	-	-	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		1.983.547	-	1.983.547	453.021	-	453.021
4.8 Custodians		1.212.359	-	1.212.359	897.446	-	897.446
V. PLEDGED ITEMS		317.906	11.775.287	12.093.193	309.158	9.488.776	9.797.934
5.1 Marketable securities		19	563.669	563.688	16	514.285	514.301
5.2 Guarantee notes		90.350	2.015.328	2.105.678	85.155	1.924.996	2.010.151
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		115.304	3.911.014	4.026.318	121.304	3.559.660	3.680.964
5.6 Other pledged items		112.233	5.285.276	5.397.509	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)		6.405.683	13.910.757	20.316.440	2.890.078	11.368.811	14.258.889

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Income Statements for the periods ended March 31, 2009 and March 31, 2008

(In Thousand of Turkish Lira)

INCOME / (LOSS) ACCOUNTS	Note Ref	Reviewed	Reviewed
		CURRENT PERIOD	PRIOR PERIOD
		January 1 - March 31, 2009	January 1 - March 31, 2008
I. INTEREST INCOME	(1)	167.715	114.036
1.1 Interest on loans		95.329	39.459
1.2 Interest received from reserve deposits		132	233
1.3 Interest received from banks		1.849	1.345
1.4 Interest received from money market placements		36	2
1.5 Interest received from marketable securities portfolio		67.055	67.732
1.5.1 Held-for-trading financial assets		516	357
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		65.374	67.375
1.5.4 Investments held-to-maturity		1.165	-
1.6 Finance lease income		3.282	5.038
1.7 Other interest income		32	227
II. INTEREST EXPENSES	(2)	(116.463)	(46.249)
2.1 Interest on deposits		-	-
2.2 Interest on funds borrowed		(90.555)	(20.667)
2.3 Interest on money market borrowings		(25.908)	(25.519)
2.4 Interest on securities issued		-	-
2.5 Other interest expense		-	(63)
III. NET INTEREST INCOME (I - II)		51.252	67.787
IV. NET FEES AND COMMISSIONS INCOME		1.187	1.008
4.1 Fees and commissions received		1.434	1.274
4.1.1 Non-cash loans		703	384
4.1.2 Other		731	890
4.2 Fees and commissions paid		(247)	(266)
4.2.1 Non-cash loans		(1)	-
4.2.2 Other		(246)	(266)
V. DIVIDEND INCOME		2.078	1.892
VI. NET TRADING INCOME	(3)	(1.945)	(8.814)
6.1 Securities trading gains/ (losses)		(199)	(2.115)
6.2 Derivative financial instruments gains/losses		(7.322)	8.829
6.3 Foreign exchange gains/losses (net)		5.576	(15.528)
VII. OTHER OPERATING INCOME	(4)	12.896	2.877
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		65.468	64.750
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(5)	(9.444)	(14.038)
X. OTHER OPERATING EXPENSES (-)	(6)	(13.372)	(12.434)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		42.652	38.278
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)	42.652	38.278
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(7)	(8.558)	(9.656)
16.1 Provision for current income taxes		(13.179)	(5.869)
16.2 Provision for deferred taxes		4.621	(3.787)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		34.094	28.622
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)	34.094	28.622
23.1 Group's profit/loss		34.094	28.622
23.2 Minority shares		-	-
Earnings/(losses) per share		0,068	0,057

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Profit-Loss Items Accounted for under Shareholders' Equity for the periods ended March 31, 2009 and March 31, 2008
(In Thousand of Turkish Lira)

PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY	Reviewed	Reviewed
	CURRENT PERIOD	PRIOR PERIOD
	January 1- March 31, 2009	January 1- March 31, 2008
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	10.446	(34.370)
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	4.179	(45.380)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	3.040	2.262
X. NET PROFIT/LOSS ACCOUNTED FOR DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	17.665	(77.488)
XI. CURRENT YEAR PROFIT/LOSS	814	675
I.1 Net changes in fair value of securities (Recycled to Profit/Loss)	814	675
I.2 Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
I.3 Recycling hedge of net investments in foreign operations to Income Statement	-	-
I.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	18.479	(76.813)

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. Unconsolidated Statement of Shareholders' Equity for the period ended March 31, 2009 (in Thousand of Turkish Liras)																		
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	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable securities value increase fund	Tangible and intangible assets revaluation differences	Bonus shares obtained from associates, subst. and jointly controlled entities	Assets held for sale and from other funds	Total Equity Attributable to Parent	Minority Shares	Total Shareholders' Equity
Reviewed																		
CURRENT PERIOD (01/01 - 31/03/2009)																		
I.		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																		
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																		
12.1																		
Cash																		
12.2																		
Internal sources																		
XIII.																		
Share issuance																		
XIV.																		
Share cancellation profits																		
XV.																		
The effect of inflation on paid-in capital																		
XVI.																		
Other																		
XVII.																		
Period net income																		
XVIII.										34,094	(22,981)					34,094		34,094
Profit distribution																		
18.1						13,319	5,949	1,013			(2,700)					(2,700)		(2,700)
Dividends distributed																		
18.2						13,319	5,949	1,013			(20,281)					(2,700)		(2,700)
Transfers to reserves																		
18.3																		
Other																		
Closing Balance (I+II+III+...+XVI+XVII+XVIII)																		
		500,000	374	-	-	55,900	28,184	100,792	2,920	34,094	96,000	(46,712)	28,378	-	-	799,930	-	799,930

TÜRKİYE SİGAR KALKINMA BANKASI A.Ş.																			
Unconsolidated Statement of Shareholders' Equity for the period ended March 31, 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	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable securities value increase / (decrease)	Tangible and intangible assets revaluation differences	Bonus shares obtained from associates, subordinated and jointly controlled entities	Hedging funds	Assets held for sale and from divestiture	Total Equity Attributable to Parent	Minority Shareholders	Total Shareholders' Equity
Reviewed																			
PRIOR PERIOD																			
(01/01 - 31/03/2008)																			
I.		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.																			
III.																			
IV.																			
4.1																			
4.2																			
V.																			
VI.																			
VII.																			
VIII.																			
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XV.																			
XVI.																			
XVII.																			
XVIII.																			
18.1																			
18.2																			
18.3																			
																	</		

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Unconsolidated Statement of Cash Flows for March 31, 2009 and March 31, 2008
(In Thousand of Turkish Lira)

STATEMENT OF CASH FLOWS	Note Ref	Reviewed CURRENT PERIOD	Reviewed PRIOR PERIOD
		January 1 - March 31, 2009	January 1 - March 31, 2008
A. CASH FLOWS FROM BANKING OPERATIONS			
I.1 Operating profit before changes in operating assets and liabilities		(1.033)	36.432
I.1.1 Interest received		150.405	97.050
I.1.2 Interest paid		(83.842)	(56.439)
I.1.3 Dividends received		-	200
I.1.4 Fees and commissions received		1.434	1.274
I.1.5 Other income		2.783	12.118
I.1.6 Collections from previously written off loans		57	2.200
I.1.7 Payments to personnel and service suppliers		(11.741)	(10.804)
I.1.8 Taxes paid		(29.171)	(16.159)
I.1.9 Others		(30.958)	6.992
I.2 Changes in operating assets and liabilities		266.308	205.264
I.2.1 Net (increase) decrease in financial assets		(17.444)	28.073
I.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
I.2.3 Net (increase) decrease in due from banks and other financial institutions		-	-
I.2.4 Net (increase) decrease in loans		(159.406)	(516.229)
I.2.5 Net (increase) decrease in other assets		(11.841)	(53.004)
I.2.6 Net increase (decrease) in bank deposits		-	-
I.2.7 Net increase (decrease) in other deposits		-	-
I.2.8 Net increase (decrease) in funds borrowed		425.419	735.199
I.2.9 Net increase (decrease) in matured payables		-	-
I.2.10 Net increase (decrease) in other liabilities		29.580	11.225
I. Net cash provided from banking operations		265.275	241.696
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(190.916)	(70.889)
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		(239)	(1.206)
2.4 Fixed assets sales		-	-
2.5 Cash paid for purchase of financial assets available for sale		(190.677)	(69.683)
2.6 Cash obtained from sale of financial assets available for sale		-	-
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)	(2.209)
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		-	606
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		5.576	(15.528)
V. Net increase / (decrease) in cash and cash equivalents		77.235	153.070
VI. Cash and cash equivalents at beginning of the period		157.519	31.807
VII. Cash and cash equivalents at end of the period		234.754	184.877

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1, 2009 TO MARCH 31, 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 67 million, TRY 73 million and TRY 46 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 (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 happened due to the circumstances and conditions beyond the control of the Bank and if there is enough evidence that the sale plan of the related asset (or disposal group of asset) of the Bank is still in process, the delay in the sales process does not prevent the classification of the asset (or disposal group of asset) as an asset held for sale.

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.

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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, there is no increase in the paid-in capital. However, 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; but registration transactions have not been completed, yet.

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 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 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.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XXI. Explanations on Segment Reporting (Cont'd)

The segmental allocation of the Bank's net profit as of March 31, 2009 and March 31, 2008 are shown below.

Current Period	Corporate	Investment Banking	Other	Total
Net Interest Income	9.896	41.356	-	51.252
Net Commission and Fees Income	831	391	(35)	1.187
Other Income	10.170	-	4.804	14.974
Other Expense	(6.649)	(13.762)	(4.350)	(24.761)
Profit Before Tax	14.248	27.985	419	42.652
Tax Provision				(8.558)
Net Profit				34.094

Prior Period	Corporate	Investment Banking	Other	Total
Net Interest Income	28.491	39.296	-	67.787
Net Commission and Fees Income	504	551	(47)	1.008
Other Income	2.200	-	2.569	4.769
Other Expense	(8.287)	(22.850)	(4.149)	(35.286)
Profit Before Tax	22.908	16.997	(1.627)	38.278
Tax Provision				(9.656)
Net Profit				28.622

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.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The capital adequacy ratio is 20,61 % as at March 31, 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)	172.658	-	838.273	833.151	2.948.395	-	-
Cash	354	-	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	2.428	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	233.324	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	40.473	-	-	-	-	-	-
Loans	6.939	-	555.175	799.874	2.485.321	-	-
Non-performing Loans (Net)	-	-	-	-	-	-	-
Financial Lease Receivables	88	-	49.774	33.277	124.293	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-	-
Held to Maturity Investments	96.953	-	-	-	-	-	-
Receivables from Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	123.712	-	-
Interest and Income Accruals (*)	-	-	-	-	-	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	7.597	-	-	-	185.107	-	-
Tangible Assets	-	-	-	-	26.365	-	-
Other Assets	17.826	-	-	-	3.597	-	-
Off-Balance Sheet Items	991.188	-	116.505	6.572	185.161	-	-
Guarantees and Commitments	991.188	-	96.593	6.572	185.161	-	-
Derivative Financial Instruments	-	-	19.912	-	-	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	1.163.846	-	954.778	839.723	3.133.556	-	-

(*) 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)	3.744.374	3.505.155
Amount Subject to Market Risk (ASMR)	429.738	374.888
Amount Subject to Operational Risk (ASOR)	330.695	280.666
Shareholders' Equity	928.219	878.510
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	20,61	21,11

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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:

	March 31, 2009	December 31, 2008
CORE CAPITAL		
Paid-in capital	500.000	500.000
Nominal capital	500.000	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	103.712	102.699
Reserves allocated by the General Assembly	100.792	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	130.094	118.981
Current period profit	34.094	118.981
Prior years' profits	96.000	-
Provisions for possible losses up to 25 % of core capital	15.000	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 (-)	(473)	-
Prepaid expenses (-)	(3.745)	(3.368)
Intangible assets (-)	(495)	(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	856.929	836.443

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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):

	March 31,2009	December 31,2008
SUPPLEMENTARY CAPITAL		
General Loan Loss Provisions	34.895	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	84.150	75.800
Marketable securities value increase fund	(46.712)	(65.191)
Associates and subsidiaries	(32.017)	(36.196)
Available for sale securities	(14.695)	(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	72.333	43.207
TIER III CAPITAL	-	-
CAPITAL	929.262	879.650
DEDUCTIONS FROM THE CAPITAL	(1.043)	(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	(1.043)	(1.140)
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	928.219	878.510

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	26.424
Resulting from Financial Instruments related to Interest Income	24.666
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	1.758
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	3.874
Resulting from Financial Instruments related to Interest Income	2.116
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	1.758
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	4.081
Capital Requirement	4.068
Capital Requirement Calculated for Options Subject to Foreign Currency Risk	13
(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)	34.379
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	429.738

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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"			
March 31, 2009	1,6830	2,2280	0,0172
Prior Five Workdays:			
March 30, 2009	1,6900	2,2328	0,0174
March 27, 2009	1,6530	2,2433	0,0169
March 26, 2009	1,6500	2,2414	0,0169
March 25, 2009	1,6550	2,2306	0,0170
March 24, 2009	1,6520	2,2560	0,0168

Simple arithmetic thirty-day averages of the USD, EURO and YEN buying rates of the Bank before the balance sheet date are TRY 1,7050, TRY 2,2284 and TRY 0,0175; respectively.

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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):

	EURO	USD	Yen	Other FC	Total
Current Period					
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey.	2.433	98	-	2	2.533
Banks	189.323	5.370	258	1.292	196.243
Financial Assets at Fair Value Through Profit and Loss	703	1.923	-	-	2.626
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	71.873	390.244	-	-	462.117
Loans (*)	1.904.454	1.860.530	36.727	-	3.801.711
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	5	5
Intangible Assets	-	-	-	-	-
Other Assets (**)	204.904	163.642	4.930	2	373.478
Total Assets	2.373.690	2.421.807	41.915	1.301	4.838.713
Liabilities					
Bank Deposits	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-
Money Market Borrowings	10.383	43.788	-	-	54.171
Funds Provided From Other Financial Institutions	2.409.801	2.205.948	61.370	481	4.677.600
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	7.505	9.212	-	5	16.722
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	615	1.816	11	-	2.442
Total Liabilities	2.428.304	2.260.764	61.381	486	4.750.935
Net Balance Sheet Position	(54.614)	161.043	(19.466)	815	87.778
Net Off-Balance Sheet Position	50.299	(208.996)	23.429	-	(135.268)
Financial Derivative Assets	114.126	144.773	32.514	-	291.413
Financial Derivative Liabilities	(63.827)	(353.769)	(9.085)	-	(426.681)
Non-Cash Loans (****)	158.102	185.809	-	3.438	347.349
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 1.650.694 Thousand foreign currency indexed loans.

(**) TRY 2.548 Thousand prepaid expenses have not been included to other assets.

(***) TRY (44.889) 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.

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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.	-	-	-	-	-	2.782	2.782
Banks	221.781	-	-	-	-	11.543	233.324
Financial Assets at Fair Value Through Profit and Loss	7.025	6.936	2.813	27.296	-	540	44.610
Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	150.651	86.796	1.017.562	259.480	333.028	23.519	1.871.036
Loans	779.873	1.334.194	1.514.442	185.818	32.982	-	3.847.309
Held-to-Maturity Investments	-	-	96.953	-	-	-	96.953
Other Assets	38.056	110.733	33.206	16.722	8.715	410.433	617.865
Total Assets	1.197.386	1.538.659	2.664.976	489.316	374.725	448.817	6.713.879
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	1.071.217	1.091	15.146	-	-	-	1.087.454
Sundry Creditors	-	-	-	-	-	36.472	36.472
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	542.062	1.812.332	2.198.525	94.221	36.415	-	4.683.555
Other Liabilities	13.358	6.602	1.758	2.484	-	882.196	906.398
Total Liabilities	1.626.637	1.820.025	2.215.429	96.705	36.415	918.668	6.713.879
Balance Sheet Long Position	-	-	449.547	392.611	338.310	-	1.180.468
Balance Sheet Short Position	(429.251)	(281.366)	-	-	-	(469.851)	(1.180.468)
Off-Balance Sheet Long Position	-	711	-	10.570	-	-	11.281
Off-Balance Sheet Short Position	(547.765)	-	(993)	-	-	-	(548.758)
Total Position	(977.016)	(280.655)	448.554	403.181	338.310	(469.851)	(537.477)

(*) 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.

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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	-	-	-	8,40
Banks	0,95	-	-	16,72
Financial Assets at Fair Value through Profit and Loss	-	-	-	14,04
Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	3,89	6,80	-	17,09
Loans	5,35	4,53	4,88	16,12
Held-to-Maturity Investments	-	-	-	13,44
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,30	1,32	-	10,68
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	3,35	2,42	1,96	-

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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.

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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 is 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.

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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	2.782	-	-	-	-	-	-	2.782
Banks	11.543	221.781	-	-	-	-	-	233.324
Financial Assets at Fair Value Through Profit and Loss	540	7.025	6.936	2.813	27.296	-	-	44.610
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	2.819	17.159	34.823	675.710	788.876	333.028	18.621	1.871.036
Loans	-	50.889	104.503	739.326	2.335.984	616.607	-	3.847.309
Held-to-Maturity Investments	-	-	-	-	96.953	-	-	96.953
Other Assets	-	7.726	13.755	55.292	120.463	10.196	410.433	617.865
Total Assets	17.684	304.580	160.017	1.473.141	3.369.572	959.831	429.054	6.713.879
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	96.587	365.192	417.137	1.612.829	2.191.810	-	4.683.555
Money Market Borrowings	-	1.071.217	1.091	15.146	-	-	-	1.087.454
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	-	-	-	-	-	36.472	36.472
Other Liabilities	-	13.358	6.602	1.758	2.484	-	882.196	906.398
Total Liabilities	-	1.181.162	372.885	434.041	1.615.313	2.191.810	918.668	6.713.879
Liquidity Gap	17.684	(876.582)	(212.868)	1.039.100	1.754.259	(1.231.979)	(489.614)	-
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.

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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	181	173	89	168
Balances with the Central Bank of Turkey	68	2.360	484	2.137
Other	-	-	-	-
Total	249	2.533	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	68	2.360	484	2.137
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Total	68	2.360	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).

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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	2	-	57	-
Swap Transactions	21.308	559	18.698	667
Futures Transactions	-	-	-	-
Options	-	2.067	-	1.633
Other	-	-	-	-
Total	21.310	2.626	18.755	2.300

3. Information on Banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	37.081	1.394	2.754	914
Foreign	-	194.849	-	143.400
Branches and head office abroad	-	-	-	-
Total	37.081	196.243	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	1.046.045	54.230	827.384	41.302
Treasury bills	16.010	-	72	-
Other debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1.062.055	54.230	827.456	41.302

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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 315.984 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	127.510	188.474	129.809	163.142
Other	-	-	-	-
Total	127.510	188.474	129.809	163.142

4.b Major types of available for sale financial assets

Available for sale financial assets comprise 0,98 % treasury bills, 77,17 % government bonds and 16,60 % Eurobonds, and 5,25 % 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	1.896.740	1.768.626
Quoted on a stock exchange	1.488.875	1.397.467
Not quoted	407.865	371.159
Share certificates	30.294	28.217
Quoted on a stock exchange	4.593	4.593
Not quoted	25.701	23.624
Impairment provision(-)	(58.817)	(44.640)
Other	2.819	2.742
Total	1.871.036	1.754.945

All unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 12.981 Thousand which is recorded at cost since respective fair values cannot be reliably measured.

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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	66.498	141.759	72.765	141.759
Corporate shareholders	66.498	141.759	72.765	141.759
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	181	-	225	-
Total	66.679	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	3.771.184	501	903	74.721
Discount notes	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Investment loans	2.155.008	501	903	71.454
Loans given to financial sector	963.548	-	-	-
Foreign loans	1.351	-	-	-
Consumer loans	181	-	-	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	651.096	-	-	3.267
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	3.771.184	501	903	74.721

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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	148	33	181
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	148	33	181
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	148	33	181

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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	3.845.958	3.663.343
Foreign loans	1.351	5.063
Total	3.847.309	3.668.406

5.f Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	138.608	134.654
Indirect loans granted to subsidiaries and associates	-	-
Total	138.608	134.654

5.g Specific provisions provided against loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	181	-
Loans and receivables with doubtful collectability	4	-
Uncollectable loans and receivables	23.488	25.428
Total	23.673	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)	-	-	7.794
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	7.794
Prior Period			
(Gross amounts before provisions)	-	-	5.336
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	5.336

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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	560
Transfers from other categories of non-performing Loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections (-)	-	-	(2.387)
Write-offs (-)	-	-	(113)
Corporate and Commercial Loans	-	-	(113)
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current period end balance	181	4	23.488
Specific provision (-)	(181)	(4)	(23.488)
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	181	4	5.685
Special Provision (-)	(181)	(4)	(5.685)
Net Balance on Balance Sheet	-	-	-
Prior Period			
Period End Balance	-	-	7.464
Special Provision (-)	-	-	(7.464)
Net Balance on Balance Sheet	-	-	-

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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)	181	4	18.145
Specific Provision Amount (-)	(181)	4	(18.145)
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.

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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 The Bank has no investment securities held-to-maturity as at the balance sheet date (December 31, 2008: None).

6.a.2 As of the balance sheet date, held-to-maturity investments securities given as collateral or blocked is as follows (December 31, 2008: None).

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Other Marketable Securities	60.122	-	-	-
Other	-	-	-	-
Total	60.122	-	-	-

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

As of the balance sheet date, the Bank has TRY 96.953 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	96.953	-
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Closing Balance	96.953	-

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 95.787 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.

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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	29.75	44.48
8	ÜNSA AMBALAJ SANAYİ VE TİCARET A.Ş. (Ünsa)	Istanbul/Turkey	7.52	7.52
9	YATIRIM FİNANSMAN YATIRIM ORTAKLIĞI A.Ş. (Yatırım Fin.Y.O.)	Istanbul/Turkey	10.78	41.18

	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)	5.965	5.455	48	175	-	3.666	(371)	-
İş Factoring (2)	75.590	27.990	141	2.323	9	20.570	1.174	-
İş Finansal (3)	1.235.524	285.102	1.138	15.080	3.046	76.309	46.716	30.646
İş Girişim (4)	126.659	124.124	1.138	5.848	722	20.085	4.758	6.708
Senapa (5)	34.170	6.327	24.036	90	15	(1.536)	(453)	-
Terme (6)	12.003	1.472	1.086	-	-	420	441	-
TSKB Y.O. (7)	18.259	18.214	-	-	342	47	(2.543)	2.517
Ünsa (8)	78.623	25.399	22.060	113	-	(5.327)	(1.601)	-
Yatırım Fin. Y.O.(9)	11.185	11.138	-	-	32	490	(3.712)	464

- (1) Represents un-audited 31.12.08 financial statements. Prior year profit/loss is obtained from 31.12.07 financial statements.
(2) Represents audited 31.12.08 financial statements. Prior year profit/loss is obtained from 31.12.07 financial statements.
(3) Represents audited 31.12.08 consolidated financial statements. Prior year profit is obtained from 31.12.07 financial statements. Fair value is presented as of 31.03.09.
(4) Represents audited 31.12.08 consolidated financial statements. Prior year profit is obtained from 31.12.07 financial statements. Fair value is presented as of 31.12.08.
(5) Represents un-audited 31.12.08 financial statements. Prior year profit/loss is obtained from 31.12.07 financial statements.
(6) Represents un-audited 31.12.08 financial statements. Prior year loss is obtained from 31.12.07 financial statements.
(7) Represents un-reviewed 31.03.09 financial statements. Prior year profit is obtained from 31.12.08 financial statements. Fair value is presented as of 31.03.09.
(8) Represents un-audited 31.12.08 financial statements. Prior year profit/loss is obtained from 31.12.07 financial statements.
(9) Represents un-reviewed 31.03.09 financial statements. Prior year profit is obtained from 31.12.08 financial statements. Fair value is presented as of 31.12.08.

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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	4.179	(53.952)
Purchases	-	-
Bonus Shares Obtained	-	12.995
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase	4.179	-
Provision for Impairment	-	(66.947)
Balance at the End of the Period	50.165	45.986
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

In the Board of Directors' meetings of the Bank's associates TSKB Yatırım Ortaklığı A.Ş. and Yatırım Finansman Yatırım Ortaklığı A.Ş. held on September 24, 2008, it has been resolved that these two entities will be merged under TSKB Yatırım Ortaklığı A.Ş. according to the article 451 of Turkish Commercial Code, and 19th and 20th articles of Corporate Tax Law No: 5520. For this purpose, managements of these companies have been authorized to fulfill the required duties and transactions.

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	30.646	27.476
Financial Service Companies	-	-
Other Associates	17.968	16.959

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

	Current Period	Prior Period
Associates quoted on domestic stock exchanges	40.335	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).

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

No associates purchased in the current period.

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.

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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 (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)	3.216	2.581	1.037	19	101	571	827	-
YF MEN.DĞ. (2)	102.165	43.835	1.350	2.371	536	450	1.398	-
TSKB GYO (3)	187.954	106.930	95.286	662	7	1.856	3.063	-

- (1) Represents un-audited 31.12.08 financial statements. Prior year profit is obtained from 31.12.07 financial statements.
(2) Represents un- reviewed 31.03.09 financial statements. Prior year profit is obtained from 31.12.08 financial statements.
(3) Represents un-reviewed 31.03.09 financial statements. Prior year profit 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 (%)	-	-

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).

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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.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	21.389	20.807	16.212	15.519
Between 1- 4 years	169.645	155.937	187.109	170.509
More than 4 years	34.842	30.688	36.710	29.585
Total	225.876	207.432	240.031	215.613

10.b The information on net investments in finance leases

	Current Period	Prior Period
Gross investments in finance leases	225.876	240.031
Unearned revenue from finance leases (-)	(18.444)	(24.418)
Cancelled finance leases (-)	-	-
Net investments in finance leases	207.432	215.613

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.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	822	949
Financial lease adjustments	1.731	1.608
Derivative instrument accruals	723	554
Employee benefit provision	621	522
Loan commissions accrual adjustment	2.790	2.496
Other provisions	5.317	7.317
Other	5.765	2.267
Total	17.769	15.713

In addition, TRY 3.040 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	8	-	-	-
Swap Transactions	21.751	493	17.914	514
Futures Transactions	-	-	-	-
Options	-	1.949	-	8.508
Other	-	-	-	-
Total	21.759	2.442	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	200	6.371	14.006	70.193
From Foreign Banks, Institutions and Funds	5.755	4.584.398	60.878	4.290.856
Total	5.955	4.590.769	74.884	4.361.049

3.b Maturity analysis of funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	1.801	461.279	70.729	493.273
Medium and long-term	4.154	4.129.490	4.155	3.867.776
Total	5.955	4.590.769	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 affiliates; 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).

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	34.895	32.598
Provisions for First Group Loans and Receivables	27.511	25.890
Provisions for Second Group Loans and Receivables	1.442	1.380
Provisions for non-Cash Loans	864	818
Other	5.078	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 460 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 (*)	15.000	25.000

(*) In the current period, the Bank has provided TRY 15.000 Thousand provision for possible risks on credit portfolio in the future period (December 31, 2008: TRY 25.000 Thousand).

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	15.000	25.000
Provision for Dividend Received from Subsidiaries	2.424	2.424
Other	9.182	9.182
Total	26.606	36.606

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 84.150 Thousand). The interest expense accrual of this borrowing is TRY 2.681 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 6,877 % (4,377+2,5 spread). Principal repayment of the loan will be on October 15, 2016 as a whole.

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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 (*)	13.179	-	14.211	-
Deferred tax liability	-	-	-	-
Total	13.179	-	14.211	-

(*) As of balance sheet date, Corporate Tax Provision is TRY 13.179 Thousand (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	13.179	14.211
Taxation of securities	1.145	1.018
Property tax	-	-
Banking and Insurance Transaction Tax (BITT)	299	286
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	249	92
Other	2.749	1.513
Total	17.621	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	13	12
Unemployment insurance-Employer	27	24
Other	-	-
Total	40	36

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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	500.000	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	500.000	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, there is no increase in the paid-in capital. However, 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; but registration transactions have not been completed, yet.

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.

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	(32.017)	-	(36.196)	-
Valuation Differences	30.194	(44.889)	1.064	(30.059)
Foreign Exchange Difference	-	-	-	-
Total	(1.823)	(44.889)	(35.132)	(30.059)

11. Information on minority shares:

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

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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 264.421 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 300.974 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	22.449	7.530
With maturity of one year or less than one year	-	-
With maturity of more than one year	22.449	7.530
Other non-cash loans	565.395	560.400
Total	587.844	567.930

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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.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	56.094	24	162.721	47	64.928	29	155.642	45
Mining	4.531	2	-	-	4.501	2	-	-
Manufacturing Industry	6.213	3	22.747	7	9.010	4	31.325	9
Electricity, Gas, Water	45.350	19	139.974	40	51.417	23	124.317	36
Construction	22.373	9	15.265	4	9.123	4	37.070	11
Services	147.002	61	169.363	49	146.978	67	154.189	44
Wholesale and Retail Trade	-	-	158.827	46	-	-	144.790	41
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Communication	2	-	-	-	2	-	-	-
Financial Institutions	143.000	59	10.098	3	142.971	65	9.096	3
Real Asset and Leasing Services	-	-	438	-	5	-	303	-
Self-employment Services	4.000	2	-	-	4.000	2	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	15.026	6	-	-	-	-	-	-
Total	240.495	100	347.349	100	221.029	100	346.901	100

1.c.3 Information on 1st and II nd group non-cash loans

	1 st Group		II nd Group	
	TRY	FC	TRY	FC
Non-cash Loans	240.495	347.349	-	-
Letters of Guarantee	225.469	75.505	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	264.421	-	-
Endorsements	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-
Factoring Guarantees	-	-	-	-
Other	15.026	7.423	-	-

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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 31 Thousand as of the balance date.

As a result of a tax inspection, the Bank's subsidiary İş Factoring Finansman Hizmetleri A.Ş. was sent tax penalty notifications within the context of the article 16 of the Corporate Tax Law. İş Factoring A.Ş has brought a lawsuit against the relevant authorities concerning the cancellation of the given tax penalty notifications and on condition of keeping a right to bring a lawsuit in 2005 and paid to the tax office regarding the amounts claimed for the notifications. Subsequently, İş Factoring Finansman Hizmetleri A.Ş. has lost the pending lawsuits against the tax authority with a right to appeal to the Council of the State for the suspension of the execution of the decisions. Furthermore, İş Factoring applied to the Ministry of Finance on the condition of saving all its legal rights, to postpone its liability and to structure a repayment plan and subsequently, started to pay based on the notified repayment schedule. Subsequent to the Council of the State decision in favor of İş Factoring, the company has requested restitution of payment amounts and the restitution of payments have been realized in June 2008. As those lawsuits were resulted in favor of the company, İş Factoring management reversed the provision amount which was made in prior years as a result of the restitution by Tax Offices and recognized the related amount as an income in the prior period.

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	599	1.163	1.093	608
Medium and long term loans	40.920	51.474	15.518	21.226
Interest on non-performing loans	1.173	-	1.012	2
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	42.692	52.637	17.623	21.836

1.b Information on interest received from banks

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	1.521	1	591	603
Foreign banks	-	327	-	151
Branches and head office abroad	-	-	-	-
Total	1.521	328	591	754

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

	Current Period	Prior Period
Interest received from associates and subsidiaries	3.286	565

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SECTION FIVE (Cont'd)

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

IV. Explanations Related to the Statement of Income

2.a Information on interest on funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	509	8.453	1.292	12.481
The Central Bank of Turkey	-	-	32	-
Domestic banks	238	36	458	1.213
Foreign banks	271	8.417	802	11.268
Branches and head office abroad	-	-	-	-
Other financial institutions	-	81.593	-	6.894
Total	509	90.046	1.292	19.375

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	174.930	293.419
Gains on capital market operations	3.267	1.714
On derivative financial instruments	43.553	96.184
Foreign exchange gains	128.110	195.521
Losses (-)	(176.875)	(302.233)
Losses on capital market operations	(3.466)	(3.829)
On derivative financial instruments	(50.875)	(87.355)
Foreign exchange losses	(122.534)	(211.049)

4. Information related to Other Operating Income:

	Current Period	Prior Period
Provisions Released	12.500	2.200
Gains on Sale of Assets	-	-
From Associate and Subsidiary Sales	-	-
From Movable Fixed Asset Sales	-	-
From Properties Sales	-	-
From Other Asset Sales	-	-
Other	396	677
Total	12.896	2.877

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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	194	78
III. Group	181	-
IV. Group	4	-
V. Group	9	78
General provision expenses	2.297	4.017
Provision expenses for possible losses	-	-
Marketable securities impairment expenses	6.953	9.943
Trading securities	91	114
Investment securities available for sale	6.862	9.829
Impairment provisions	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (joint vent.)	-	-
Investment securities held to maturity	-	-
Other	-	-
Total	9.444	14.038

6. Information related to Other Operating Expenses:

	Current Period	Prior Period
Personnel expenses	7.984	7.853
Reserve for employee termination benefits	167	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	289	228
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	64	44
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets for resale	377	171
Impairment expenses of assets held for sale	-	-
Other operating expenses	3.616	3.121
Rent expenses	1.249	1.150
Maintenance expenses	102	104
Advertisement expenses	142	159
Other expenses	2.123	1.708
Loss on sales of assets	-	3
Other	875	1.014
Total	13.372	12.434

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 13.179 Thousand (March 31, 2008: TRY 5.869 Thousand). Deferred tax benefit is TRY 4.621 Thousand (March 31, 2008: TRY 3.787 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 4.621 Thousand (March 31, 2008: TRY 3.787 Thousand deferred tax charge).

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

As of March 31, 2009 deferred tax benefit calculated based on temporary differences is TRY 4.621 Thousand (March 31, 2008: TRY 3.787 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 (March 31, 2008: None).

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

As of March 31, 2009, profit before tax of the Bank has increased by 11,43 % (March 31, 2008: 43,90 % increase)

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 167.715 Thousand interest income, TRY 116.463 Thousand interest expenses and TRY 1.187 Thousand net fee and commission income from banking operations (March 31, 2008: TRY 114.036 Thousand interest income, TRY 46.249 Thousand interest expense, TRY 1.008 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 (March 31, 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 (March 31, 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.

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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	134.201	167	-	141.759	60.848	226
Interest and commission income	3.299	-	-	153	1.227	-

(*) Defined in the Paragraph 2 of the Article 20 of the "Regulation on the Establishment and Operations of Banks".

(**) Other entities included in the risk group: covers the financial lease receivables amounting of TRY 2.939 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 (***)	455	-	37	6	253	-

(*) Defined in the Paragraph 2 of the Article 20 of the "Regulation on the Establishment and Operations of Banks".

(**) 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 March 31, 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.

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SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. Explanations on the Independent Auditors' Limited Review Report

The financial statements and the notes to the financial statements as at March 31, 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.