



Türkiye Sınai Kalkınma Bankası Anonim Şirketi

Unconsolidated Financial Statements
As of and For the Nine-Month Period Ended 30 September 2010
*(Convenience Translation of Unconsolidated
Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish)*
With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

4 November 2010

*This report contains "Independent Auditors'
Review Report" comprising 1 page and;
"Unconsolidated Financial Statements and
Related Disclosures and Footnotes" comprising
66 pages.*



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**

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**Convenience Translation of the Independent Auditors' Review Report
Originally Prepared and Issued in Turkish**

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

We have reviewed the unconsolidated balance sheet of Türkiye Sınai Kalkınma Bankası A.Ş. ("the Bank") as of 30 September 2010 and the related unconsolidated income statement, statement of cash flows and statement of changes in shareholders' equity for the nine-month period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a review report on these financial statements based on our review. The financial statements of the Bank as of and for the year ended 31 December 2009 and, as of and for the nine month period ended 30 September 2009 were audited and reviewed, respectively by another auditor who expressed an unqualified opinion in their report dated 10 February 2010 for the financial statements as of 31 December 2009 and an unqualified review report dated 5 November 2009 for the financial statements as of 30 September 2009.

We conducted our review in accordance with the regulations related with the "Accounting and Recording Rules" and "Independent Auditing Standards" of the (Turkish) Banking Law No 5411. These regulations 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 inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide less assurance than an audit. 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 of Türkiye Sınai Kalkınma Bankası A.Ş. as of 30 September 2010 and the results of its operations and its cash flows, for the period then ended 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.

İstanbul,
4 November 2010

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik

Anonim Şirketi

Murat Alsan
Partner

Additional paragraph for convenience translation to English:

As explained in Section 3 Note I, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

**THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

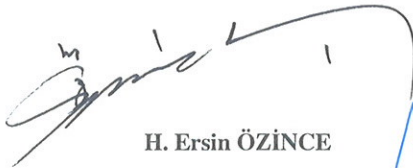
E-Mail Address for Contact Person: nazlicaa@tskb.com.tr

The unconsolidated financial report for the nine 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 THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

The accompanying unconsolidated financial statements and the explanatory footnotes and disclosures for the nine months, unless otherwise indicated, are prepared in **thousands of Turkish Lira ("TRY")**, in accordance with the Communiqué on 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.

November 4, 2010



H. Ersin ÖZİNCE

Chairman of
Board of Directors



Halil EROĞLU

General Manager



Ömer ERYILMAZ

Executive Vice President
In Charge of Financial Reporting



Mustafa GÖKTAŞ

Head of Financial
Control Department



Kemal Serdar DIŞLI

Member of Audit Committee



Murat BİLGİÇ

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

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TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) 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 12 May 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on 12 May 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. Shareholders of the Bank are as follows:

Current Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	350.481	50,07	350.481	-
T. Vakıflar Bankası T.A.O.	58.642	8,38	58.642	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	290.864	41,55	290.864	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	700.000	100,00	700.000	-

Prior Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	300.720	50,12	300.720	-
T. Vakıflar Bankası T.A.O.	50.265	8,38	50.265	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	249.002	41,50	249.002	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	600.000	100,00	600.000	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) 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	Murat Vulkan (**)	Undergraduate		28 years
Members of the Board of Directors	Yavuz Canevi	Postgraduate		13 years
	Mustafa Baran Tuncer	Doktorate		28 years
	Ertan Burhanettin Kantar	Undergraduate		16 years
	Kemal Serdar Dişli	Undergraduate		19 years
	Murat Bilgiç	Postgraduate		15 years
	Yonca Koçak (****)	Undergraduate		20 years
	Memduh Aslan Akçay(*****)	Postgraduate		17 years
	Uygur Şafak Öğün (**)	Postgraduate		15 years
Members of the Board of Directors and General Manager	Halil Eroğlu	Undergraduate	CEO	24 years
Members of Audit Committee	Kemal Serdar Dişli	Undergraduate		19 years
	Murat Bilgiç	Postgraduate		15 years
Executive Vice Presidents	Şemseddin Arat	Postgraduate	Information Technology and Human Resources	23 years
	A.Orhan Beşkök	Postgraduate	Technical Services	19 years
	Şeniz Yarcın	Undergraduate	Treasury, Investment Banking and External Relation	16 years
	Burak Akgöz	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	Volkan Kublay (*****)	Undergraduate	Auditor	11 years
	Mete Uluyurt	Postgraduate	Auditor	12 years

Changes

Title

Resigned

Appointed

Vice Chairman and Member of Board of Directors
Member of Board of Directors
Statutory Auditors

Kadir Akgöz (**)
Süleyman Kalkan (***)
Zeynep Hansu Uçar (*****)
Remzi Altınok (****)

U. Şafak Öğün
Murat Vulkan
Volkan Kublay
Yonca Koçak

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

(**) In the Board of Directors meeting with number 1932 held on 2 April 2010, resignation of Kadir Akgöz, the member of the Board of Directors, was approved, U. Şafak Öğün and Murat Vulkan were elected as members of the Board of Directors. On 13 April 2010, U. Şafak Öğün and Murat Vulkan have started their duties as members of the Board of Directors. Murat Vulkan was elected Vice Chairman of the Board of Directors on 15 June 2010.

(***) Süleyman Kalkan resigned his duty of member of the Board of Directors on 19 March 2010.

(****) Remzi Altınok resigned on 21 July 2010 and Yonca Koçak was elected within the frame of Turkish Commercial Law Article No.315 on 18 August 2010 has started her duties.

(*****) In the Board of Directors meeting held on 1 October 2010 Memduh Aslan Akçay resigned his duty of member of Board of Directors and Mehmet Vulkan was elected within the frame of Turkish Commercial Law Article No.315. On 21 October 2010 Mehmet Coşkun Cangöz has started his duties.

(*****) Zeynep Hansu Uçar resigned on 10 August 2010 and Volkan Kublay was appointed within the frame of Turkish Commercial Law Article No.351.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) 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.

Current Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	350.481	50,07	350.481	-
T. Vakıflar Bankası T.A.O.	58.642	8,38	58.642	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	290.864	41,55	290.864	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	700.000	100,00	700.000	-

Prior Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	300.720	50,12	300.720	-
T. Vakıflar Bankası T.A.O.	50.265	8,38	50.265	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	249.002	41,50	249.002	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	600.000	100,00	600.000	-

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

Türkiye Sınai Kalkınma Bankası A.Ş. ("the Bank") is the first private investment and development bank which was established by the Council of Ministers' resolution number of 3/11203 established in 1950 with the support of World Bank, T.R. Government, T.R. Central Bank and commercial banks. As per the articles of association published in the Official Gazette on 2 June 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 4.000 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 18 January 2005 after obtaining the off-shore banking license from Bahrain Central Bank (BMA) on 30 December 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 SHEET (STATEMENT of FINANCIAL POSITION)
AT 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

		Reviewed Current Period 30 September 2010			Audited Prior Period 31 December 2009		
ASSETS	Note Ref.	TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.868	52.345	54.213	566	20.504	21.070
II. FINANCIAL ASSETS AT F.V. THROUGH PROFIT AND LOSS (Net)	(2)	94.733	10.935	105.668	38.510	4.262	42.772
2.1 Trading financial assets		94.733	10.935	105.668	38.510	4.262	42.772
2.1.1 Public sector debt securities		59.053	-	59.053	30.956	-	30.956
2.1.2 Share certificates		27.745	-	27.745	-	-	-
2.1.3 Derivative financial assets held for trading		7.405	10.935	18.340	7.021	4.262	11.283
2.1.4 Other marketable securities		530	-	530	533	-	533
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 Other marketable securities		-	-	-	-	-	-
2.2.4 Loans		-	-	-	-	-	-
III. BANKS	(3)	62.792	86.695	149.487	121.623	33.385	155.008
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	1.617.954	466.958	2.084.912	1.654.273	492.976	2.147.249
5.1 Share certificates		33.886	2.957	36.843	18.329	2.957	21.286
5.2 Public sector debt securities		1.564.943	346.090	1.911.033	1.614.947	350.088	1.965.035
5.3 Other marketable securities		19.125	117.911	137.036	20.997	139.931	160.928
VI. LOANS	(5)	1.502.016	2.417.634	3.919.650	1.649.799	2.169.835	3.819.634
6.1 Loans		1.502.016	2.417.634	3.919.650	1.649.799	2.169.835	3.819.634
6.1.1 Loans to risk group of the Bank		182.734	95.153	277.887	204.013	77.940	281.953
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		1.319.282	2.322.481	3.641.763	1.445.786	2.091.895	3.537.681
6.2 Takipteki Krediler		11.090	14.496	25.586	15.990	5.685	21.675
6.3 Specific provisions (-)		(11.090)	(14.496)	(25.586)	(15.990)	(5.685)	(21.675)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	294.983	-	294.983	280.529	-	280.529
8.1 Public sector debt securities		294.983	-	294.983	280.529	-	280.529
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	125.362	-	125.362	101.686	-	101.686
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		125.362	-	125.362	101.686	-	101.686
9.2.1 Financial investments		124.679	-	124.679	93.406	-	93.406
9.2.2 Non-financial investments		683	-	683	8.280	-	8.280
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	136.038	-	136.038	142.539	-	142.539
10.1 Unconsolidated financial subsidiaries		135.426	-	135.426	142.160	-	142.160
10.2 Unconsolidated non-financial subsidiaries		612	-	612	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)	-	78.477	78.477	271	134.805	135.076
12.1 Finance lease receivables		-	81.629	81.629	285	141.568	141.853
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	(3.152)	(3.152)	(14)	(6.763)	(6.777)
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)		16.451	2	16.453	22.222	1	22.223
XV. INTANGIBLE ASSETS (Net)		464	-	464	518	-	518
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		464	-	464	518	-	518
XVI. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET	(13)	16.323	-	16.323	25.117	-	25.117
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		16.323	-	16.323	25.117	-	25.117
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)	5.173	13.624	18.797	1.840	9.368	11.208
TOTAL ASSETS		3.874.157	3.126.670	7.000.827	4.039.493	2.865.136	6.904.629

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT of FINANCIAL POSITION)
AT 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

LIABILITIES	Note Ref.	Reviewed Current Period 30 September 2010			Audited Prior Period 31 December 2009		
		TL	FC	Total	TL	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)	5,922	10,615	16,537	7,271	4,707	11,978
III. FUNDS BORROWED	(3)	1,000	4,417,646	4,418,646	24,158	4,304,057	4,328,215
IV. MONEY MARKET BALANCES		851,790	77,253	929,043	1,238,284	46,409	1,284,693
IV.1 Interbank money market takings		-	-	-	-	-	-
IV.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
IV.3 Funds provided under repurchase agreements		851,790	77,253	929,043	1,238,284	46,409	1,284,693
V. MARKETABLE SECURITIES ISSUED (Net)		191,985	-	191,985	-	-	-
V.1 Bills		191,985	-	191,985	-	-	-
V.2 Asset backed securities		-	-	-	-	-	-
V.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
VI.1 Borrower funds		-	-	-	-	-	-
VI.2 Others		-	-	-	-	-	-
VII. SUNDRY CREDITORS		48,294	22,481	70,775	37,171	14,917	52,088
VIII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
X.1 Finance lease payables		-	2	2	-	3	3
X.2 Operating lease payables		-	-	-	-	-	-
X.3 Other		-	-	-	-	-	-
X.4 Deferred finance lease expenses (-)		-	(2)	(2)	-	(3)	(3)
DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	86,091	-	86,091	96,737	101	96,838
12.1 General loan loss provisions		35,813	-	35,813	33,463	-	33,463
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		3,453	-	3,453	2,980	-	2,980
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		46,825	-	46,825	60,294	101	60,395
XIII. TAX LIABILITY	(9)	14,344	-	14,344	14,679	-	14,679
13.1 Current tax liability		14,344	-	14,344	14,679	-	14,679
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(8)	-	73,542	73,542	-	75,343	75,343
XVI. SHAREHOLDERS' EQUITY	(10)	1,162,560	37,304	1,199,864	1,027,494	13,301	1,040,795
16.1 Paid-in capital		700,000	-	700,000	600,000	-	600,000
16.2 Capital reserves		72,153	37,304	109,457	68,810	13,301	82,111
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		40,605	37,304	77,909	40,058	13,301	53,359
16.2.4 Tangible assets revaluation differences		31,174	-	31,174	28,378	-	28,378
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		374	-	374	374	-	374
16.3 Profit reserves		221,736	-	221,736	183,796	-	183,796
16.3.1 Legal reserves		73,559	-	73,559	55,900	-	55,900
16.3.2 Statutory reserves		36,929	-	36,929	28,184	-	28,184
16.3.3 Extraordinary reserves		108,328	-	108,328	96,792	-	96,792
16.3.4 Other profit reserves		2,920	-	2,920	2,920	-	2,920
16.4 Profit or loss		168,671	-	168,671	174,888	-	174,888
16.4.1 Prior years' income/losses		-	-	-	-	-	-
16.4.2 Current year income/loss		168,671	-	168,671	174,888	-	174,888
TOTAL LIABILITIES AND EQUITY		2,361,986	4,638,841	7,000,827	2,445,794	4,458,835	6,904,629

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET ITEMS
AT 30 SEPTEMBER 2010

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

		Reviewed Current Period 30 September 2010			Audited Prior Period 31 December 2009		
	Note Ref.	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,328,007	4,641,307	5,969,314	968,073	2,955,363	3,923,436
I. GUARANTEES AND COLLATERALS	(1)	383,933	733,357	1,117,290	344,963	371,420	716,383
1.1 Letters of guarantee		301,165	425,658	726,823	268,406	89,355	357,761
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		301,165	425,658	726,823	268,406	89,355	357,761
1.2 Bank loans		-	-	-	-	-	-
1.2.1 Import letters of acceptance		-	-	-	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	-	-	-	-	-
1.3.1 Documentary letters of credit		-	210,744	210,744	-	180,321	180,321
1.3.2 Other letters of credit		-	210,744	210,744	-	180,321	180,321
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		82,768	96,955	179,723	76,557	101,744	178,301
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		402,063	758,787	1,160,850	339,788	520,600	860,388
2.1 Irrevocable commitments		77,499	239,648	317,147	150,526	160,802	311,328
2.1.1 Forward asset purchase and sales commitments		71,999	239,648	311,647	150,526	160,802	311,328
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		5,500	-	5,500	-	-	-
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		324,564	519,139	843,703	189,262	359,798	549,060
2.2.1 Revocable loan granting commitments		324,564	519,139	843,703	189,262	359,798	549,060
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		542,011	3,149,163	3,691,174	283,322	2,063,343	2,346,665
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		542,011	3,149,163	3,691,174	283,322	2,063,343	2,346,665
3.2.1 Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1 Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2 Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2 Swap transactions related to f.c. and interest rates		243,345	745,003	988,348	107,972	146,221	254,193
3.2.2.1 Foreign currency swaps-buy		57,593	289,985	347,578	72,943	52,886	125,829
3.2.2.2 Foreign currency swaps-sell		185,752	160,686	346,438	35,029	88,786	123,815
3.2.2.3 Interest rate swaps-buy		-	147,166	147,166	-	2,238	2,238
3.2.2.4 Interest rate swaps-sell		-	147,166	147,166	-	2,311	2,311
3.2.3 Foreign currency, interest rate and securities options		236,612	633,842	870,454	129,550	251,006	380,556
3.2.3.1 Foreign currency options-buy		129,736	280,933	410,669	64,775	96,428	161,203
3.2.3.2 Foreign currency options-sell		106,876	298,139	405,015	64,775	96,428	161,203
3.2.3.3 Interest rate options-buy		-	27,385	27,385	-	29,075	29,075
3.2.3.4 Interest rate options-sell		-	27,385	27,385	-	29,075	29,075
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	1,500,958	1,500,958	-	1,643,661	1,643,661
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	1,500,958	1,500,958	-	1,643,661	1,643,661
3.2.6 Other		62,054	269,360	331,414	45,800	22,455	68,255
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		2,913,344	32,921,660	35,835,004	2,940,808	22,135,799	25,076,607
IV. ITEMS HELD IN CUSTODY		1,208,729	121,619	1,330,348	1,704,499	105,283	1,809,782
4.1 Assets under management		7,522	288	7,810	7,513	1,179	8,692
4.2 Investment securities held in custody		345,277	121,331	466,608	360,219	104,104	464,323
4.3 Checks received for collection		142	-	142	152	-	152
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		18,104	-	18,104	4,592	-	4,592
4.8 Custodians		837,684	-	837,684	1,332,023	-	1,332,023
V. PLEDGED ITEMS		1,329,816	19,926,665	21,256,481	963,513	11,463,226	12,426,739
5.1 Marketable securities		115	706,641	706,756	20	513,643	513,663
5.2 Guarantee notes		44,906	1,413,592	1,458,498	46,724	1,524,728	1,571,452
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		81,510	3,886,670	3,968,180	107,369	3,883,562	3,990,931
5.6 Other pledged items		1,203,285	13,919,762	15,123,047	809,400	5,541,293	6,350,693
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		374,799	12,873,376	13,248,175	272,796	10,567,290	10,840,086
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		4,241,351	37,562,967	41,804,318	3,908,881	25,091,162	29,000,043

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
UNCONSOLIDATED INCOME STATEMENT
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Note	Reviewed Current Period 1 January – 30 September 2010	Reviewed Prior Period 1 January – 30 September 2009	Reviewed Current Period 1 July – 30 September 2010	Reviewed Prior Period 1 July – 30 September 2009
	Ref.				
I. INTEREST INCOME	(1)	327.190	396.317	110.295	122.104
1.1 Interest on loans		139.421	184.746	45.573	44.183
1.2 Interest received from reserve deposits		17	146	8	7
1.3 Interest received from banks		6.918	3.701	2.835	742
1.4 Interest received from money market placements		104	65	37	10
1.5 Interest received from marketable securities portfolio		177.542	200.379	60.836	75.336
1.5.1 Financial assets held for trading		3.102	1.901	988	1.198
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		148.849	190.714	51.229	70.739
1.5.4 Investments held-to-maturity		25.591	7.764	8.619	3.399
1.6 Finance lease income		2.790	7.210	803	1.809
1.7 Other interest income		398	70	203	17
II. INTEREST EXPENSES	(2)	(99.949)	(206.552)	(33.163)	(42.908)
2.1 Interest on deposits		-	-	-	-
2.2 Interest on funds borrowed		(33.995)	(132.502)	(11.903)	(18.815)
2.3 Interest on money market borrowings		(64.199)	(73.646)	(19.511)	(23.944)
2.4 Interest on securities issued		(1.746)	-	(1.746)	-
2.5 Other interest expense		(9)	(404)	(3)	(149)
III. NET INTEREST INCOME (I - II)		227.241	189.765	77.132	79.196
IV. NET FEES AND COMMISSIONS INCOME		7.926	4.597	2.168	1.973
4.1 Fees and commissions received		9.570	5.288	2.742	2.162
4.1.1 Non-cash loans		3.362	2.338	1.504	764
4.1.2 Other		6.208	2.950	1.238	1.398
4.2 Fees and commissions paid		(1.644)	(691)	(574)	(189)
4.2.1 Non-cash loans		(2)	(2)	(1)	(1)
4.2.2 Other		(1.642)	(689)	(573)	(188)
V. DIVIDEND INCOME		22.683	18.969	31	450
VI. NET TRADING INCOME	(3)	(1.384)	2.946	(3.141)	267
6.1 Securities trading gains/ (losses)		(4.177)	2.401	(2.480)	639
6.2 Derivative financial instruments gains/losses		(594)	2.241	(2.070)	(3.230)
6.3 Foreign exchange gains/losses (net)		3.387	(1.696)	1.409	2.858
VII. OTHER OPERATING INCOME	(4)	20.198	21.615	12.338	2.568
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		276.664	237.892	88.528	84.454
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(5)	(18.453)	(38.573)	(12.379)	(20.936)
X. OTHER OPERATING EXPENSES (-)	(6)	(44.833)	(38.564)	(14.761)	(11.291)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		213.378	160.755	61.388	52.227
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)	213.378	160.755	61.388	52.227
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(7)	(44.707)	(27.878)	(15.180)	(10.144)
16.1 Provision for current income taxes		(39.232)	(51.973)	(12.131)	(22.047)
16.2 Provision for deferred taxes		(5.475)	24.095	(3.049)	11.903
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI)		168.671	132.877	46.208	42.083
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS(±)		-	-	-	-
21.1 Provision for current income taxes		-	-	-	-
21.2 Provision for deferred taxes		-	-	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX+XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(9)	168.671	132.877	46.208	42.083
Earnings/(losses) per share		0,24	0,22	0,07	0,07

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Reviewed Current Period 1 January – 30 September 2010	Reviewed Prior Period 1 January – 30 September 2009
PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	15.386	104.040
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	12.482	30.815
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(3.319)	(18.869)
X. NET PROFIT/LOSS ACCOUNTED FOR DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	24.549	115.986
XI. CURRENT YEAR PROFIT/LOSS	168.671	132.877
11.1 Net changes in fair value of securities (Recycled to Profit/Loss)	63	3.714
11.2 Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
11.3 Recycling hedge of net investments in foreign operations to Income Statement	-	-
11.4 Other	168.608	129.163
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	193.220	248.863

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

	Note Ref	Paid in Capital	Effect of Inflation on Paid-in Capital	Share Premiums	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable Securities Increase Fund	Tangible Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates' Share Pools Consolidated Entries	Hedging Funds	Div from Held-for-sale Assets and from Dispositions	Acc Val	Total Equity	Minority Shares	Total Shareholders' Equity
CHANGES IN SHAREHOLDER'S EQUITY																				
Prior Period – 30 September 2009																				
I.		500,000	374	-	-	42,483	22,235	99,779	2,920	-	118,981	(65,191)	28,378	-	-	-	750,057	-	-	750,057
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.		-	-	-	-	-	-	-	-	-	-	115,986	-	-	-	-	115,986	-	-	115,986
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		100,000	-	-	-	-	-	(4,000)	-	-	(96,000)	-	-	-	-	-	-	-	-	-
XII.		100,000	-	-	-	-	-	(4,000)	-	-	(96,000)	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	13,519	5,949	1,013	-	132,877	(22,983)	-	-	-	-	-	132,877	(2,709)	-	132,877
XIX.		-	-	-	-	13,519	5,949	1,013	-	-	(2,709)	-	-	-	-	-	(2,709)	-	-	(2,709)
XX.		-	-	-	-	-	-	-	-	-	(20,285)	-	-	-	-	-	-	-	-	-
Closing Balance:		600,000	374	-	-	55,000	28,184	96,792	2,920	132,877	-	50,795	28,378	-	-	996,220	-	-	-	996,220
Current Period – 30 September 2010																				
I.		600,000	374	-	-	55,000	28,184	96,792	2,920	-	174,888	53,359	28,378	-	-	1,046,795	-	-	-	1,046,795
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.		-	-	-	-	-	-	-	-	-	-	24,550	-	-	-	24,550	-	-	-	24,550
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	(2,796)	-	2,796	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		100,000	-	-	-	-	-	(15,000)	-	-	(85,000)	-	-	-	-	-	-	-	-	-
XII.		100,000	-	-	-	-	-	(15,000)	-	-	(85,000)	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		100,000	-	-	-	-	-	(15,000)	-	-	(85,000)	-	-	-	-	-	-	-	-	-
XII.		100,000	-	-	-	-	-	(15,000)	-	-	(85,000)	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance:		700,000	374	-	-	73,559	36,929	108,238	2,920	168,671	-	77,909	31,174	-	-	1,199,864	-	-	-	1,199,864

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Reviewed Current Period 30 September 2010	Reviewed Prior Period 30 September 2009
A. CASH FLOWS FROM BANKING OPERATIONS		
I.1 Operating profit before changes in operating assets and liabilities	185,431	115,042
I.1.1 Interest received	331,724	382,426
I.1.2 Interest paid	(108,017)	(204,385)
I.1.3 Dividends received	3,126	2,057
I.1.4 Fees and commissions received	9,570	5,288
I.1.5 Other income	18,932	15,950
I.1.6 Collections from previously written off loans	4,935	1,647
I.1.7 Payments to personnel and service suppliers	(35,048)	(33,173)
I.1.8 Taxes paid	(27,010)	(29,949)
I.1.9 Others	(12,781)	(24,819)
I.2 Changes in operating assets and liabilities	(401,263)	366,497
I.2.1 Net (increase) decrease in financial assets	(54,808)	(24,863)
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	(335,827)	108,910
I.2.5 Net (increase) decrease in other assets	(36,131)	125,804
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	376,244	172,764
I.2.9 Net increase (decrease) in matured payables	-	-
I.2.10 Net increase (decrease) in other liabilities	(350,741)	(16,118)
I. Net cash provided from banking operations	(215,832)	481,539
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	44,551	(564,627)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries	(233)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries	15,098	-
2.3 Fixed asset purchases	(285)	(577)
2.4 Fixed asset sales	5,140	3,328
2.5 Cash paid for purchase of financial assets available for sale	24,980	(567,378)
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	(149)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	165,842	(2,700)
3.1 Cash obtained from funds borrowed and securities issued	199,994	-
3.2 Cash used for repayment of funds borrowed and securities issued	-	-
3.3 Capital increase	-	-
3.4 Dividends paid	(34,152)	(2,700)
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	1,192	(1,696)
V. Net increase / (decrease) in cash and cash equivalents	(4,247)	(87,484)
VI. Cash and cash equivalents at beginning of the period	157,567	157,519
VII. Cash and cash equivalents at end of the period	153,320	70,035

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) 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.

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 XXIII.

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 indebtness 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 rate-liquidity-currency risk 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.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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.

IV. Interest Income and Expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments considering existing principle 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 financials 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, prior period balances of the accounts subject to the change would have been TL 157.000, TL 206.000 and TL 88.000, 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.

IV. 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. Excluding these income and expenses, 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 both of the 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 uses such classification above when permitted or for the purposes of providing a more proper disclosure.

In this category, marketable securities are 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.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

Any gains or losses resulting from such valuation are recorded in the profit and loss accounts. As per the explanations of the Uniform Code of Accounts (UCA), any positive difference between the historical cost and amortized cost of financial assets are booked under the "Interest Income" account, and in case the fair value of the asset is over the amortized cost, the positive difference is booked under the "Gains on Securities Trading" account. If the fair value is under the amortized cost, the negative difference is booked under the "Losses on Securities Trading" account. Any profit or loss resulting from the disposal of those assets before their maturity date is recognized within the framework of the same principles.

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 from marketable securities. 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. All unquoted available for sale stocks are recorded by considering impairment, since respective fair values cannot be reliably measured. 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.

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.

Loans:

Loans are financial assets which have fixed payment or determinable payment terms and are not traded in an active market.

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 ("TL") cash loans are composed of foreign currency indexed loans, loans for marketable securities purchased by customers, working capital loans; foreign currency ("FC") cash loans are composed of investment loans, export-financing loans and working capital loans.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

Foreign currency indexed loans are converted into TL from the foreign currency rates as of the opening date and followed in TL 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" accounts.

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 recognition 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 recognized.

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.

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

Funds provided under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements-TL" and "Funds Provided under Repurchase Agreements-FC" accounts.

All of the repurchase agreements of the Bank are based on the short-term government bonds. Marketable securities subject to repurchase agreements are classified under securities held for trading, available for sale and held to maturity financial asset. 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.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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 under normal conditions. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale. Highly saleable condition requires a plan by the management regarding the sale of the asset to be disposed of (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low. Various circumstances and conditions could extend the completion period of the sale more than one year. If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets).

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

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 stand alone financial statements of the Bank do not include goodwill as of the balance sheet date.

Intangible assets that are acquired prior to 1 January 2005 are carried at restated historical cost as of 31 December 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 using straight-line method. 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 between 3-15 years.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XII. Explanations on Tangible Fixed Assets

Tangible fixed assets, purchased before 1 January 2005, are accounted for at their restated costs as of 31 December 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.

Regular maintenance and repair expenditures 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.

Depreciation rates and estimated useful lives of tangible assets are as follows:

Tangible Fixed Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cashboxes	2-50	2-50
Vehicles	5	20
Other Tangible Fixed Assets	2-25	4-50

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 income statement 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.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XIV. Explanations on Provisions and Contingent Assets and 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.

Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Bank. Since showing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements, but on the other hand, if the inflow of the economic benefits of these assets in the Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Bank is almost certain, the related asset and the respective income are shown in the financial statements of the period in which the change occurred.

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.

Paragraph 1 of the provisional Article 23 of the Banking Act ("Banking Act") No: 5411 published in the Official Gazette No: 25983 on 1 November 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 22 March 2007 that were published in the Official Gazette No: 26479 on 31 March 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 15 December 2007.

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ACCOUNTING POLICIES (Cont'd)

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

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 17 April 2008 and published in the Official Gazette No: 26870 on 8 May 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 1 January 2008.

The Main Opposition Party has appealed to the Higher Court on 19 June 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 Constitutional 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 31 December 2009 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per 4 February 2010 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.

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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 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 1 January 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 19 October 2005, all specific reserves for loans and other receivables are considered as deductible expense for determining corporate tax base.

Banks in Bahrain are not subject to tax according to the regulations of the country.

Transfer Pricing:

Transfer pricing is regulated through article 13 of Corporate Tax Law titled "Transfer Pricing through camouflage of earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué Regarding Camouflage of Earnings Through Transfer Pricing". According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions in means of corporate tax.

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ACCOUNTING POLICIES (Cont'd)

XVII. Additional Explanations on Borrowings

Borrowings are recognized at initial cost on transaction date and carried at amortized cost using effective interest method. In the accompanying financial statements, foreign currency debt instruments are valued using foreign exchange rates of the Bank as of the period end and interest expense amounts of related period arising from borrowings are reflected in the financial statements.

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

XVIII. Explanations on Share Certificates

In the current period, the Bank's share capital has increased by TL 100.000. In the meeting of the General Assembly held on 25 March 2010; it has been resolved that, paid-in capital of the Bank will be increased from TL 600.000 to TL 700.000 by TL 100.000. In respect of the resolution of the General Assembly, TL 85.000 of this increase will be incorporated from the profit of the year 2009 and TL 15.000 from extraordinary reserves. The increase in paid-in capital was approved by the BRSA on 27 April 2010 and has been published in the Turkish Trade Registry Gazette No: 7576 on 2 June 2010.

In the prior period, the Bank's share capital has increased by TL 100.000. In the meeting of the General Assembly held on 25 March 2010, it has been resolved that, paid-in capital of the Bank will be increased from TL 500.000 to TL 600.000 by TL 100.000. In respect of the resolution of the General Assembly, TL 96.000 of this increase will be incorporated from the profit of the year 2008 and TL 4.000 from extraordinary reserves. The increase in paid-in capital was approved by the BRSA on 29 April 2009 and has been published in the Turkish Trade Registry Gazette No: 7335 on 18 June 2009.

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; TL and foreign exchange working capital loans, investment loans, 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 is provided.

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ACCOUNTING POLICIES (Cont'd)

XXI. Explanations on Segment Reporting (Cont'd)

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

Current Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	111.792	115.449	-	227.241
Net Commission and Fees Income	3.422	3.732	772	7.926
Other Income	14.991	1.730	27.167	43.888
Other Expense	(26.871)	(24.765)	(14.041)	(65.677)
Profit Before Tax	103.334	96.146	13.898	213.378
Tax Provision	-	-	-	(44.707)
Net Profit	-	-	-	168.671
Current Period	Corporate Banking	Investment Banking	Other	Total
Segment Assets	3.998.127	2.689.263	52.037	6.739.427
Investment in Associates and Subsidiaries	-	-	261.400	261.400
Total Assets	3.998.127	2.689.263	313.437	7.000.827
Segment Liabilities	4.101.778	1.527.975	171.210	5.800.963
Shareholder's Equity	-	-	1.199.864	1.199.864
Total Liabilities	4.101.778	1.527.975	1.371.074	7.000.827

Prior Period (*)	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	72.384	117.381	-	189.765
Net Commission and Fees Income	2.754	1.512	331	4.597
Other Income	20.069	2.945	20.516	43.530
Other Expense	(42.262)	(21.366)	(13.509)	(77.137)
Profit Before Tax	52.945	100.472	7.338	160.755
Tax Provision	-	-	-	(27.878)
Net Profit	-	-	-	132.877
Prior Period (**)	Corporate Banking	Investment Banking	Other	Total
Segment Assets	3.954.710	2.628.662	77.032	6.660.404
Investment in Associates and Subsidiaries	-	-	244.225	244.225
Total Assets	3.954.710	2.628.662	321.257	6.904.629
Segment Liabilities	4.122.038	1.578.191	163.605	5.863.834
Shareholder's Equity	-	-	1.040.795	1.040.795
Total Liabilities	4.122.038	1.578.191	1.204.400	6.904.629

(*)The information is related to 30 September 2009.

(**)The information is related to 31 December 2009.

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ACCOUNTING POLICIES (Cont'd)

XXII. Explanations on Other Matters

None.

XXIII. Classifications

In the current period, foreign currency reserve deposits amounting to TL 17.966 as of 31 December 2009 has been classified to “Cash and Balances with Central Bank” from “Other Assets”.

The Bank makes classifications in financial statements of prior years, for comparability.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The capital adequacy ratio is 25,56 % as at 30 September 2010 (31 December 2009: 24,91%). 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:

	Risk Weight						
	Bank						
	0%	10%	20%	50%	100%	150%	200%
Amounts Subject to Credit Risk							
Balance Sheet items (Net)	365.700	-	653.697	1.008.876	2.775.357	-	-
Cash	210	-	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	3.842	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	149.268	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	50.161	-	-	-	-	-	-
Loans	84	-	476.362	959.221	2.395.390	-	-
Non-performing Loans (Net)	-	-	-	-	-	-	-
Financial Lease Receivables	33	-	23.737	16.319	37.873	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-	-
Held to Maturity Investments	273.582	-	-	-	-	-	-
Receivables from Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	8.306	-	-
Interest and Income Accruals (*)	21.403	-	4.330	33.336	52.495	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	-	-	-	-	261.400	-	-
Tangible Assets	-	-	-	-	15.595	-	-
Other Assets	16.385	-	-	-	4.299	-	-
Off-Balance Sheet Items	74.128	-	67.385	9.201	510.517	-	-
Guarantees and Commitments	74.128	-	59.384	9.201	505.837	-	-
Derivative Financial Instruments	-	-	8.001	-	4.680	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	439.828	-	721.082	1.018.077	3.285.874	-	-

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	3.939.130	3.619.570
Amount Subject to Market Risk (ASMR)	574.013	519.238
Amount Subject to Operational Risk (ASOR)	411.926	330.695
Shareholders' Equity	1.258.835	1.113.335
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	25,56	24,91

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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:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	700.000	600.000
Nominal capital	700.000	600.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	374	374
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	73.559	55.900
First legal reserve (Turkish Commercial Code 466/1)	36.928	28.184
Second legal reserve (Turkish Commercial Code 466/2)	36.631	27.716
Other legal reserve per special legislation	-	-
Statutory reserves	36.929	28.184
Extraordinary reserves	111.248	99.712
Reserves allocated by the General Assembly	108.328	96.792
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	168.671	174.888
Current period profit	168.671	174.888
Prior years' profits	-	-
Provisions for possible losses up to 25 % of core capital	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	31.174	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 (-)	(338)	(412)
Prepaid expenses (-)	(5.295)	(4.824)
Intangible assets (-)	(464)	(518)
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	1.115.858	981.682

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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):

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Loan Loss Provisions	35.813	33.463
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	72.625	74.850
Marketable securities value increase fund	35.059	24.012
Associates and subsidiaries	7.470	1.853
Available for sale securities	27.589	22.159
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	143.497	132.325
TIER III CAPITAL		
CAPITAL	1.259.355	1.114.007
DEDUCTIONS FROM THE CAPITAL	(520)	(672)
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	(520)	(672)
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	1.258.835	1.113.335

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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 analysis 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	33.620
Resulting from Financial Instruments related to Interest Income	28.086
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	5.534
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	8.141
Resulting from Financial Instruments related to Interest Income	2.181
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	5.960
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	4.160
Capital Requirement	4.117
Capital Requirement Calculated for Options Subject to Foreign Currency Risk	43
(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	-
(VIII) Total Capital Requirement to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	45.921
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	574.013

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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"			
30 September 2010	1,4525	1,9724	0,0174
Prior Five Workdays:			
29 September 2010	1,4600	1,9837	0,0174
28 September 2010	1,4725	1,9813	0,0175
27 September 2010	1,4750	1,9873	0,0175
24 September 2010	1,4820	1,9771	0,0174
23 September 2010	1,4810	1,9844	0,0175

Simple arithmetic thirty-day averages of the USD, EURO and YEN buying rates of the Bank before the balance sheet date are TL 1,4930, TL 1,9462 and TL 0,0177; 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:

	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.	52.285	58	-	2	52.345
Banks	31.849	53.113	684	1.049	86.695
Financial Assets at Fair Value Through Profit and Loss (*)	4.726	6.059	-	15	10.800
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	62.301	404.657	-	-	466.958
Loans (**)	1.905.861	1.884.018	3.429	-	3.793.308
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	2	2
Intangible Assets	-	-	-	-	-
Other Assets (***)	62.033	24.942	494	4	87.473
Total Assets	2.119.055	2.372.847	4.607	1.072	4.497.581
Liabilities					
Bank Deposits	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-
Money Market Borrowings	45.015	32.006	-	232	77.253
Funds Provided From Other Financial Institutions	2.147.783	2.343.405	-	-	4.491.188
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	5.492	16.987	-	2	22.481
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (****)	3.740	6.330	-	-	10.070
Total Liabilities	2.202.030	2.398.728	-	234	4.600.992
Net Balance Sheet Position	(82.975)	(25.881)	4.607	838	(103.411)
Net Off-Balance Sheet Position	68.046	50.212	(4.354)	1.842	115.746
Financial Derivative Assets	242.034	418.355	29.624	1.842	691.855
Financial Derivative Liabilities	(173.988)	(368.143)	(33.978)	-	(576.109)
Non-Cash Loans (*****)	141.722	591.635	-	-	733.357
Prior Period					
Total Assets	2.215.517	2.205.905	24.992	1.311	4.447.725
Total Liabilities	2.246.247	2.159.066	39.000	500	4.444.813
Net Balance Sheet Position	(30.730)	46.839	(14.008)	811	2.912
Net Off-Balance Sheet Position	35.650	(38.585)	13.501	-	10.566
Financial Derivative Assets	136.332	94.404	24.487	-	255.223
Financial Derivative Liabilities	(100.682)	(132.989)	(10.986)	-	(244.657)
Non-Cash Loans (*****)	118.353	253.067	-	-	371.420

(*) Exchange rate differences arising from derivative transactions amounting to TL 135 is deducted from "Financial Assets at Fair Value Through Profit and Loss".

(**) Loans extended, include TL 1.375.674 foreign currency indexed loans.

(***) Prepaid expenses amounting to TL 4.628 have not been included in other assets.

(****) Marketable securities valuation increase fund amounting to TL 37.304 and exchange rate differences arising from derivative transactions amounting to TL 545 has not been included in "Other Liabilities".

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

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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 analysis. 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	-	-	-	-	-	54.213	54.213
Banks	136.740	-	-	-	-	12.747	149.487
Financial Assets at Fair Value Through Profit and Loss	5.581	2.414	6.034	57.274	6.090	28.275	105.668
Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	730.017	210.807	586.868	247.020	269.543	40.657	2.084.912
Loans	647.576	1.391.899	1.694.890	153.637	31.648	-	3.919.650
Held-to-Maturity Investments	-	-	294.983	-	-	-	294.983
Other Assets	15.193	34.220	24.606	4.458	-	313.437	391.914
Total Assets	1.535.107	1.639.340	2.607.381	462.389	307.281	449.329	7.000.827
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	897.889	4.513	26.641	-	-	-	929.043
Sundry Creditors	-	-	-	-	-	70.775	70.775
Marketable Securities Issued	-	-	191.985	-	-	-	191.985
Funds Provided from Other Financial Institutions	557.430	1.674.785	2.170.026	28.559	61.388	-	4.492.188
Other Liabilities	2.802	2.847	6.226	4.662	-	1.300.299	1.316.836
Total Liabilities	1.458.121	1.682.145	2.394.878	33.221	61.388	1.371.074	7.000.827
Balance Sheet Long Position	76.986	-	212.503	429.168	245.893	-	964.550
Balance Sheet Short Position	-	(42.805)	-	-	-	(921.745)	(964.550)
Off-Balance Sheet Long Position	-	10.786	-	-	45.482	-	56.268
Off-Balance Sheet Short Position (**)	(1.433.289)	-	(87.414)	(646)	-	-	(1.521.349)
Total Position	(1.356.303)	(32.019)	125.089	428.522	291.375	(921.745)	(1.465.081)

(*) Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible fixed assets, other assets and shareholders' equity, provisions and tax liability are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

(**) TL 1.500.958 of this amount is interest rate futures - buy with maturities between 1-5 years and showed at nominal value. This balance is showed under "Up to 1 month" column since these transactions are under daily interest exposure.

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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	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0,43	0,44	-	7,23
Financial Assets at Fair Value through Profit and Loss	-	-	-	9,11
Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	5,48	6,03	-	9,86
Loans	4,15	3,53	4,96	9,06
Held-to-Maturity Investments	-	-	-	12,48
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,00	0,97	-	7,27
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	8,34
Funds Provided from Other Financial Institutions	1,30	1,03	-	-

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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 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	-	-	-	-	-	21.070	21.070
Banks	93.113	50.191	-	-	-	11.704	155.008
Financial Assets at Fair Value Through Profit and Loss	1.665	594	29.224	10.756	-	533	42.772
Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	414.499	634.691	391.892	428.336	253.094	24.737	2.147.249
Loans	1.395.825	1.493.674	749.822	138.068	42.245	-	3.819.634
Held-to-Maturity Investments	-	98.220	-	182.309	-	-	280.529
Other Assets	7.651	64.122	47.153	16.150	-	303.291	438.367
Total Assets	1.912.753	2.341.492	1.218.091	775.619	295.339	361.335	6.904.629
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	1.223.763	2.590	58.340	-	-	-	1.284.693
Sundry Creditors	-	-	-	-	-	52.088	52.088
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1.616.559	1.934.453	750.797	47.048	54.701	-	4.403.558
Other Liabilities	2.444	586	2.347	6.601	-	1.152.312	1.164.290
Total Liabilities	2.842.766	1.937.629	811.484	53.649	54.701	1.204.400	6.904.629
Balance Sheet Long Position	-	403.863	406.607	721.970	240.638	-	1.773.078
Balance Sheet Short Position	(930.013)	-	-	-	-	(843.065)	(1.773.078)
Off-Balance Sheet Long Position	-	-	164	5.142	-	-	5.306
Off-Balance Sheet Short Position (**)	(1.644.437)	(11)	-	-	-	-	(1.644.448)
Total Position	(2.574.450)	403.852	406.771	727.112	240.638	(843.065)	(1.639.142)

(*) Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible fixed assets, other assets and shareholders' equity, provisions and tax liability are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

(**) TL 1.643.661 of this amount is interest rate futures - buy with maturities between 1-5 years and showed at nominal value. This balance is showed under "Up to 1 month" column since these transactions are under daily interest exposure.

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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	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0,22	-	-	8,36
Financial Assets at Fair Value through Profit and Loss	-	-	-	9,83
Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	4,01	5,89	-	11,79
Loans	4,07	3,49	4,88	11,62
Held-to-Maturity Investments	-	-	-	11,50
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,10	1,02	-	7,34
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	1,41	1,16	1,96	-

V. Explanations Related to Liquidity Risk

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

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

For the purpose of meeting the liquidity requirement, the Bank chooses one of the three or more of the following; disposing liquid assets, increasing short-term borrowing, decreasing illiquid 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 primarily 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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SECTION FOUR (Cont'd)

INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

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

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	4.052	50.161	-	-	-	-	-	54.213
Banks	12.747	136.740	-	-	-	-	-	149.487
Financial Assets at Fair Value Through Profit and Loss	28.275	2.894	2.414	6.034	59.961	6.090	-	105.668
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	3.814	30.065	43.648	321.955	1.111.424	537.163	36.843	2.084.912
Loans	-	89.988	77.142	767.045	2.309.536	675.939	-	3.919.650
Held-to-Maturity Investments	-	-	-	190.799	104.184	-	-	294.983
Other Assets	-	4.692	6.983	30.325	36.477	-	313.437	391.914
Total Assets	48.888	314.540	130.187	1.316.158	3.621.582	1.219.192	350.280	7.000.827
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	78.395	19.584	498.971	1.636.633	2.258.605	-	4.492.188
Money Market Borrowings	-	897.889	4.513	26.641	-	-	-	929.043
Marketable Securities Issued	-	-	-	191.985	-	-	-	191.985
Sundry Creditors	-	-	-	-	-	-	70.775	70.775
Other Liabilities	-	2.571	1.410	5.072	6.070	1.414	1.300.299	1.316.836
Total Liabilities	-	978.855	25.507	722.669	1.642.703	2.260.019	1.371.074	7.000.827
Liquidity Gap	99.049	(714.476)	104.680	593.489	1.978.879	(1.040.827)	(1.020.794)	-
Prior Period								
Total Assets	18.793	349.348	477.626	992.700	3.953.331	788.255	324.576	6.904.62
Total Liabilities	-	1.425.991	174.000	279.157	1.605.581	2.215.500	1.204.400	6.904.62
Liquidity Gap	18.793	(1.076.643)	303.626	713.543	2.347.750	(1.427.245)	(879.824)	-

(*) Other asset and shareholders' equity, provisions and tax liability, which are necessary and cannot be converted into cash in the near future for the Bank's ongoing activities, such as tangible and intangible 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	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	114	96	114	117
Balances with the Central Bank of Turkey	1.754	52.249	452	20.387
Other	-	-	-	-
Total	1.868	52.345	566	20.504

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	1.754	2.088	452	2.421
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (*)	-	50.161	-	17.966
Total	1.754	52.249	452	20.387

(*) Deposits at Central Bank of Turkey held as reserve requirement.

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 (31 December 2009: 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 (31 December 2009: TL 4.493).

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 (31 December 2009: 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 (31 December 2009: None).

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SECTION FIVE (Cont'd)

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

1. 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	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	5.449	4.290	6.723	2.741
Futures Transactions	-	-	-	-
Options	949	6.645	298	1.521
Other	1.007	-	-	-
Total	7.405	10.935	7.021	4.262

3. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	62.792	68.562	121.623	5.493
Foreign	-	18.133	-	27.892
Branches and head office abroad	-	-	-	-
Total	62.792	86.695	121.623	33.385

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	575.103	49.791	1.029.375	46.421
Treasury bills	-	-	-	-
Other debt securities	-	36.825	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	575.103	86.616	1.029.375	46.421

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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 TL 341.913 (31 December 2009: TL 334.701).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	268.980	72.933	158.290	176.411
Other	-	-	-	-
Total	268.980	72.933	158.290	176.411

4.b Major types of available for sale financial assets

Available for sale financial assets comprise government bonds 77,45 %, Eurobonds 14,21 % and shares and other securities 8,34 % (31 December 2009: government bonds 78,60 %, Eurobonds 12,91 % and shares and other securities 8,49 %).

Financial and non-financial investments, to which the Bank has invested between 0,35 % to 7,00% are classified in available-for-sale financial assets.

4.c Information on financial assets available for sale portfolio

	Current Period	Prior Period
Debt securities	2.050.154	2.130.085
Quoted on a stock exchange	1.634.968	1.693.742
Unquoted	415.186	436.343
Share certificates	46.111	29.232
Quoted on a stock exchange	22.087	5.158
Unquoted	24.024	24.074
Impairment provision(-)	(15.167)	(15.520)
Other	3.814	3.452
Total	2.084.912	2.147.249

Net book value of unquoted available for sale stocks are TL 13.189 (31 December 2009: TL 13.431).

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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	117.708	117.413	121.628	117.413
Corporate shareholders	117.708	117.413	121.628	117.413
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	244	-	249	-
Total	117.952	117.413	121.877	117.413

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	3.849.892	3.638	43.497	22.623
Discount notes	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Investment loans	2.181.793	3.638	29.336	19.840
Loans given to financial sector	772.731	-	-	-
Foreign loans	1.012	-	-	-
Consumer loans	244	-	-	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	894.112	-	14.161	2.783
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	3.849.892	3.638	43.497	22.623

(*)Close monitoring receivables from leasing transactions amounting to TL 14.474 have been also included.

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

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
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-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	173	71	244
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	173	71	244
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-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	173	71	244

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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 (31 December 2009: None).

5.e Domestic and foreign loans

	Current Period	Prior Period
Domestic loans	3.918.638	3.780.368
Foreign loans	1.012	39.266
Total	3.919.650	3.819.634

5.f Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	182.734	206.881
Indirect loans granted to subsidiaries and associates	-	-
Total	182.734	206.881

5.g Specific provisions provided against loans

	Current Period	Prior Period
Loans and receivables with limited collectibility	8.767	-
Loans and receivables with doubtful collectibility	-	-
Uncollectible loans and receivables	16.819	21.675
Loans and receivables with limited collectibility	25.586	21.675

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 Collectibility	IV. Group Loans and Receivables With Doubtful Collectibility	V. Group Uncollectible Loans and Receivables
Current Period			
(Gross amounts before provisions)	-	-	13.820
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	13.820
Prior Period			
(Gross amounts before provisions)	-	-	6.349
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	6.349

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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	IV. Group	V. Group
	Loans and Receivables With Limited Collectibility	Loans and Receivables With Doubtful Collectibility	Uncollectible Loans and Receivables
Prior period end balance	-	-	21.675
Additions (+)	8.767	-	79
Transfers from other categories of non-performing Loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections (-)(*)	-	-	(4.935)
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current period end balance	8.767	-	16.819
Specific provision (-)	(8.767)	-	(16.819)
Net Balances on Balance Sheet	-	-	-

(*) The loan amounting to TL 1.851, which is transferred to the second group, is shown as collections.

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

	III. Group	IV. Group	V. Group
	Loans and Receivables With Limited Collectibility	Loans and Receivables With Doubtful Collectibility	Uncollectible Loans and Receivables
Current Period			
Period End Balance	8.767	-	5.729
Specific Provision (-)	(8.767)	-	(5.729)
Net Balance on Balance Sheet	-	-	-
Prior Period			
Period End Balance	-	-	5.685
Specific Provision (-)	-	-	(5.685)
Net Balance on Balance Sheet	-	-	-

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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 Collectibility	IV. Group Loans and Receivables With Doubtful Collectibility	V. Group Uncollectible Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	8.767	-	11.476
Specific Provision Amount (-)	(8.767)	-	(11.476)
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)	-	-	16.332
Specific Provision Amount (-)	-	-	(16.332)
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 As of the balance sheet date, the Bank has no held-to-maturity investments securities given as collateral or blocked (31 December 2009: None).

6.a.2 As of the balance sheet date, the Bank has TL 288.814 of investment securities held-to-maturity subject to repurchase agreements (31 December 2009: TL 275.934).

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

As of the balance sheet date, the Bank has TL 294.983 of investment securities held-to-maturity (31 December 2009: TL 280.529).

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

	Current Period	Prior Period
Debt Instrument	294.983	280.529
Quoted	294.983	280.529
Unquoted	-	-
Impairment Provision (-)	-	-
Total	294.983	280.529

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

	Current Period	Prior Period
Beginning Balance	273.582	-
Foreign currency differences on monetary assets	-	-
Purchases during year	-	273.582
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Closing Balance	273.582	273.582
Interest and Income Accruals	21.401	6.947
Total	294.983	280.529

The Bank transferred a portion of its marketable securities in the Available-for-Sale and Financial Assets at Fair Value through Profit and Loss portfolios with a notional amount of TL 283.050 and TL 4.900, respectively, to its Held-to-Maturity portfolio due to the change in the intention. The fair value of these securities was TL 273.582 as of the transfer date, which is shown as "Purchases during the year" in the table above. For the securities transferred from Available-for-Sale portfolio, the positive valuation differences amounting to TL 1.679 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 TL 763.

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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 Sanayi A.Ş. (Gözlük)	İzmir/Turkey	21,71	21,71
2	İş Factoring Finansman Hizmetleri A.Ş. (İş Factoring)	İstanbul/Turkey	21,75	100,00
3	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Turkey	28,56	58,54
4	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	İstanbul/Turkey	16,67	48,75
5	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	İstanbul/Turkey	17,83	18,76

	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)	2.811	2.021	82	21	-	-	(30)	-
İş Factoring (2)	337.098	45.089	129	5.771	1	3.149	7.194	-
İş Finansal (3)	1.692.002	446.714	1.157	16.735	108	39.998	99.415	107.000
İş Girişim (4)	133.291	131.170	393	-	-	4.527	8.225	16.128
Terme (5)	15.894	2.931	745	58	-	582	882	-

- (1) Represents un-reviewed 30 June 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements.
(2) Represents un-reviewed 30 June 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements.
(3) Represents un-reviewed 30 June 2010 consolidated financial statements. Prior year profit/loss is obtained from 31 December 2009 consolidated financial statements. Fair value is presented as of 30 September 2010.
(4) Represents reviewed 30 June 2010 consolidated financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements. Fair value is presented as of 30 September 2010.
(5) Represents un-reviewed 30 June 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements.

7.a.2 Information on associates

	Current Period	Prior Period
Balance at the Beginning of the Period	101.686	45.986
Movements During the Period	23.676	55.700
Purchases	-	-
Bonus Shares Obtained	12.852	15.386
Current Year Share of Profit	-	-
Sales	(7.598)	-
Revaluation Increase	23.922	40.314
Provision for Impairment	-	-
Transfers to subsidiaries (*)	(5.500)	-
Balance at the End of the Period	125.362	101.686
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*)In the current period, initial cost of TSKB Yatırım Ortaklığı A.Ş. amounting to TL 5.500 has been transferred from associates to subsidiaries because of the increasing control power of the Bank over the Company.

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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 (Cont'd)

In the current period, the Bank has obtained bonus shares of İş Finansal Kiralama A.Ş. amounting to TL 12.852 with capital increase of TL 45.000.

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

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

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.551	1.551
Leasing Companies	107.000	74.256
Financial Service Companies	-	-
Other Associates	16.811	25.879

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

	Current Period	Prior Period
Associates quoted on domestic stock exchanges	123.128	91.856
Associates quoted on foreign stock exchanges	-	-

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

In the current period, the Board of Directors have authorised the General Manager on the meeting held on 25 March 2010 with the resolution numbered 1930 for the sale of all shares of Senapa Stampa Ambalaj Sanayi ve Ticaret A.Ş., an associate which the Bank had acquired its shares through venture capital funds of the European Investment Bank ("EIB"). The sale transaction was realized on 11 May 2010 and proceeds from the sale have been transferred to EIB as agreed. The Board of Directors have authorised the General Manager on the meeting held on 28 June 2010 with the resolution numbered 1951 for the sale of all shares of Ünsa Ambalaj Sanayi ve Ticaret A.Ş., associate which the Bank had acquired its shares through venture capital funds of the European Investment Bank ("EIB"). The sale transaction was realized on 13 August 2010 and proceeds from the sale will be transferred to EIB as agreed (31 December 2009: 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 (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	97,63
3	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	İstanbul/Turkey	59,00	66,71
4	TSKB Yatırım Ortaklığı A.Ş. (TSKB Y.O.)	İstanbul/Turkey	22,53	51,90
5	TSKB Gayrimenkul Aracılık Hizmetleri A.Ş.	İstanbul/Turkey	96,00	100,00
6	TSKB Gayrimenkul Danışmanlık Hizmetleri A.Ş.	İstanbul/Turkey	1,00	100,00

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income form Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
TSKB GMD (1)	5.393	3.766	2.354	-	-	1.117	368	-
YF MEN.DEĞ. (2)	528.747	57.862	1.645	22.855	1.280	7.664	6.434	-
TSKB GYO (3)	330.101	221.065	283.987	1.403	-	6.339	55.346	76.995
TSKB Y.O. (4)	43.996	43.852	-	20	3.784	5.274	12.378	5.566
TG A.Ş (5)	292	242	10	3	-	2	-	-
TGD A.Ş (6)	209	197	14	3	-	(43)	-	-

- (1) Represents un- reviewed 30 September 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements.
- (2) Represents un- reviewed 30 September 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements.
- (3) Represents reviewed 30 September 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements. Fair value is presented as of 30 September 2010.
- (4) Represents un- reviewed 30 September 2010 financial statements. Prior year profit/loss is obtained from 31 December 2009 financial statements. Fair value is presented as of 30 September 2010.
- (5) Represents un- reviewed 30 September 2010 financial statements. The company has started to operate on 10 February 2010, and financial statements of prior period do not exist.
- (6) Represents un- reviewed 30 September 2010 financial statements. The company has started to operate on 10 February 2010, and financial statements of prior period do not exist.

8.a.2 Information on subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	142.539	142.539
Movements in period	(6.501)	-
Purchases	234	-
Bonus shares obtained	6.705	-
Current year share of profit	-	-
Sales	(7.500)	-
Revaluation increase	-	-
Provision for impairment	(11.440)	-
Transfer from associates (*)	5.500	-
Balance at the end of the period	136.038	142.539
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(*) In the current period, initial cost of TSKB Yatırım Ortaklığı A.Ş. amounting to TL 5.500 has been transferred from associates to subsidiaries because of the increasing control power of the Bank over the company.

(**) In the current period, stocks of TSKB GYO amounting to TL 7.500 were sold from the Bank's portfolio during the initial public offering.

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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.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	136.038	142.539

8.a.4 Subsidiaries quoted on stock market

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	82.561	-
Subsidiaries quoted on foreign stock exchanges	-	-

In the current period, the Bank has obtained bonus shares of Yatırım Finansman Menkul Değerler A.Ş. amounting to TL 6.705 with capital increase of TL 7.000.

8.a.5 Subsidiaries sold in the current period

The Bank has not sold any subsidiaries in the current period. One of the Bank's subsidiary TSKB GYO has been offered to public with a rate of 33%, by increasing its capital to TL 150.000 from TL 100.000. Since demand collected exceeded the issuance amount, during the initial public offering the Bank has sold some shares that it owned prior to the public offering amounting to TL 7.500 (31 December 2009: None).

8.a.6 Subsidiaries purchased in the current period

In the current period, the Bank has joined to the establishment of the company named TSKB Gayrimenkul Aracılık Hizmetleri A.Ş. with a capital amounting to TL 48 and the ownership ratio of %96 and the company named TSKB Gayrimenkul Danışmanlık Hizmetleri A.Ş. with a capital TL 0,5 and the ownership ratio of 1%. The Bank has classified these companies as subsidiaries (31 December 2009: None).

In order to increase capital and meet cash requirements of TSKB Gayrimenkul Aracılık Hizmetleri A.Ş. that was established on 10 February 2010 with the 96 % participation of the Bank with a capital amounting to TL 48 and TSKB Gayrimenkul Danışmanlık Hizmetleri A.Ş. that was established on 6 June 2010 with 1 % participation of the Bank with a capital amounting to TL 0,5, it has been decided to make a General Assembly. The capitals for both of the companies have been decided to be increased by TL 50 from TL 190 to TL 240 separately, and the decision has been published in the Turkish Gazette on 21 June 2010. After the capital increase the Bank's share at these companies does not change. TL 182,4 of increased capital TSKB Gayrimenkul Aracılık Hizmetleri A.Ş and TL 1,9 of increased capital at TSKB Gayrimenkul Danışmanlık Hizmetleri A.Ş. are paid by the Bank.

9. Information on Entities under Common Control:

The Bank has no entities under common control as of the balance sheet date (31 December 2009: 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)

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	24.603	24.217	16.344	15.929
Between 1- 4 years	57.026	54.260	97.239	92.953
More than 4 years	-	-	28.270	26.194
Total	81.629	78.477	141.853	135.076

10.b The information on net investments in finance leases

	Current Period	Prior Period
Gross investments in finance leases	81.629	141.853
Unearned revenue from finance leases (-)	(3.152)	(6.777)
Cancelled finance leases (-)	-	-
Net investments in finance leases	78.477	135.076

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 3226. 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 (31 December 2009: None).

12. Information on Investment Property:

The Bank has no investment property (31 December 2009: 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.

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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)

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

13.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset (Cont'd)

Deferred tax asset:	Current Period	Prior Period
Useful life difference of fixed assets	995	1.009
Financial lease adjustments	-	4.262
Employee benefit provision	691	596
Loan commissions accrual adjustment	8.667	6.141
Other provisions	9.364	12.058
Fair value difference of marketable securities	-	2.160
Other	-	-
Total Deferred Tax Asset	19.717	26.226
Deferred tax liability:		
Derivative instrument accruals	(471)	(257)
Loan commissions accrual adjustment	(909)	(805)
Fair value difference of marketable securities	(1.890)	-
Other	(124)	(47)
Total Deferred Tax Liability	(3.394)	(1.109)
Net Deferred Tax Asset	16.323	25.117

In addition, TL 14.748 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 (31 December 2009: TL 11.429).

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 liability from reversal of allowance.

14. Information on Assets Held For Sale

In the current period, the Bank has no assets held for sale (31 December 2009: None).

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 (31 December 2009: None).

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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	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	4.973	3.730	6.973	3.186
Futures Transactions	-	-	-	-
Options	949	6.885	298	1.521
Other	-	-	-	-
Total	5.922	10.615	7.271	4.707

3. Information on Funds Borrowed:

3.a Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	1.000	52.773	20.003	120.219
From Foreign Banks, Institutions and Funds	-	4.364.873	4.155	4.183.838
Total	1.000	4.417.646	24.158	4.304.057

3.b Maturity analysis of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	1.000	280.802	20.003	267.557
Medium and long-term	-	4.136.844	4.155	4.036.500
Total	1.000	4.417.646	24.158	4.304.057

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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)

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 (31 December 2009: None).

5. Explanations on Financial Lease Obligations (Net):

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

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

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

There are no changes in financial leasing contracts.

5.c Explanations on finance lease payables

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

5.d Explanations regarding operational leases:

As of the balance sheet date, the Bank's 2 head office buildings and 3 branches are subject to operational leasing. The Bank has no liability for operational leases in the current period (31 December 2009: 2 head office buildings, 3 branches and 7 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 (31 December 2009: 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 (31 December 2009: None).

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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)

7. Information on Provisions:

7.a Information on general provisions

	Current Period	Prior Period
General Provisions	35.813	33.463
Provisions for First Group Loans and Receivables	28.262	27.297
Provisions for Second Group Loans and Receivables	1.794	1.699
Provisions for non-Cash Loans	1.917	1.123
Other	3.840	3.344

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 TL 38,676 (31 December 2009: TL 10,856). 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	-	-

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	-	-
Provision for Dividend Received from Subsidiaries	-	1.120
Other (*)	46.825	59.275
Total	46.825	60.395

(*) Other provision account includes TL 46,808 of provision for possible risks on credit portfolio in the future period (31 December 2009: TL 56,808).

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 Million (TL 72.625). The interest expense accrual of this borrowing is TL 917 as of the balance sheet date.

The first agreement date of the loan was 21 September 2004. The first usage date was 5 November 2004. The interest rate is variable; at the balance sheet date it is 2,706 % (0,456+2,25 spread). Principal repayment of the loan will be on 15 October 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:

Corporate Taxes and Deferred Taxes	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate tax payable (*)	12.222	-	11.078	-
Deferred tax liability	-	-	-	-
Total	12.222	-	11.078	-

(*) In the current period, Corporate Tax Provision is TL 39.232 and netted of from Prepaid Tax of TL 27.010 (31 December 2009: Corporate Tax Provision is TL 62.055 and netted off from Prepaid Tax of TL 50.977).

9.a Information on deferred taxes liabilities:

At the balance sheet date, the Bank has no deferred tax liability (31 December 2009: None).

9.a.1 Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	12.222	11.078
Taxation of securities	667	895
Property tax	-	-
Banking and Insurance Transaction Tax (BITT)	458	553
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	186	144
Other	765	1.971
Total	14.298	14.641

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	15	13
Unemployment insurance-Employer	31	25
Other	-	-
Total	46	38

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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	700.000	600.000
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	700.000	1.000.000

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

In the current period, the Bank's share capital has increased by TL 100.000. In the meeting of the General Assembly held on 25 March 2010; it has been resolved that, paid-in capital of the Bank will be increased from TL 600.000 to TL 700.000 by TL 100.000. In respect of the resolution of the General Assembly, TL 85.000 of this increase will be incorporated from the profit of the year 2009 and TL 15.000 from extraordinary reserves. The increase in paid-in capital was approved by the BRSA on 27 April 2010 and has been published in the Turkish Trade Registry Gazette No: 7576 on 2 June 2010.

In the prior period, the Bank's share capital has increased by TL 100.000. In the meeting of the General Assembly held on 25 March 2010, it has been resolved that, paid-in capital of the Bank will be increased from TL 500.000 to TL 600.000 by TL 100.000. In respect of the resolution of the General Assembly, TL 96.000 of this increase will be incorporated from the profit of the year 2008 and TL 4.000 from extraordinary reserves. The increase in paid-in capital was approved by the BRSA on 29 April 2009 and has been published in the Turkish Trade Registry Gazette No: 7335 on 18 June 2009.

10.d Information on share capital increases from capital reserves

In the current period there is no share capital increases from capital reserves (31 December 2009: None).

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.

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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 (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 (31 December 2009: None).

10.h Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control	16.599	-	4.117	-
Valuation Differences	24.006	37.304	35.941	13.301
Foreign Exchange Difference	-	-	-	-
Total	40.605	37.304	40.058	13.301

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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 Items

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 TL 210.744 (31 December 2009: TL 180.321).

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

As at the balance sheet date, total letters of guarantee is TL 726.823 (31 December 2009: TL 357.761).

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

	Current Period	Prior Period
Non-cash loans given against obtaining cash loans	95.190	98.107
With maturity of one year or less than one year	-	-
With maturity of more than one year	95.190	98.107
Other non-cash loans	1.022.100	618.276
Total	1.117.290	716.383

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

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

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	158.701	41	578.500	79	115.447	33	132.721	36
Mining	1.174	-	-	-	404	-	-	-
Manufacturing Industry	2.460	1	69.066	9	7.766	2	22.827	6
Electricity, Gas, Water	155.067	40	509.434	70	107.277	31	109.894	30
Construction	20.183	5	22.630	3	30.171	9	26.070	7
Services	204.984	54	132.227	18	199.337	58	212.629	57
Wholesale and Retail Trade	-	-	27.423	4	-	-	105.151	29
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Communication	-	-	95.191	13	2	-	98.107	26
Financial Institutions	200.799	53	9.239	1	195.168	57	8.982	2
Real Asset and Leasing Services	185	-	374	-	167	-	389	-
Self-employment Services	4.000	1	-	-	4.000	1	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	65	-	-	-	8	-	-	-
Total	383.933	100	733.357	100	344.963	100	371.420	100

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

	Ist Grup				IInd Grup			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	383.893	733.357	344.963	371.420	40	-	-	-
Letters of Guarantee	301.125	425.658	268.406	89.355	40	-	-	-
Bank Acceptances	-	-	-	-	-	-	-	-
Letters of Credit	-	210.744	-	180.321	-	-	-	-
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other	82.768	96.955	76.557	101.744	-	-	-	-

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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 8 legal cases against the Bank which are amounting to TL 163 as of the balance sheet date (31 December 2009: TL 131).

IV. Explanations Related to the Statement of Income

1.a Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	5.130	2.501	1.843	2.636
Medium and long term loans	49.535	75.523	80.550	96.788
Interest on non-performing loans	6.732	-	2.929	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	61.397	78.024	85.322	99.424

(*)Commissions income from loans have been included to the interest on loans.

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	6.776	67	2.896	11
Foreign banks	7	68	4	790
Branches and head office abroad	-	-	-	-
Total	6.783	135	2.900	801

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	2.755	347	1.883	17
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Available for Sale Financial Assets	123.922	24.927	166.408	24.307
Investments Held to Maturity	25.591	-	7.764	-
Total	152.268	25.274	176.055	24.324

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	7.963	6.507

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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)

2.a Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	560	3.329	787	14.470
The Central Bank of Turkey	49	-	21	-
Domestic banks	504	237	445	283
Foreign banks	7	3.092	321	14.187
Branches and head office abroad	-	-	-	-
Other financial institutions	-	30.106	-	117.245
Total(*)	560	33.435	787	131.715

(*)Commissions given to other financial institutions have been included to interest expense on funds borrowed.

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	275.852	327.864
Gains on capital market operations	4.813	8.989
On derivative financial instruments(*)	70.020	93.868
Foreign exchange gains	205.832	225.007
Losses (-)	(282.049)	(324.918)
Losses on capital market operations	(8.990)	(6.588)
On derivative financial instruments(*)	(70.614)	(91.627)
Foreign exchange losses	(202.445)	(226.703)

(*) Foreign exchange gain from derivative transactions amounting to TL 29.702 is presented in "Profit on derivative financial instruments" (30 September 2009: TL 51.254), foreign exchange loss from derivative transactions amounting to TL (32.532) is presented in "Losses on derivative financial instruments" (30 September 2009: TL (49.998)).

4. Information related to Other Operating Income:

	Current Period	Prior Period
Provisions Released	18.500	20.078
Gains on Sale of Assets	776	193
From Associate and Subsidiary Sales	375	-
From Movable Fixed Asset Sales	-	161
From Properties Sales	41	32
From Other Asset Sales	360	-
Other	922	1.344
Total	20.198	21.615

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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	8.846	774
III. Group	8.767	-
IV. Group	-	4
V. Group	79	770
General provision expenses	2.350	-
Provision expenses for possible losses	-	-
Marketable securities impairment expenses	6.574	7.799
Trading securities	-	77
Investment securities available for sale	6.574	7.722
Impairment provisions	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (joint vent.)	-	-
Investment securities held to maturity	-	-
Other	683	30.000
Total	18.453	38.573

6. Information related to Other Operating Expenses:

	Current Period	Prior Period
Personnel expenses	24.322	22.417
Reserve for employee termination benefits	219	121
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	961	880
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	203	199
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	50	-
Depreciation expenses of assets for resale	882	1.115
Impairment expenses of assets held for sale	-	-
Other operating expenses	15.018	10.212
Rent expenses	4.038	3.792
Maintenance expenses	301	264
Advertisement expenses	972	380
Other expenses	9.707	5.776
Loss on sales of assets	50	26
Other	3.128	3.594
Total	44.833	38.564

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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)

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 TL 39.232 (30 September 2009: TL 51.973). Deferred tax charge is TL 5.475 (30 September 2009: TL 24.095 deferred tax benefit).

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

Deferred tax charge calculated on temporary differences is TL 5.475 (30 September 2009: TL 24.095 deferred tax benefit).

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

As of 30 September 2010 deferred tax charge calculated based on temporary differences is TL 5.475 (30 September 2009: TL 24.095 deferred tax benefit). There is no deferred tax benefit or charge reflected to the income statement on carry forward tax losses, tax deductions and exceptions (30 September 2009: None).

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

As of 30 September 2010, profit before tax of the Bank has increased by 32,73 % (30 September 2009: 30,39%).

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 TL 327.190 interest income, TL 99.949 interest expenses and TL 7.926 net fee and commission income from banking operations (30 September 2009: TL 396.317 interest income, TL 206.552 interest expense, TL 4.597 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

Changes in the accounting estimates and accordingly effect on the financial statement items is disclosed in "Accounting Policies" section of the report.

9.c Minority share of profit and loss

There is no profit and loss attributable to minority interest in the accompanying unconsolidated financial statements (30 September 2009: 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 other operating income explained in note IV.4 and other operating expense explained in note IV.6, exceeds 10% of the income statement.

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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		Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	204.110	334	39.691	117.413	39.585	1
Balance at end of period	182.734	351	58.446	117.413	37.372	-
Interest and commission income	7.909	3	932	220	1.505	-

(*) Other entities included in the risk group; covers the financial lease receivables amounting of TL 665 (31 December 2009: TL 1.433).

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		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	204.110	334	39.691	117.413	39.585	1
Interest and commission income received (**)	6.434	2	36	312	539	-

(*) Other entities included in the risk group; covers the financial lease receivables amounting of TL 1.433 (31 December 2008: TL 2.276).

(**) The information is related to 30 September 2009.

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

The Bank is not authorized to accept deposits.

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

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

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

Benefits provided to the key management personnel in the current period amount to TL 5.263 (30 September 2009: TL 3.501).

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SECTION FIVE (Cont'd)

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

VI. Explanations Related to Subsequent Events

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with the Capital Markets Board license, declared TSKB's corporate governance rating was raised to 8,92 over 10 (89,15) from 8,77 over 10 (87,69 %); on its report dated on 19 October 2010. With respect to CMB's board decision No: 4/100 on 7 February 2005, ratings under the main topics of Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors have been declared as; 8,77 (Weight: 25 %), 9,36 (Weight: 35 %), 9,57 (Weight: 15 %), 8,05 (Weight: 25 %) respectively.

According to "Press release related to reserve requirements" of the Central Bank of Turkey, dated 23 September 2010 and numbered 2010/9, foreign currency reserve requirement rate for banks has been increased from 10 % to 11 % and Turkish Lira (TL) reserve requirements is increased from 5 % to 5,5 %. Related press release will become effective at 1 October 2010.

SECTION SIX

OTHER EXPLANATIONS

I. Explanations Related to Operations of the Bank

I.a Explanations Related to Marketable Securities Issued

The Bank has issued bonds with nominal value of TL 200.000 and maturity between 180 days and 360 days on 19 August 2010 with the permission of the Capital Markets Board dated 27 July 2010 and numbered B.02.1.SP.K.013-1008, and based on Board Registration Certificate dated 10 August 2010 and numbered 3/BB- 630. The bonds issued are measured using effective interest rate method.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SIX

OTHER EXPLANATIONS

I. Explanations Related to Operations of the Bank

I.b Brief Information Related to Rating Carried Out By International Rating Firms:

FITCH RATINGS

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

Information above is received from Fitch Ratings report dated 8 January 2010. The Bank's ratings were confirmed in Fitch Rating declaration dated 28 July 2010.

MOODY'S

Financial Rating Note	D+
Outlook	Stable
Foreign Currency	
Long-term Maturity	BA3
Outlook (*)	Positive
Short-term Maturity	N/P

(*) International Credit Rating Service (Moody's Investors Service) declared that 'BA3' that is explained at TSKB's Long term maturity foreign currency rating note's outlook has been changed from 'stable' to 'positive'

Information above is received from Moody's Investors Service report as of 8 January 2010.

SECTION SEVEN

INDEPENDENT AUDITORS' REVIEW REPORT

I. Explanations on the Independent Auditors' Review Report

Unconsolidated financial statements and the notes to the financial statements as at 30 September 2010 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("the Turkish member firm of KPMG International Cooperative, a Swiss entity"). The independent auditors' review report dated 4 November 2010 is presented at the beginning of the financial statements and related notes.

II. Explanations and Notes prepared by Independent Auditors

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