



Türkiye Sınai Kalkınma Bankası Anonim Şirketi and its Subsidiaries

Consolidated Interim Financial Statements
As of and for the Interim Period Ended 31 March 2010
(Convenience Translation of Consolidated
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

13 May 2010

*This report contains "Independent Auditors'
Review Report" comprising 1 page and;
"Consolidated Financial Statements and Related
Disclosures and Footnotes" comprising 70
pages.*



**Akis Bağımsız Denetim ve Serbest
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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.

We have reviewed the consolidated balance sheet of Türkiye Sınai Kalkınma Bankası A.Ş. ("the Bank") and its subsidiaries (collectively "the Group") as of 31 March 2010 and the related consolidated income statement, statement of cash flows and statement of changes in shareholders' equity for the three-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 consolidated financial statements of the Bank as of and for the year ended 31 December 2009 and as of and for the three-month period ended 31 March 2009 were audited and reviewed, respectively, by another auditor who expressed an unqualified opinion in their report dated 10 February 2010 for the consolidated financial statements as of 31 December 2009 and an unqualified review report dated 27 May 2009 for the consolidated financial statements as of 31 March 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 consolidated financial statements do not present fairly the consolidated financial position of the Group as of 31 March 2010 and the consolidated 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 and Article No: 38 of the Banking Act No: 5411, and other communiqués, disclosures and directives in respect of accounting and financial reporting announced by the Banking Regulation and Supervision Agency.

Istanbul,
13 May 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 consolidated 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 CONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010**

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

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

The subsidiaries, associates and joint ventures, whose financial statements are consolidated within the framework of the reporting package, are as follows:

Subsidiaries


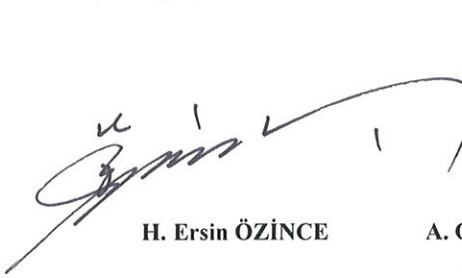
Yatırım Finansman Menkul Değerler A.Ş.
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.
TSKB Yatırım Ortaklığı A.Ş.

Associates

İş Finansal Kiralama A.Ş.
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.
İş Factoring Finansman Hizmetleri A.Ş.

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

May 13, 2010



H. Ersin ÖZİNCE

A. Orhan BEŞKÖK

**Chairman of
Board of Directors**

**Deputy
General Manager**



Ömer ERYILMAZ

**Executive Vice President
In Charge of Financial Reporting**



Mustafa GÖKTAŞ

**Head of Financial
Control Department**



Kemal Serdar DİŞLİ

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 : Mustafa Göktas / Head of Financial Control Department

Telephone Number : 0212 334 51 92

Türkiye Sınai Kalkınma Bankası A.Ş.

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TÜRKİYE SINAI KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2010
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

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

The Parent 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 Parent Bank is "Development and Investment Bank". The Bank does not have the authority of "Accepting Deposit". Since the establishment date of the Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations Regarding the Parent 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 Parent 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	300.587	50,10	300.587	-
T. Vakıflar Bankası T.A.O.	50.265	8,38	50.265	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	249.135	41,52	249.135	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	600.000	100,00	600.000	-

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 SINAI KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 Parent 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 Board of Directors	H. Ersin Özince	Undergraduate		33 years
Vice Chairman of Board of Directors	Kadir Akgöz (**)	Undergraduate		28 years
Members of Board of Directors	Yavuz Canevi	Postgraduate		13 years
	Mustafa Baran Tuncer	Doctorate		28 years
	Ertan Burhanettin Kantar	Undergraduate		16 years
	Kemal Serdar Dışli	Undergraduate		19 years
	Murat Bilgiç	Postgraduate		15 years
	Remzi Altınok	Undergraduate		17 years
	Memduh Aslan Akçay	Postgraduate		17 years
Member of Board of Directors and General Manager	Halil Eroğlu	Undergraduate	CEO	24 years
Member of Audit Committee	Kemal Serdar Dışli	Undergraduate		19 years
	Murat Bilgiç	Postgraduate		15 years
Executive Vice Presidents	Şemseddin Arat	Postgraduate	Information Technology and Human Resources	23 years
	A.Orhan Beşkök	Postgraduate	Technical Services	19 years
	Şeniz Yarcan	Undergraduate	Treasury, Investment Banking and External Relation	16 years
	Burak Akgüç	Undergraduate	Corporate Marketing	14 years
	Ömer Eryılmaz	Undergraduate	Financial Control and Securities	20 years
	Çiğdem İçel	Undergraduate	Operations	17 years
	Ufuk Bala Yücel	Undergraduate	Loans	20 years
Statutory Auditors	Zeynep Hansu Uçar	Undergraduate	Auditor	13 years
	Mete Uluyurt	Postgraduate	Auditor	12 years

Changes

<u>Title</u>	<u>Left during the period</u>	<u>Appointed during the period</u>
Member of the Board of Directors	Süleyman Kalkan (***)	-

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

(**) In the General Assembly numbered 1932 held on 2 April 2010, resignation of Kadir Akgöz, the member of the Board of Directors, was approved, U. Şafak Ögün and Murat Vulkan were elected as members of the Board of Directors. On 13 April 2010, U. Şafak Ögün and Murat Vulkan has started their duty as members of the Board of Directors

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

TÜRKİYE SINAI KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 in The Parent Bank

T. İş Bankası A.Ş. (İş Bank) Group owns the qualified shares that control the Parent 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	300.587	50,10	300.587	-
T. Vakıflar Bankası T.A.O.	50.265	8,38	50.265	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	249.135	41,52	249.135	-
Physically Under Custody (Other Institutions and Individuals)	13	-	13	-
Total	600.000	100,00	600.000	-

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 Parent Bank's Functions and Areas of Activity

Türkiye Sınai Kalkınma Bankası A.Ş. ("the Parent 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 mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services.

The Parent 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 Parent Bank has supported the development of the private sector by extending medium-term loans to more than 4000 firms. After 1960's the Parent Bank had continued to finance over 100 firms by investing in these entities as a shareholder. The Parent Bank has also participated in improvement of capital markets by organizing public offerings of some firms.

The Parent 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.
Consolidated Balance Sheet as of 31 March 2010 (Statement of Financial Position)
(In Thousands of Turkish Lira)

ASSETS	Note Ref.	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		31 March 2010			31 December 2009		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	825	2,258	3,083	632	2,538	3,170
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	72,856	43,879	116,735	83,458	4,296	87,754
2.1 Trading financial assets		72,856	43,879	116,735	83,458	4,296	87,754
2.1.1 Public sector debt securities		46,627	37,658	84,285	55,894	34	55,928
2.1.2 Share certificates		18,971	-	18,971	19,292	-	19,292
2.1.3 Derivative financial assets held for trading		5,484	6,221	11,705	7,021	4,262	11,283
2.1.4 Other marketable securities		1,774	-	1,774	1,251	-	1,251
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	364,684	11,573	376,257	322,372	33,748	356,120
IV. MONEY MARKET PLACEMENTS		1,541	-	1,541	6,171	-	6,171
4.1 Interbank money market placements		400	-	400	168	-	168
4.2 İstanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		1,141	-	1,141	6,003	-	6,003
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	1,674,440	549,028	2,223,468	1,654,412	493,835	2,148,247
5.1 Share certificates		18,468	2,957	21,425	18,468	2,957	21,425
5.2 Public sector debt securities		1,634,394	408,589	2,042,983	1,614,947	350,947	1,965,894
5.3 Other marketable securities		21,578	137,482	159,060	20,997	139,931	160,928
VI. LOANS	(5)	1,345,476	2,461,976	3,807,452	1,518,554	2,169,835	3,688,389
6.1 Loans		1,345,476	2,461,976	3,807,452	1,518,554	2,169,835	3,688,389
6.1.1 Loans to Risk Group of the Bank		42,371	163,871	206,242	56,429	77,940	134,369
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		1,303,105	2,298,105	3,601,210	1,462,125	2,091,895	3,554,020
6.2 Non-performing loans		13,986	5,685	19,671	15,990	5,685	21,675
6.3 Specific provisions (-)		(13,986)	(5,685)	(19,671)	(15,990)	(5,685)	(21,675)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	291,400	-	291,400	289,106	-	289,106
8.1 Public sector debt securities		288,828	-	288,828	286,599	-	286,599
8.2 Other marketable securities		2,572	-	2,572	2,507	-	2,507
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	165,616	-	165,616	159,078	-	159,078
9.1 Accounted for under equity method		157,336	-	157,336	150,798	-	150,798
9.2 Unconsolidated associates		8,280	-	8,280	8,280	-	8,280
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		8,280	-	8,280	8,280	-	8,280
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	427	-	427	379	-	379
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		427	-	427	379	-	379
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(10)	98	111,423	111,521	271	134,805	135,076
12.1 Finance lease receivables		101	115,996	116,097	285	141,568	141,853
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		(3)	(4,873)	(4,876)	(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 risks in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		31,337	1	31,338	31,870	1	31,871
XV. INTANGIBLE ASSETS (Net)		1,844	-	1,844	1,909	-	1,909
15.1 Goodwill		1,005	-	1,005	1,005	-	1,005
15.2 Other		839	-	839	904	-	904
XVI. INVESTMENT PROPERTY (Net)	(12)	209,528	-	209,528	205,291	-	205,291
XVII. TAX ASSETS	(13)	28,181	-	28,181	25,595	-	25,595
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		28,181	-	28,181	25,595	-	25,595
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)	169,130	43,232	212,362	101,072	30,814	131,886
TOTAL ASSETS		4,357,383	3,223,070	7,580,453	4,400,170	2,869,872	7,270,042

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Consolidated Balance Sheet as of 31 March 2010 (Statement of Financial Position)
(In Thousands of Turkish Lira)

LIABILITIES	Note Ref.	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		31 March 2010			31 December 2009		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. DEPOSITS	(1)	-	-	-	-	-	-
1.1 Deposits from Risk Group of the Bank		-	-	-	-	-	-
1.2 Other		-	-	-	-	-	-
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	585	5,240	5,825	7,271	4,707	11,978
III. FUNDS BORROWED	(3)	75,168	4,202,123	4,277,291	87,666	4,311,434	4,399,100
IV. MONEY MARKET BALANCES		1,485,777	207,988	1,693,765	1,337,233	46,409	1,383,642
4.1 Interbank money market takings		150,979	133,528	284,507	98,949	-	98,949
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1,334,798	74,460	1,409,258	1,238,284	46,409	1,284,693
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. SUNDRY CREDITORS		194,492	18,413	212,905	128,963	18,397	147,360
VIII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1 Finance lease payables		-	2	2	-	5	5
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	(2)	(2)	-	(5)	(5)
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	98,232	-	98,232	96,469	101	96,570
12.1 General loan loss provisions		33,246	-	33,246	31,682	-	31,682
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		5,111	-	5,111	4,437	-	4,437
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		59,875	-	59,875	60,350	101	60,451
XIII. TAX LIABILITY	(9)	20,325	-	20,325	15,440	-	15,440
13.1 Current tax liability		20,325	-	20,325	15,440	-	15,440
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)	-	77,598	77,598	-	75,343	75,343
XVI. SHAREHOLDERS' EQUITY	(10)	1,179,620	14,892	1,194,512	1,127,251	13,358	1,140,609
16.1 Paid-in capital		600,000	-	600,000	600,000	-	600,000
16.2 Capital reserves		69,727	14,892	84,619	68,019	13,358	81,377
16.2.1 Share premium		24	-	24	22	-	22
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		38,155	14,892	53,047	39,245	13,358	52,603
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		250,703	-	250,703	195,737	-	195,737
16.3.1 Legal reserves		75,571	-	75,571	57,395	-	57,395
16.3.2 Statutory reserves		36,929	-	36,929	28,184	-	28,184
16.3.3 Extraordinary reserves		135,283	-	135,283	107,238	-	107,238
16.3.4 Other profit reserves		2,920	-	2,920	2,920	-	2,920
16.4 Profit or loss		234,372	-	234,372	236,540	-	236,540
16.4.1 Prior years' income/losses		175,200	-	175,200	(14,734)	-	(14,734)
16.4.2 Current year income/loss		59,172	-	59,172	251,274	-	251,274
16.5 Minority shares	(11)	24,818	-	24,818	26,955	-	26,955
TOTAL LIABILITIES AND EQUITY		3,054,199	4,526,254	7,580,453	2,808,293	4,469,749	7,278,042

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Consolidated Statement of Off-Balance Sheet Contingencies and Commitments as of 31 March 2010
(In Thousands of Turkish Lira)

	Note Ref.	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		31 March 2010			31 December 2009		
		TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,264,843	3,675,193	4,940,036	968,073	2,955,363	3,923,436
I. GUARANTEES AND COLLATERALS	(1)	340,172	388,572	728,744	344,963	371,420	716,383
1.1. Letters of guarantee		257,334	103,337	360,671	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		257,334	103,337	360,671	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		-	182,092	182,092	-	180,321	180,321
1.3.1. Documentary letters of credit		-	182,092	182,092	-	180,321	180,321
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		82,838	103,143	185,981	76,557	101,744	178,301
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		477,884	990,275	1,468,159	339,788	520,600	860,388
2.1. Irrevocable commitments		122,705	455,360	578,065	150,526	160,802	311,328
2.1.1. Forward asset purchase and sales commitments		85,447	453,792	539,239	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		37,258	-	37,258	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	1,568	1,568	-	-	-
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		355,179	534,915	890,094	189,262	359,798	549,060
2.2.1. Revocable loan granting commitments		355,179	534,915	890,094	189,262	359,798	549,060
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		446,787	2,296,346	2,743,133	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		446,787	2,296,346	2,743,133	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		189,487	232,660	422,147	107,972	146,221	254,193
3.2.2.1. Foreign currency swaps-buy		149,593	61,908	211,501	72,943	52,886	125,829
3.2.2.2. Foreign currency swaps-sell		39,894	166,792	206,686	35,029	88,786	123,815
3.2.2.3. Interest rate swaps-buy		-	1,930	1,930	-	2,238	2,238
3.2.2.4. Interest rate swaps-sell		-	2,030	2,030	-	2,311	2,311
3.2.3. Foreign currency, interest rate and securities options		230,500	502,796	733,296	129,550	251,006	380,556
3.2.3.1. Foreign currency options-buy		121,640	214,540	336,180	64,775	96,428	161,203
3.2.3.2. Foreign currency options-sell		108,860	224,046	332,906	64,775	96,428	161,203
3.2.3.3. Interest rate options-buy		-	32,105	32,105	-	29,075	29,075
3.2.3.4. Interest rate options-sell		-	32,105	32,105	-	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		-	1,560,316	1,560,316	-	1,643,661	1,643,661
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	1,560,316	1,560,316	-	1,643,661	1,643,661
3.2.6. Other		26,800	574	27,374	45,800	22,455	68,255
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		3,122,908	19,215,093	22,338,001	2,715,569	11,614,412	14,329,981
IV. ITEMS HELD IN CUSTODY		1,858,086	134,428	1,992,514	1,748,305	105,445	1,853,750
4.1. Assets under management		36,744	299	37,043	7,513	1,179	8,692
4.2. Investment securities held in custody		358,281	134,129	492,410	375,808	104,266	480,074
4.3. Checks received for collection		160	-	160	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		4,577	-	4,577	4,592	-	4,592
4.8. Custodians		1,458,324	-	1,458,324	1,360,240	-	1,360,240
V. PLEDGED ITEMS		1,264,822	19,080,665	20,345,487	967,264	11,508,967	12,476,231
5.1. Marketable securities		21	709,585	709,606	20	513,643	513,663
5.2. Guarantee notes		40,611	1,645,543	1,686,154	50,475	1,749,049	1,799,524
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		107,369	3,527,550	3,634,919	107,369	3,704,982	3,812,351
5.6. Other pledged items		1,117,421	13,197,987	14,315,408	809,400	5,541,293	6,350,693
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		4,387,751	22,890,286	27,278,037	3,683,642	14,569,775	18,253,417

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Consolidated Income Statement for the period ended 31 March 2010
(In Thousands of Turkish Lira)

INCOME STATEMENT	Note Ref.	Reviewed	Reviewed
		CURRENT PERIOD 1 January - 31 March 2010	PRIOR PERIOD 1 January - 31 March 2009
I. INTEREST INCOME	(1)	118,670	171,018
1.1 Interest on loans		41,806	95,560
1.2 Interest received from reserve deposits		4	132
1.3 Interest received from banks		6,745	3,855
1.4 Interest received from money market placements		20	37
1.5 Interest received from marketable securities portfolio		68,870	67,971
1.5.1 Held-for-trading financial assets		1,598	1,233
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		58,697	65,374
1.5.4 Investments held-to-maturity		8,575	1,364
1.6 Finance lease income		1,143	3,282
1.7 Other interest income		82	181
II. INTEREST EXPENSES	(2)	(37,094)	(116,911)
2.1 Interest on deposits		-	-
2.2 Interest on funds borrowed		(12,116)	(90,569)
2.3 Interest on money market borrowings		(24,974)	(26,342)
2.4 Interest on securities issued		-	-
2.5 Other interest expense		(4)	-
III. NET INTEREST INCOME (I - II)		81,576	54,107
IV. NET FEES AND COMMISSIONS INCOME		7,890	4,135
4.1 Fees and commissions received		9,077	4,462
4.1.1 Non-cash loans		898	703
4.1.2 Other		8,179	3,759
4.2 Fees and commissions paid		(1,187)	(327)
4.2.1 Non-cash loans		-	(31)
4.2.2 Other		(1,187)	(296)
V. DIVIDEND INCOME		31	2,254
VI. NET TRADING INCOME	(3)	2,980	(5,841)
6.1 Securities trading gains/ (losses)		(524)	(337)
6.2 Derivative financial instruments gains/losses		(3,477)	(7,213)
6.3 Foreign exchange gains/(losses) (net)		6,981	1,709
VII. OTHER OPERATING INCOME	(4)	5,760	15,931
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		98,237	70,586
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(5)	(7,913)	(9,537)
X. OTHER OPERATING EXPENSES (-)	(6)	(22,114)	(20,260)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		68,210	40,789
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. PROFIT / (LOSS) ON EQUITY METHOD INVESTMENTS		5,105	4,584
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)	(8)	73,315	45,373
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(7)	(13,390)	(8,639)
16.1 Provision for current income taxes		(15,724)	(13,317)
16.2 Provision for deferred taxes		2,334	4,678
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		59,925	36,734
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)	59,925	36,734
23.1 Group's profit/loss		59,172	36,375
23.2 Minority shares		753	359
Earnings/(losses) per share		0.100	0.061

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Consolidated Statement of Profit-Loss Items Accounted for under Shareholders' Equity for the period ended 31 March 2010
(In Thousands of Turkish Lira)

PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY	Reviewed	Reviewed
	CURRENT PERIOD	PRIOR PERIOD
	1 January - 31 March 2010	1 January - 31 March 2009
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(913)	16,056
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	1,433	529
IX. DEFERRED TAX OF VALUATION DIFFERENCES	252	(2,566)
X. NET PROFIT/LOSS ACCOUNTED FOR DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	772	14,019
XI. CURRENT PERIOD PROFIT/LOSS	(328)	814
I.1 Net changes in fair value of securities (Recycled to Profit/Loss)	(328)	814
I.2 Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
I.3 Recycling hedge of net investments in foreign operations to Income Statement	-	-
I.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	444	14,833

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.																			
Consolidated Statement of Shareholders' Equity for the period ended 31 March 2018																			
(In Thousands of Turkish Lira)																			
CHANGES IN SHAREHOLDER'S EQUITY																			
	Note Ref.	Paid in Capital	Inflation on Paid in Capital	Share Premiums	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extra-ordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable securities value increase fund	Tangible and intangible assets revaluation differences	Bonus shares obtained from associates, subd. and jointly controlled entities	Hedging funds	Acc. val. assets held for sale and from disc. up.	Total Equity Attributable to Parent	Minority Shares	Total Shareholders' Equity
CURRENT PERIOD (31/03/2018)																			
I.		600.000	374	22	-	57.295	28.184	107.238	2.920	-	236.510	52.603	28.378	-	-	-	1.113.654	26.955	1.140.609
II.																			
III.																			
IV.																			
4.1																			
4.2																			
V.																			
VI.											(2.796)		2.796						
VII.																			
VIII.																			
IX.																			
X.																			
XI.																			
XII.																			
XIII.																			
XIV.																			
XV.																			
XVI.																			
XVII.																			
XVIII.																			
XIX.																			
18.1																			
18.2																			
18.3																			
		600.000	374	24	-	75.571	36.929	135.283	2.920	59.172	175.200	53.047	31.174	-	-	-	1.169.694	24.818	1.194.512
Closing balance (I+II+...+XVI+XVII+XVIII)																			

TÜRKİYE SİGEL KALKINMA BANKASI A.Ş.																			
Consolidated Statement of Shareholders' Equity for the period ended 31 March 2009 (in Thousands of Turkish Lira)																			
CHANGES IN SHAREHOLDER'S EQUITY																			
	Note Ref.	Paid in Capital	Inflation on Paid in Capital	Share Premiums	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Period Net Income / (Loss)	Marketable securities value increase fund	Tangible and intangible assets revaluation differences	Bonus shares obtained from associates, subv. and jointly controlled entities	Hedging funds	from assets held for sale and disc. on.	Total Equity Attributable to Parent	Minority Shares	Total Shareholders Equity
PRIOR PERIOD (31/03/2009)																			
I.		Opening Balance																	
II.		Corrections according to TAS 8	374	43	-	43,809	22,235	109,608	2,920	-	105,753	(29,426)	28,378	-	-	-	783,694	24,331	808,025
2.1		The effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		The effects of changes in accounting policy.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		New Balance (I+II)	374	43	-	43,809	22,235	109,608	2,920	-	105,753	(29,426)	28,378	-	-	-	783,694	24,331	808,025
Changes during the period																			
IV.		Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		Marketable securities value increase fund	-	-	-	-	-	-	-	-	-	14,833	-	-	-	-	14,833	-	14,833
VI.		Hedging funds (Effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1		Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2		Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		Bonus shares obtained from associates, subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		The effect of change in equities of associates on bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2		Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		The effect of inflation on paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		Period net income	-	-	-	-	-	-	-	36,375	-	-	-	-	-	-	36,375	359	36,734
XX.		Profit distribution	-	-	-	-	5,949	1,013	-	-	(23,000)	-	-	-	-	-	(2,700)	-	(2,700)
20.1		Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2		Transfers to reserves	-	-	-	-	5,949	1,013	-	-	(20,360)	-	-	-	-	-	-	-	-
20.3		Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Closing Balance (I+II+III+...+XVIII+XIX+XX)	374	43	-	57,207	28,184	110,621	2,920	36,375	82,693	(14,593)	28,378	-	-	-	832,302	24,690	856,992

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
Consolidated Statement of Cash Flows for the period ended 31 March 2010
(In Thousands of Turkish Lira)

STATEMENT OF CASH FLOWS	Note Ref.	Reviewed	Reviewed
		CURRENT PERIOD	PRIOR PERIOD
		1 January - 31 March 2010	1 January - 31 March 2009
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		19,243	1,509
1.1.1 Interest received		109,129	153,998
1.1.2 Interest paid		(55,212)	(84,802)
1.1.3 Dividends received		-	176
1.1.4 Fees and commissions received		9,077	4,462
1.1.5 Other income		5,513	2,905
1.1.6 Collections from previously written off loans		158	57
1.1.7 Payments to personnel and service suppliers		(17,378)	(13,870)
1.1.8 Taxes paid		(10,662)	(29,161)
1.1.9 Others		(21,182)	(32,256)
1.2 Changes in operating assets and liabilities		38,254	251,172
1.2.1 Net (increase) decrease in financial assets		(32,300)	(17,411)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		-	-
1.2.4 Net (increase) decrease in loans		(175,610)	(231,497)
1.2.5 Net (increase) decrease in other assets		(82,198)	(17,242)
1.2.6 Net increase (decrease) in bank deposits		-	-
1.2.7 Net increase (decrease) in other deposits		-	-
1.2.8 Net increase (decrease) in funds borrowed		219,983	482,655
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		108,379	34,667
I. Net cash provided from banking operations		57,497	252,681
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(45,736)	(216,490)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(3,279)	(24,607)
2.4 Fixed assets sales		-	37
2.5 Cash paid for purchase of financial assets available for sale		(42,457)	(190,782)
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		-	(1,138)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(4,152)	(2,700)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		(4,152)	(2,700)
3.5 Payments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		6,981	1,709
V. Net increase / (decrease) in cash and cash equivalents		14,590	35,200
VI. Cash and cash equivalents at beginning of the period		364,219	236,518
VII. Cash and cash equivalents at end of the period		378,809	271,718

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FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2010
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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 Parent 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 the Banking Regulation and Supervision Agency, the Turkish Commercial Code and the Tax Legislation.

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

Additional paragraph for convenience translation to English

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

I.b The valuation principles used in the preparation of the consolidated 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 and Banking Regulation and Supervision Agency. These accounting policies and valuation principles are explained in the below notes through II to XXIV.

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 Group have variable interest rates. The financial balances are monitored frequently and constant and variable interest rate placements are undertaken according to the return on the 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 Parent 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 Group liquidity is regularly monitored. Moreover, the need of liquidity in foreign currencies is safeguarded by money swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors' expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in the placement decisions. The long term placements are made under project finance. A credit policy is implemented such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Parent 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 Group'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 formulated 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 rate as of the balance sheet date, and the resulting gains and losses are recorded in foreign exchange gains or losses.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

III. Information about the Parent Bank and its Subsidiaries and Associates subject to Consolidation

Türkiye Sınai Kalkınma Bankası A.Ş. and its financial institutions, Yatırım Finansman Menkul Değerler A.Ş., TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., TSKB Yatırım Ortaklığı A.Ş. are included in the accompanying consolidated financial statements by line by line consolidation method; İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and İş Factoring Finansman Hizmetleri A.Ş. are included in the accompanying consolidated financial statements by equity method. Financial institutions included in the consolidation are determined in accordance with “Communiqué on Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated 8 November 2006 numbered 26340. The Parent Bank and the entities included in the consolidation are referred to as “the Group” in this report.

The financial statements of the subsidiaries and associates, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in the Turkish Commercial Code and/or Financial Leasing Law and communiqués of the Capital Markets Board of Turkey (“CMB”), are duly adjusted in order to present their financial statements in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards.

When there are differences between the accounting policies of the subsidiaries and the Parent Bank, the financial statements are adjusted in accordance with the principle of materiality. The financial statements of the subsidiaries are prepared as of 31 March 2010.

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

TSKB Yatırım Ortaklığı A.Ş.

The Company was established under the title of Sınai Yatırım Bankası Yatırım Ortaklığı A.Ş. on 10 November 2000. The Company’s title, Sınai Yatırım Bankası Yatırım Ortaklığı A.Ş., was changed into TSKB Yatırım Ortaklığı A.Ş. on 17 April 2003 since its parent Sınai Yatırım Bankası A.Ş. ceased to operate and merged with Türkiye Sınai Kalkınma Bankası A.Ş. The title change was published in the Turkish Trade Registry Gazette No: 5784 on 24 April 2003. The Company’s headquarters is in Istanbul.

The purpose of TSKB Yatırım Ortaklığı A.Ş. is to manage capital market instruments and gold or other precious metal portfolios in the local or international markets or over-the-counter markets, without having the control or significant effect over/on management and capital of the investees, under the principles and guidelines specified by the related legislation.

TSKB Yatırım Ortaklığı A.Ş. and Yatırım Finansman Yatırım Ortaklığı A.Ş. 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 the Extraordinary General Assembly, by ceasing all rights, receivables, liabilities and legal jurisdiction of Yatırım Finansman Yatırım Ortaklığı A.Ş.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

III. Information about the Parent Bank and its Subsidiaries subject to Consolidation (Cont'd)

Yatırım Finansman Menkul Değerler A.Ş.

Yatırım Finansman Menkul Değerler A.Ş. was established with the title of Yatırım Finansman A.Ş. and registered in Istanbul Trade Registry on 15 October 1976 and it was announced in the Turkish Trade Registry Gazette No: 81 on 25 October 1976. Title of the Company was changed into Yatırım Finansman Menkul Değerler A.Ş. by the announcement made in the Turkish Trade Registry Gazette No: 4762 on 2 April 1999. The Company's purpose is to perform capital market operations specified in the Company's main contract in accordance with the CMB and the related legislation. The Company was merged with TSKB Menkul Değerler A.Ş. on 29 December 2006.

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.

Core business of TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. is real estate trust to construct and develop a portfolio of properties and make investment to capital market instruments linked to properties. The Company was established on 3 February 2006.

İş Finansal Kiralama A.Ş.

İş Finansal Kiralama A.Ş. was established on 8 February 1988 and it has been performing its operations in accordance with the Turkish Leasing Law No: 3226. The Company started its leasing operations in July 1988. The Company's headquarters is located at İş Kuleleri, Kule: 2 Kat:10 34330 Levent-Istanbul/Türkiye.

İş Factoring Finansman Hizmetleri A.Ş.

İş Factoring Finansman Hizmetleri A.Ş., was incorporated in Turkey on 4 July 1993 and started its operations in October 1993. The Company's main operation is domestic and export factoring transactions. The Company is a Türkiye İş Bankası A.Ş. Group entity and the parent is İş Finansal Kiralama A.Ş. with 78, 23 % shareholding. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 21,75 %.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.

The principal business of İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. is to make long-term investments in existing companies in Turkey or to be established in Turkey, having a development potential and are in need of financing. The Company is continuing its operations at İş Kuleleri Kule: 2, Kat: 8, Levent, Istanbul.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

IV. Explanations on Forward and Option Contracts and Derivative Instruments

The Parent 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 Parent Bank exercises derivative financial instruments to manage these interest and foreign exchange financial risks.

The Group 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 income statement on these derivative instruments. Unrealized gains or losses arising from the change in the fair value are recorded in disallowable expenses or exempt income according to the current tax legislation.

V. Interest Income and Expenses

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

Since the prior period, the Parent Bank adopts discount of future cash flows method by excluding realized cash flows of financial assets or liabilities for the effective interest rate calculation. The effect of this application is accounted as interest income on loans and securities and interest expense on funds borrowed in the financial statements in the current period. If such change had not been made, prior period balances of the accounts subject to the change would have been TL 67 thousand, TL 73 thousand and TL 46 thousand, 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.

VI. Fees and Commission Income and Expenses

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

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

VII. Explanations and Disclosures on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments constitute the basis of the Group's trading activities and operations. Risks related with these instruments constitutes majority of total risks. Financial instruments affect liquidity, market, and credit risks on the Group's balance sheet in all respects. The Group 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 Group. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Group. Settlement date accounting requires (a) accounting of the asset when acquired by the institution, and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the 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 presented at cost or amortized cost; gain or loss of financial assets at fair value through profit and loss are reflected in the income statement, 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 Group 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 Group. The Group use such classification above when permitted or for the purposes of providing a more proper disclosure.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

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

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

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

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

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

Loans:

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

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

Turkish Lira ("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.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

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

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 for which provision is made in the current period are recorded in "Provision for Loans and Other Receivables" and "Interest Received from Non-performing Loans" account.

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

VIII. Explanations on Impairment on Financial Assets

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

A financial asset or a financial asset group incurs impairment loss only if there is an objective 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.

IX. Offsetting of Financial Assets and Liabilities

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

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

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

XI. Explanations on Assets Held for Sale and Discontinued Operations

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

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XII. 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 Group'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 Group'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.

Intangible assets that are acquired prior to 1 January 2005 are carried at restated historical cost as of 31 December 2004; and those acquired subsequently are carried at cost less accumulated amortization, and any impairment. Intangible assets are depreciated over their expected useful lives. Depreciation method and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights and they are depreciated principally on a straight-line basis between 3-15 years.

XIII. Explanations on Tangible Fixed Assets

The 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.

Normal maintenance and repair cost of the properties are expensed.

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

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

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

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

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XIV. Explanations on Investment Properties

i) Investment Properties

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is recognized in the carrying amount of the item if it is probable that future economic benefits embodied and its cost can be measured reliably. Investment properties are valued using fair value model. Gains or losses arising from fair value changes of investment properties are recognized in profit or loss in related period.

ii) Investment property under construction

Investment property is property held either to earn rental income or for capital appreciation or for both. If fair value of the properties under development cannot be determined reliably, but it can be predicted that fair value will be measured reliably when the construction of the property is completed, the Group has recognized these properties, which are constructed and will be use as investment property in the future, at cost until the fair value can be determined or the construction is completed.

If costs directly attributable to the acquisition and construction of a qualifying asset and will increase future economic benefit of the these asset can be capitalized. Borrowing costs are capitalized and added to the cost related property if they are directly attributable to the investment property under construction. Capitalisation continues since the moment that finance and other expenses related to these assets have occurred until the assets are substantially ready for their intended use.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XV. Explanations on Leasing Transactions

The Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group'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 Group's net investment outstanding in respect of the leases.

The Group as Lessee

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

XVI. Explanations on Provisions and Contingent Liabilities

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

XVII. Explanations on Liabilities Regarding Employee Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. In retirement and involuntarily leaving, the Group 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 Parent 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.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

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

Paragraph 1 of the provisional Article 23 of the Banking Act ("Banking Act") No: 5411 published in the Official Gazette No: 25983 on 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, and the execution of this article was cancelled as of its 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.

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 Constitutional 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 Parent 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 Parent Bank.

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XVIII. Explanations on Taxation

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

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

Deferred tax asset or liability 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 is accounting 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 income statement 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 also offset.

The Group 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 Procedure 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.

XIX. 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.

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

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

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XX. 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 BRSA on 27 April 2010. The registration has not been completed by T.C. Istanbul Trade Registry as of reporting date.

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 2009, 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 the increase in paid in capital has been published in the Turkey Trade Registry Gazette No: 7335 on 18 June 2009.

XXI. 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.

XXII. Explanations on Government Incentives

The Parent Bank doesn't use government incentives.

XXIII. Explanations on Segment Reporting

In accordance with its mission, the Parent 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 operating loans, investment credits, project financing, letters of credit and letters of guarantees.

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

Information about consolidated associates and subsidiaries for segment reporting is shown as "Other".

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SECTION THREE (Cont'd)

ACCOUNTING POLICIES (Cont'd)

XXIII. Explanations on Segment Reporting (Cont'd)

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

Current Period	Corporate	Investment Banking	Other	Total
Net Interest Income	34.962	44.463	2.149	81.576
Net Fees and Commission Income	997	648	6.245	7.890
Other Income	2.656	-	11.220	13.876
Other Expense	(5.553)	(12.256)	(12.218)	(30.027)
Profit Before Tax	33.062	32.855	7.396	73.315
Tax Provision				(13.390)
Net Profit				59.925
Current Period	Corporate	Investment Banking	Other	Total
Segment Assets	3.918.673	3.012.484	483.253	7.414.410
Investment in Associates and Subsidiaries	-	-	166.043	166.043
Total Assets	3.918.673	3.012.484	649.296	7.580.453
Segment Liabilities	4.354.499	1.699.980	331.462	6.385.941
Shareholder's Equity	-	-	1.194.512	1.194.512
Total Liabilities	4.354.499	1.699.980	1.525.974	7.580.453

Prior Period (*)	Corporate	Investment Banking	Other	Total
Net Interest Income	11.159	42.267	681	54.107
Net Fees and Commission Income	1.671	362	2.102	4.135
Other Income	10.312	616	11.841	22.769
Other Expense	(8.338)	(13.901)	(13.399)	(35.638)
Profit Before Tax	14.804	29.344	1.225	45.373
Tax Provision				(8.639)
Net Profit				36.734
Prior Period (**)	Corporate	Investment Banking	Other	Total
Segment Assets	3.823.465	2.890.568	396.552	7.110.585
Investment in Associates	-	-	159.457	159.457
Total Assets	3.823.465	2.890.568	556.009	7.270.042
Segment Liabilities	4.192.923	1.677.140	259.370	6.129.433
Shareholder's Equity	-	-	1.140.609	1.140.609
Total Liabilities	4.192.923	1.677.140	1.399.979	7.270.042

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

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

XXIV. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio

The capital adequacy ratio is 22,49 % as at 31 March 2010 (31 December 2009: 23,22 %). Related to the calculation of the capital adequacy ratio, the risk weighted assets, the obligations, non-cash loans are classified according to the collateral groups and evaluated within the particular risk group.

Information related to the capital adequacy ratio:

Amounts Subject to Credit Risk	Risk Weight (*)				Risk Weight (*)			
	Parent Bank				Consolidated			
	0 %	20 %	50 %	100 %	0 %	20 %	50 %	100 %
Balance Sheet items (Net)	354.200	927.940	780.628	2.764.662	362.354	1.179.703	627.167	2.904.347
Cash	194	-	-	-	281	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-	-
Due From Central Bank of Turkey	2.802	-	-	-	2.802	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	126.823	-	-	-	374.165	-	-
Interbank Money Market Placements	-	-	-	-	400	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	738	-	-	-
Reserve Deposits	32.349	-	-	-	32.349	-	-	-
Loans	284	771.295	717.477	2.311.001	284	771.295	572.986	2.331.800
Non-performing Loans (Net)	-	-	-	-	-	-	-	-
Financial Lease Receivables	34	22.680	17.374	70.241	34	22.680	17.374	70.241
Available-for-Sale Financial Assets	-	-	-	-	-	-	-	-
Held to Maturity Investments	273.581	-	-	-	279.131	2.509	-	-
Receivables from Installment Sales of Assets	-	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	3.333	-	-	-	127.583
Interest and Income Accruals	9.659	7.142	45.777	88.914	10.112	9.054	36.807	88.916
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	7.597	-	-	265.757	7.597	-	-	1.110
Tangible Assets	-	-	-	21.005	-	-	-	239.851
Other Assets	27.700	-	-	4.411	28.626	-	-	44.846
Off-Balance Sheet Items	1.547.029	29.673	9.050	365.785	1.547.029	29.673	9.050	365.785
Guarantees and Commitments	1.547.029	4.461	9.050	364.981	1.547.029	4.461	9.050	364.981
Derivative Financial Instruments	-	25.212	-	804	-	25.212	-	804
Non Risk Weighted Accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	1.901.229	957.613	789.678	3.130.447	1.909.383	1.209.376	636.217	3.270.132

(*)The Group has no assets and liabilities for risk weights 10%, 150%, and 200%.

Summary information related to the capital adequacy ratio:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period	Current Period	Prior Period	Prior Period
Total Risk Weighted Assets (TRWA)	3.716.809	3.830.116	3.619.570	3.686.770
Amount Subject to Market Risk (ASMR)	580.025	647.488	519.238	561.975
Amount Subject to Operational Risk (ASOR)	411.926	436.557	330.695	313.447
Shareholders' Equity	1.177.215	1.105.484	1.113.335	1.059.429
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	25,00	22,49	24,91	23,22

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

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

Information related to the components of shareholders' equity:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period	Current Period	Prior Period	Prior Period
CORE CAPITAL				
Paid-in capital	600.000	600.000	600.000	600.000
Nominal capital	600.000	600.000	600.000	600.000
Capital commitments (-)	-	-	-	-
Inflation adjustment to share capital	374	374	374	374
Share premium	-	24	-	22
Share cancellation profits	-	-	-	-
Legal reserves	73.559	75.571	55.900	57.395
First legal reserve (Turkish Commercial Code 466/1)	36.928	38.597	28.184	29.407
Second legal reserve (Turkish Commercial Code 466/2)	36.631	36.924	27.716	27.936
Other legal reserve per special legislation	-	50	-	52
Statutory reserves	36.929	36.929	28.184	28.184
Extraordinary reserves	126.248	135.283	99.712	110.158
Reserves allocated by the General Assembly	123.328	132.363	96.792	107.238
Retained earnings	2.920	2.920	2.920	2.920
Accumulated losses	-	-	-	-
Foreign currency share capital exchange differences	-	-	-	-
Inflation adjustment on legal reserves, statutory reserves and extraordinary reserves	-	-	-	-
Profit	170.639	234.372	174.888	251.274
Current period profit	55.639	59.172	174.888	251.274
Prior years' profits	115.000	175.200	-	-
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	31.174	28.378	28.378
Primary subordinated loans up to 15% of the Core Capital	-	-	-	-
Minority shares	-	24.818	-	26.955
Losses that cannot be covered by reserves (-)	-	-	-	(14.734)
Net current period loss	-	-	-	-
Prior years' losses	-	-	-	(14.734)
Leasehold improvements (-)	(385)	(385)	(412)	(412)
Prepaid expenses (-)	(5.606)	(6.483)	(4.824)	(4.989)
Intangible assets (-)	(462)	(839)	(518)	(904)
Deferred tax asset exceeding 10% of the Core Capital	-	-	-	-
Excess amount as per the Article 56, Clause 3 of the Banking Law	-	-	-	-
Goodwill (Net) (-)	-	(1.005)	-	(1.005)
Total Core Capital	1.032.470	1.129.833	981.682	1.080.696

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

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

	Current Period		Prior Period	
	Parent Bank	Consolidated	Parent Bank	Consolidated
SUPPLEMENTARY CAPITAL				
General Loan Loss Provisions	34.844	33.246	33.463	31.682
45% of the revaluation reserve for movable fixed assets	-	-	-	-
45% of the of revaluation reserve for properties	-	-	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-	-	-
Secondary subordinated loans	76.500	76.500	74.850	74.850
Marketable securities value increase fund	34.031	23.871	24.012	23.671
Associates and subsidiaries	11.922	2.226	1.853	1.581
Available for sale securities	22.109	21.645	22.159	22.090
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-	-	-
Total supplementary capital	145.375	133.617	132.325	130.203
TIER III CAPITAL				
CAPITAL	1.177.845	1.263.450	1.114.007	1.210.899
DEDUCTIONS FROM THE CAPITAL	(630)	(157.966)	(672)	(151.470)
Shareholdings in non-consolidated banks and financial institutions	-	-	-	-
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan	-	-	-	-
Banks and financial institutions to which are accounted for under equity method, but, are not consolidated	-	(157.336)	-	(150.798)
Loans extended being non-compliant with articles 50 and 51 of the 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	(630)	(630)	(672)	(672)
Other	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	1.177.215	1.105.484	1.113.335	1.059.429

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

II. Explanations Related to Consolidated 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 Parent Bank.

The standard method is used to calculate the consolidated and consolidated market risk. In addition to the standard method, the Parent 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 Parent Bank also makes VaR calculations, scenario analyses and stress tests to detect the risks not caught by using internal models. Market risk is measured on a daily basis and reported to top management, Audit Committee and the Board of Directors on weekly and monthly.

The market risk table is as follows:

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	31.878
Resulting from Financial Instruments related to Interest Income	29.657
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	2.221
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	6.008
Resulting from Financial Instruments related to Interest Income	3.672
Resulting from Positions in Share Certificates, Investment Fund and Participation Certificates	2.336
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	13.913
Capital Requirement	13.891
Capital Requirement Calculated for Options Subject to Foreign Currency Risk	22
(IV) Capital Requirement to be Employed for Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed for Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed for Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed for Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	51.799
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	647.488

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III. Explanations Related to Consolidated 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 Parent 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 Parent 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 Parent Bank at 31 March 2010 and the previous five working days in USD, EURO and YEN are as follows:

	1 US Dollar	1 EURO	1 YEN
A. Bank "Foreign Exchange Valuation Rate"			
31 March 2010	1,5300	2,0504	0,0164
<u>Prior Five Workdays:</u>			
30 March 2010	1,5260	2,0587	0,0165
29 March 2010	1,5310	2,0574	0,0165
26 March 2010	1,5320	2,0445	0,0166
25 March 2010	1,5430	2,0554	0,0168
24 March 2010	1,5400	2,0659	0,0170

Simple arithmetic thirty-day averages of the USD, EURO and YEN buying rates of the Parent Bank before the balance sheet date are TL 1,5320, TL 2,0786 and TL 0,0169; respectively.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

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

Information on the Group's consolidated 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, Precious Metals) and Balances with the Central Bank of Turkey.	2.215	42	-	1	2.258
Banks	3.009	6.441	901	1.222	11.573
Financial Assets at Fair Value Through Profit and Loss	2.262	41.617	-	-	43.879
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	93.055	455.973	-	-	549.028
Loans (*)	1.942.889	1.797.888	9.907	-	3.750.684
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	1	1
Intangible Assets	-	-	-	-	-
Other Assets (**)	120.242	28.151	1.931	5	150.329
Total Assets	2.163.675	2.330.112	12.739	1.229	4.507.755
Liabilities					
Bank Deposits	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-
Money Market Borrowings	119.202	88.554	-	232	207.988
Funds Provided From Other Financial Institutions	2.114.949	2.143.147	19.549	2.076	4.279.721
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	2.438	15.424	433	118	18.413
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	1.205	3.984	-	-	5.189
Total Liabilities	2.237.794	2.251.109	19.982	2.426	4.511.311
Net Balance Sheet Position	(74.119)	79.003	(7.243)	(1.197)	(3.556)
Net Off-Balance Sheet Position	(93.381)	(28.065)	7.215	(2.559)	(116.790)
Financial Derivative Assets	77.087	302.739	18.283	68.885	466.994
Financial Derivative Liabilities	(170.468)	(330.804)	(11.068)	(71.444)	(583.784)
Non-Cash Loans (****)	120.917	267.655	-	-	388.572
Prior Period					
Total Assets	2.137.393	2.170.281	24.992	1.311	4.333.977
Total Liabilities	2.255.252	2.160.918	39.000	500	4.455.670
Net Balance Sheet Position	(117.859)	9.363	(14.008)	811	(121.693)
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

(*) Loans include TL 1.288.708 foreign currency indexed loans.

(**) TL 4.026 prepaid expenses have not been included to other assets

(***) TL 14.892 marketable securities valuation differences have not been presented in others liabilities.

(****) Exchange rate differences arising from derivative transactions amounting to TL 80 are offset to other liabilities and net accruals of interest rate swap amounting to TL 29 is added to other liabilities.

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

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Consolidated Interest Rate Risk

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Parent 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 Parent Bank.

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

The amount of local borrowings is very low considering the total liabilities of the Parent Bank. As the Parent 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 Parent Bank screens many risk control ratio 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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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- interest bearing (*)	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey.	-	-	-	-	-	3.083	3.083
Banks	225.680	135.365	-	-	-	15.212	376.257
Financial Assets at Fair Value Through Profit and Loss	3.102	10.566	33.434	11.689	37.658	20.286	116.735
Money Market Placements	1.541	-	-	-	-	-	1.541
Available-for-Sale Financial Assets	629.017	268.985	752.235	287.969	260.255	25.007	2.223.468
Loans	777.536	1.446.831	1.392.126	137.297	32.863	20.799	3.807.452
Held-to-Maturity Investments	-	2.572	103.136	185.692	-	-	291.400
Other Assets	170.878	47.637	18.784	22.874	-	500.344	760.517
Total Assets	1.807.754	1.911.956	2.299.715	645.521	330.776	584.731	7.580.453
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	1.548.979	79.281	65.505	-	-	-	1.693.765
Sundry Creditors	139.292	-	-	-	-	73.613	212.905
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	678.852	1.291.161	2.286.066	45.178	53.632	-	4.354.889
Other Liabilities	216	1.932	3.123	554	-	1.313.069	1.318.894
Total Liabilities	2.367.339	1.372.374	2.354.694	45.732	53.632	1.386.682	7.580.453
Balance Sheet Long Position	-	539.582	-	599.789	277.144	-	1.416.515
Balance Sheet Short Position	(559.585)	-	(54.979)	-	-	(801.951)	(1.416.515)
Off-Balance Sheet Long Position	639	-	5.668	2.365	-	-	8.672
Off-Balance Sheet Short Position (**)	(1.560.316)	(113)	-	-	-	-	(1.560.429)
Total Position	(2.119.263)	539.469	(49.311)	602.154	277.144	(801.951)	(1.551.757)

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

(**) TL 1.560.316 of this amount is interest rate futures - buy with a maturity between 1-5 years and showed as nominal value. This balance is showed under "Up to 1 month" column since these transactions are under daily interest exposure.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Consolidated 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	-	-	-	9,11
Financial Assets at Fair Value Through Profit and Loss	-	6,19	-	8,69
Money Market Placements	-	-	-	6,26
Available-for-Sale Financial Assets	3,94	5,56	-	10,35
Loans	3,69	3,18	4,87	11,27
Held-to-Maturity Investments	-	-	-	12,34
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,01	0,95	-	6,79
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	1,54	1,00	1,96	14,26

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Consolidated 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):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (*)	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey.	-	-	-	-	-	3.170	3.170
Banks	168.206	174.423	-	-	-	13.491	356.120
Financial Assets at Fair Value Through Profit and Loss	2.262	1.389	42.873	20.688	-	20.542	87.754
Money Market Placements	6.171	-	-	-	-	-	6.171
Available-for-Sale Financial Assets	414.499	634.691	392.751	428.336	253.094	24.876	2.148.247
Loans	1.285.408	1.456.507	749.822	138.068	42.245	16.339	3.688.389
Held-to-Maturity Investments	2.032	102.257	2.508	182.309	-	-	289.106
Other Assets	94.937	64.122	47.153	16.150	-	468.723	691.085
Total Assets	1.973.515	2.433.389	1.235.107	785.551	295.339	547.141	7.270.042
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	1.322.712	2.590	58.340	-	-	-	1.383.642
Sundry Creditors	73.014	-	-	-	-	74.346	147.360
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1.635.918	1.978.602	758.174	47.048	54.701	-	4.474.443
Other Liabilities	2.444	586	2.347	6.601	-	1.252.619	1.264.597
Total Liabilities	3.034.088	1.981.778	818.861	53.649	54.701	1.326.965	7.270.042
Balance Sheet Long Position	-	451.611	416.246	731.902	240.638	-	1.840.397
Balance Sheet Short Position	(1.060.573)	-	-	-	-	(779.824)	(1.840.397)
Off-Balance Sheet Long Position	-	-	164	5.142	-	-	5.306
Off-Balance Sheet Short Position	(1.644.437)	(11)	-	-	-	-	(1.644.448)
Total Position	(2.705.010)	451.600	416.410	737.044	240.638	(779.824)	(1.639.142)

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

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

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INFORMATION ON FINANCIAL STRUCTURE (Cont'd)

IV. Explanations Related to Consolidated 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	-	-	6,43
Financial Assets at Fair Value Through Profit and Loss	-	4,81	-	10,16
Money Market Placements	-	-	-	6,36
Available-for-Sale Financial Assets	4,01	5,89	-	11,79
Loans	3,97	3,45	4,88	14,94
Held-to-Maturity Investments	-	-	-	11,61
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	1,01	1,02	-	7,32
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	1,89	1,37	1,96	11,06

V. Explanations Related to the Consolidated Liquidity Risk

The Parent Bank's future cash flows and current positions are taken into consideration for managing the market and liquidity risks. The Parent 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 Parent Bank started to perform tests to calculate liquidity risk with internal models, the risk is still followed up basically by arranging the risks with respect to "holding period" data.

For the purpose of meeting the liquidity requirement, the Parent 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 Parent Bank's liquidity management is implemented by meeting all the obligations on time considering the Parent 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 Parent Bank Management with regular reports.

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

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SECTION FOUR (Cont'd)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE (Cont'd)

V. Explanations Related to the Consolidated 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 Years 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	3.083	-	-	-	-	-	-	3.083
Banks	15.212	225.680	135.365	-	-	-	-	376.257
Financial Assets at Fair Value Through Profit and Loss	20.286	1.352	10.149	29.624	15.916	39.408	-	116.735
Money Market Placements	-	1.541	-	-	-	-	-	1.541
Financial Assets Available-for-Sale	-	92.109	132.601	463.302	1.153.653	356.796	25.007	2.223.468
Loans	-	129.821	150.982	753.562	2.183.851	589.236	-	3.807.452
Held-to-Maturity Investments	-	-	2.572	2.338	286.490	-	-	291.400
Other Assets	2.378	154.799	9.406	33.822	63.214	-	496.898	760.517
Total Assets	40.959	605.302	441.075	1.282.648	3.703.124	985.440	521.905	7.580.453
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	294.151	45.505	328.401	1.620.173	2.066.659	-	4.354.889
Money Market Borrowings	-	1.548.979	79.281	65.505	-	-	-	1.693.765
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	13.470	142.360	-	-	-	-	57.075	212.905
Other Liabilities	-	3.121	1.932	3.123	554	-	1.310.164	1.318.894
Total Liabilities	13.470	1.988.611	126.718	397.029	1.620.727	2.066.659	1.367.239	7.580.453
Liquidity Gap	27.489	(1.383.309)	314.357	885.619	2.082.397	(1.081.219)	(845.334)	-
Prior Period								
Total Assets	72.600	471.408	602.509	1.000.472	3.899.653	748.858	474.542	7.270.042
Total Liabilities	187.550	1.662.269	174.000	286.535	1.605.581	2.215.500	1.138.607	7.270.042
Liquidity Gap	(114.950)	(1.190.861)	428.509	713.937	2.294.072	(1.466.642)	(664.065)	-

(*)Other assets and liabilities balances, which are necessary and cannot be converted into cash in the near future for the Group'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 CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations Related to the Consolidated Assets

1.a Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TRY/Foreign Currency	194	87	180	117
Balances with the Central Bank of Turkey	631	2.171	452	2.421
Other	-	-	-	-
Total	825	2.258	632	2.538

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	631	2.171	452	2.421
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Total	631	2.171	452	2.421

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: TL 2.099).

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

As of the balance sheet date, the Group's trading securities subject to repurchase agreements amounted to TL 3.180 (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 Group 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 Group 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 CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Held for trading financial derivative instruments				
Forward Transactions	-	-	-	-
Swap Transactions	5.353	2.932	6.723	2.741
Futures Transactions	-	-	-	-
Options	131	3.289	298	1.521
Other	-	-	-	-
Total	5.484	6.221	7.021	4.262

3. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	364.684	4.010	322.372	5.856
Foreign	-	7.563	-	27.892
Branches and head office abroad	-	-	-	-
Total	364.684	11.573	322.372	33.748

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	1.194.772	74.464	1.029.375	46.421
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1.194.772	74.464	1.029.375	46.421

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SECTION FIVE (Cont'd)

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

I. Explanations Related to the Consolidated 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 are issued by the Turkish Treasury. The carrying value of those assets is TL 503.521 (31 December 2009: TL 334.701).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	340.032	163.489	158.290	176.411
Other	-	-	-	-
Total	340.032	163.489	158.290	176.411

4.b Major types of available for sale financial assets:

Available for sale financial assets comprise 78,79 % government bonds and 13,10 % Eurobonds, and 8,11 % shares and other securities (31 December 2009: 78,56 % government bonds, 12,94 % Eurobonds and 8,50 % shares and other securities).

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

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

	Current Period	Prior Period
Debt securities	2.206.219	2.130.944
Quoted on a stock exchange	1.759.604	1.694.601
Not quoted	446.615	436.343
Share certificates	29.110	29.111
Quoted on a stock exchange	-	-
Not quoted	29.110	29.111
Impairment provision(-)	(15.441)	(15.260)
Other	3.580	3.452
Total	2.223.468	2.148.247

All unquoted available for sale equities are recorded at fair value except for the Parent Bank's investment of TL 18.468 which is recorded at cost since respective fair values cannot be reliably measured (31 December 2009: TL 18.468).

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

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

5. Information on Loans

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	196.610	117.413	121.628	117.413
Corporate shareholders	196.610	117.413	121.628	117.413
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	227	-	249	-
Total	196.837	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	3.730.630	4.000	9.507	63.315
Discount notes	59.014	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Investment loans	2.039.991	4.000	5.698	59.317
Loans given to financial sector	856.141	-	-	-
Foreign loans	107.348	-	-	-
Consumer loans	227	-	-	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	667.909	-	3.809	3.998
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	3.730.630	4.000	9.507	63.315

(*)The Parent Bank's close monitoring receivables from leasing transactions amounting to TL 18.148 have been also included.

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

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

5. Information on Loans (Cont'd)

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

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TRY	179	48	227
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	179	48	227
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	179	48	227

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

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

5. Information on Loans (Cont'd)

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

The Parent 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	3.700.104	3.624.243
Foreign Loans	107.348	64.146
Total	3.807.452	3.688.389

5.f Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	45.119	59.297
Indirect loans granted to subsidiaries and associates	-	-
Total	45.119	59.297

5.g Specific provisions provided against loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	-	-
Loans and receivables with doubtful collectability	-	-
Uncollectible loans and receivables	19.671	21.675
Total	19.671	21.675

The Parent 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	IV. Group	V. Group
	Loans and Receivables With Limited	Loans and Receivables With Doubtful Collectability	Uncollectible Loans and Receivables
Current Period			
(Gross amounts before provisions)	-	-	4.399
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	4.399
Prior Period			
(Gross amounts before provisions)	-	-	6.349
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	6.349

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SECTION FIVE (Cont'd)

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

I. Explanations Related to the Consolidated 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 Collectability	Loans and Receivables With Doubtful Collectability	Uncollectible Loans and Receivables
Prior Period End Balance	-	-	21.675
Additions (+)	-	-	5
Transfers from Other Categories of Non-performing Loans (+)	-	-	-
Transfers to Other Categories of Non-performing Loans (-)	-	-	-
Collections (-)	-	-	(2.009)
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period Ending Balance	-	-	19.671
Specific Provisions (-)	-	-	(19.671)
Net Balance on Balance Sheet	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period			
Period End Balance	-	-	5.685
Specific Provision (-)	-	-	(5.685)
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 CONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

I. Explanations Related to the Consolidated 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	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	14.328
Specific Provision Amount (-)	-	-	(14.328)
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 non performing 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 CONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)

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

6. Information on held-to-maturity investments:

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

6.a.1 As of the balance sheet date, the information on held-to-maturity investments securities given as collateral or blocked is as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Other Marketable Securities	5.601	-	6.070	-
Other	-	-	-	-
Total	5.601	-	6.070	-

6.a.2 As of the balance sheet date, the Group's investment securities held-to-maturity subject to repurchase transactions amounted to TL 266.418 (31 December 2009: TL 275.934).

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

As of the balance sheet date, the Group has TL 291.400 of investment securities held-to-maturity (31 December 2009: TL 289.106).

6.c Movement of held to maturity investments:

	Current Period	Prior Period
Beginning balance	281.906	6.205
Foreign currency differences on monetary assets	-	-
Purchases during year	-	276.233
Disposals through sales and redemptions	(266)	(532)
Impairment provision (-)	-	-
Total	281.640	281.906
Interest and Income Accruals and Discount	9.760	7.200
Total	291.400	289.106

The Parent Bank transferred a portion of its marketable securities in the Available-for-Sale and Financial Assets at Fair Value through Profit and Loss portfolio with a notional amount of 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 above table. 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 962.

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SECTION FIVE (Cont'd)

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

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

7. Information on Investments in Associates (Net):

7.a.1 Information on unconsolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	GÖZLÜK SANAYİ A.Ş. (Gözlük)	İzmir/Turkey	21,71	21,71
2	SENAPA-STAMPA AMBALAJ SANAYİ VE TİCARET A.Ş. (Senapa)	Kocaeli/Turkey	6,95	6,95
3	TERME METAL SANAYİ VE TİCARET A.Ş. (Terme)	İstanbul/Turkey	17,83	18,76
4	ÜNSA AMBALAJ SANAYİ VE TİCARET A.Ş. (Ünsa)	İstanbul/Turkey	7,52	7,52

Non-financial associates, as above, are not consolidated in accordance with the Communiqué on “Preparing Consolidated Financial Statements of the Banks”.

	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)	2.844	2.021	78	11	-	(21)	(30)	-
Senapa (2)	40.268	7.386	25.533	-	-	1.059	(1.536)	-
Terme (3)	13.748	2.351	829	78	-	882	420	-
Ünsa (4)	75.004	36.748	20.712	300	-	4.469	(5.327)	-

(1) Represent un-reviewed 31.03.2010 financial statements. Prior year profit/loss is obtained from 31.12.2009 financial statements.

(2) Represent un-audited 31.12.2009 financial statements. Prior year profit/loss is obtained from 31.12.2008 financial statements.

(3) Represent audited 31.12.2009 financial statements. Prior year profit/loss is obtained from 31.12.2008 financial statements.

(4) Represent un-audited 31.12.2009 financial statements. Prior year profit/loss is obtained from 31.12.2008 financial statements.

7.a.2 Information on the consolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	İŞ FACTORİNG FİNANSMAN HİZMETLERİ A.Ş. (İş Factoring)	İstanbul/Turkey	21,75	100,00
2	İŞ FİNANSAL KİRALAMA A.Ş. (İş Finansal)	İstanbul/Turkey	28,56	58,54
3	İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. (İş Girişim)	İstanbul/Turkey	16,67	48,75

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
İş Factoring (1)	272.818	43.743	119	2.817	1	1.143	7.194	-
İş Finansal (2)	1.209.849	396.245	811	4.291	66	14.958	99.415	91.392
İş Girişim (3)	131.389	129.001	610	-	-	8.225	19.832	16.422

(1) Represent un-reviewed 31.03.2010 financial statements. Prior year profit/loss is obtained from 31.12.2009 financial statements.

(2) Represent un-reviewed 31.03.2010 consolidated financial statements. Prior year profit/loss is obtained from 31.12.2009 financial statements. Fair value is presented as of 31.03.2010.

(3) Represent audited 31.12.2009 financial statements. Prior year profit/loss is obtained from 31.12.2008 financial statements. Fair value is presented as of 31.03.2010.

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

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

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

7.a.2 Information on the consolidated associates (Cont'd):

	Current Period	Prior Period
Balance at the Beginning of the Period	150.798	112.428
Movements During the Period	6.538	38.370
Purchases (*)	-	650
Bonus Shares Received	-	15.271
Current Year Share of Profit	5.105	33.762
Sales	-	-
Revaluation Increase	1.433	3.958
Provision for Impairment	-	(15.271)
Balance at the End of the Period	157.336	150.798
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*)Purchases represents classification of stocks amounts of İş Finansal Kiralama A.Ş. from available for sale portfolio to associates.

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	19.288	18.067
Leasing Companies	113.762	108.886
Financial Service Companies	-	-
Other Associates	32.566	32.125

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

	Current Period	Prior Period
Associates Quoted on Domestic Stock Markets	138.048	132.731
Associates Quoted on Foreign Stock Markets	-	-

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

No associate has been disposed in the current period (31 December 2009: None).

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

No associate has been purchased in the current period (31 December 2009: None).

In the prior period, the Parent Bank has obtained TL 15.271 bonus shares which comes from capital increase of İş Finansal Kiralama A.Ş amounting to TL 65.000 and capital increase of İş Girişim Sermayesi Yatırım Ortaklığı A.Ş amounting to TL 1.800.

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

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

8. Information Related to Subsidiaries (Net)

8.a.1 Information related to unconsolidated 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 /Türkiye	99,99	99,99
2	TSKB Gayrimenkul Aracılık Hizmetleri A.Ş.(*)	İstanbul/Türkiye	96,00	100,00
3	TSKB Gayrimenkul Danışmanlık Hizmetleri A.Ş.(*)	İstanbul/Türkiye	1,00	100,00

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
TSKB GMD (1)	4.770	3.353	1.181	-	-	404	368	-

(*) TSKB Gayrimenkul Aracılık Hizmetleri A.Ş. and TSKB Gayrimenkul Danışmanlık Hizmetleri A.Ş. have started to operate on 10 February 2010 and financial statements of these companies do not exist in the current period.

(1) Represent un-reviewed 31.03.2010 financial statements. Prior year profit/loss is obtained from 31.12.2009 financial statements.

8.a.2 Information related to consolidated subsidiaries

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Yatırım Ortaklığı A.Ş. (TSKB Y.O.)	İstanbul /Turkey	22,53	36,25
2	Yatırım Finansman Menkul Değerler A.Ş. (YFMEN.DEĞ.)	İstanbul /Turkey	95,78	98,42
3	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	İstanbul /Turkey	96,00	100,00

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
TSKB Y.O. (1)	42.961	39.844	-	1	1.530	1.203	10.346	6.417
YF MEN.DEĞ. (2)	449.669	53.723	1.568	5.976	484	3.015	6.434	-
TSKB GYO (3)	300.517	166.227	283.230	15	-	2.094	55.346	-

(1) Represent un-reviewed 31.03.2010 financial statements. Prior year profit/loss is obtained from 30.09.2009 financial statements. Fair value is presented as of 31.03.2010.

(2) Represent un-reviewed 31.03.2010 financial statements. Prior year profit/loss is obtained from 31.12.2009 financial statements.

(3) Represent reviewed 31.03.2010 financial statements. Prior year profit/loss is obtained from 31.12.2009 financial statements.

TSKB Yatırım Ortaklığı A.Ş. and Yatırım Finansman Yatırım Ortaklığı A.Ş., associates of the Parent 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.

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

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

8. Information Related to Subsidiaries (Net) (Cont'd)

8.a.2 Information related to consolidated subsidiaries (Cont'd)

	Current Period	Prior Period
Balance at the Beginning of the Period	179.509	175.354
Movements During the Period	7.775	4.155
Purchases	1.070	4.040
Bonus Shares Obtained	6.705	115
Current Year Shares of Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Provision for Impairment	-	-
Balance At the End of the Period	187.284	179.509
Capital Commitments		-
Share Percentage at the End of the Period (%)		-

(*)Purchases represents classification of stocks amounts of İş Finansal Kiralama A.Ş. from available for sale portfolio to associates.

According to the principles of consolidation accounting, the cost values of the consolidated subsidiaries have been eliminated from the accompanying consolidated financial statements.

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

	Current Period	Prior Period
Subsidiaries		
Banks		-
Insurance Companies		-
Factoring Companies		-
Leasing Companies		-
Financial Service Companies		-
Other Subsidiaries	187.711	179.888

8.a.4 Subsidiaries quoted on stock exchange

As of 31 March 2010, the carrying value of the Group's subsidiaries quoted on the stock exchange is TL 6.417 (31 December 2009: TL 5.501).

8.a.5 Subsidiaries disposed in the current period

The Parent Bank has not disposed any subsidiaries in the current period (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.

In prior period, the Parent Bank has obtained TL 115 bonus shares which comes from TL 1.068 capital increase of Yatırım Finansman Yatırım Ortaklığı A.Ş. due to the merger rate of Yatırım Finansman Yatırım Ortaklığı A.Ş. during the merger of it.

9. Information on Entities under Common Control

The Group has no entities under common control as of balance sheet date (31 December 2009: None).

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

I. Explanations Related to the Consolidated 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	41.301	39.657	16.344	15.929
Between 1- 4 years	74.796	71.564	97.239	92.953
More than 4 years	-	-	28.270	26.194
Total	116.097	111.221	141.853	135.076

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in finance leases	116.097	141.853
Unearned revenue from finance leases (-)	(4.876)	(6.777)
Cancelled finance leases (-)	-	-
Net investments in finance leases	111.221	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 the Financial Leasing Law No. 3286. There are no restructuring or restrictions having material effect on financial statements.

11. Information on derivative financial assets for hedging purposes

The Group has no derivative financial assets for hedging purposes as of the balance sheet date (31 December 2009: None).

12. Information on Investment Properties

In the current period, the Parent Bank has investment properties with a net book value of TL 209.528 belonging to the Parent Bank's subsidiary operating in the real-estate investment trust sector. The fair values of the investment properties are determined as TL 11.636, TL 5.885 and TL 187.770 based on independent appraisal reports by a CMB registered real-estate appraiser company issued on 23 December 2009, 28 December 2009 and 28 December 2009, respectively. As of 31 December 2009 TL 48.529 of fair value difference is recognized under the other operating income in the accompanying financial statements (31 December 2009: TL 205.291 net book value).

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SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations Related to the Consolidated Assets (Cont'd)

13. Information on Deferred Tax Assets

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

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

Deferred tax asset:	Current period	Prior period
Useful life difference of fixed assets	1.075	1.056
Financial lease adjustments	4.423	4.262
Employee benefit provision	1.012	887
Loan commissions accrual adjustment	7.222	6.141
Other provisions	12.057	12.167
Fair value difference of marketable securities	3.896	2.160
Other	361	-
Total Deferred Tax Asset	30.046	26.673
Deferred tax liability:		
Derivative instrument accruals	(1.073)	(257)
Loan commissions accrual adjustment	(792)	(805)
Other	-	(16)
Total Deferred Tax Liability	(1.865)	(1.078)
Net Deferred Tax Asset	28.181	25.595

In addition, TL 11.191 of deferred tax, which is calculated over the fair value differences on available for sale securities value increase fund, is offset against the “available for sale securities value increase fund” item under equity (31 December 2009: TL 11.443).

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 Group 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 Group has no allowance for deferred tax and deferred tax assets from reversal of allowance.

14. Information on assets held for sale

In the current period, the Bank has no assets held for sale (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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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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II. Explanations Related to the Consolidated Liabilities

1. Information on Maturity Structure of Deposits

1.a.1 Maturity structure of deposits

The Parent 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 Parent 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 Parent Bank is not authorized to accept deposits.

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

The Parent 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	454	2.909	6.973	3.186
Futures Transactions	-	-	-	-
Options	131	2.331	298	1.521
Other	-	-	-	-
Total	585	5.240	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	71.013	189.986	83.511	127.596
From Foreign Banks, Institutions and Funds	4.155	4.012.137	4.155	4.183.838
Total	75.168	4.202.123	87.666	4.311.434

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	71.013	281.693	83.511	267.557
Medium and long-term	4.155	3.920.430	4.155	4.043.877
Total	75.168	4.202.123	87.666	4.311.434

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II. Explanations Related to the Consolidated 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 Parent Bank entered into the financial lease transactions with its affiliates İş Finansal Kiralama A.Ş. and Vakıf Finansal Kiralama A.Ş. The lease agreements are paid in equal installments. There are no issues in these transactions bringing obligations to the Parent 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	-	3	-
Between 1- 4 years	1	-	2	-
More than 4 years	-	-	-	-
Total	2	-	5	-

5.d Explanations regarding operational leases

As of the balance sheet date, the Group's 3 head offices and 13 branches are subject to operational leasing. Additionally, 19 cars are within the context of operational leasing. The Group has no obligations for operational leases as of the balance sheet date (31 December 2009: 3 head offices, 13 branches and 18 cars are subject to financial leasing).

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

The Group 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 Group has no derivative financial liabilities for hedging purposes as of balance sheet date (31 December 2009: None).

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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II. Explanations Related to the Consolidated Liabilities (Cont'd)

7. Information on Provisions

7.a Information on general loan loss provisions:

	Current Period	Prior Period
General Loan Loss Provisions	33.246	31.682
Provisions for First Group Loans and Receivables	27.860	26.559
Provisions for Second Group Loans and Receivables	1.616	1.699
Provisions for non-Cash Loans	1.148	1.123
Other	2.622	2.301

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

As of balance sheet date, the Group's foreign exchange losses on the foreign currency indexed loans amount to TL 12.143 (31 December 2009: TL 10.316). 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 Provisions for possible losses:

	Current Period	Prior Period
Provision 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	1.120
Other (*)	58.755	59.331
Total	59.875	60.451

(*) Other provision account includes TL 56.808 of provision for possible risks on credit portfolio in the future (31 December 2009: TL 56.808).

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

The Parent Bank has signed an agreement with the International Finance Corporation, for a subordinated loan of USD 50.000.000 (TL 76.500). The interest expense accrual of this borrowing is TL 1.098 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 (0,596+2,5 spread) 3,096 %. Principal repayment of the loan will be paid on 15 October 2016 as a whole.

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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II. Explanations Related to the Consolidated Liabilities (Cont'd)

9. Information on Taxes Payable:

	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate Taxes and Deferred Taxes				
Corporate Taxes Payable (*)	16.143	-	11.374	-
Deferred Tax Liability	-	-	-	-
Total	16.143	-	11.374	-

(*) In the current period, Corporate Tax Provision is TL 77.779 and netted off from Prepaid Tax of TL 61.636 (31 December 2009: Corporate Tax Provision is TL 63.738 and netted off from Prepaid Tax of TL 52.364).

9.a Information on deferred taxes liabilities

As of the balance sheet date, the Group has no deferred tax liability (31 December 2009: None).

9.a.1 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	16.143	11.374
Taxation of Securities	1.288	1.062
Property Tax	-	-
Banking and Insurance Transaction Tax (BITT)	599	698
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	248	147
Other	1.847	2.002
Total	20.125	15.283

9.a.2 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	67	53
Social Security Premiums-Employer	70	54
Bank Social Aid Pension Fund Premium-Employee	2	-
Bank Social Aid Pension Fund Premium-Employer	2	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	19	16
Unemployment Insurance-Employer	40	34
Other	-	-
Total	200	157

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SECTION FIVE (Cont'd)

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

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

10. Information on Shareholders' Equity

10.a Presentation of paid-in capital:

	Current Period	Prior Period
Common Stock	600.000	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	600.000	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 Parent 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 BRSA on 27 April 2010. The registration has not been completed by T.C. Istanbul Trade Registry as of reporting date.

In the prior period, the Parent Bank's share capital has increased by TL 100.000. In the meeting of the General Assembly held on 25 March 2009, 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 the increase in paid in capital has been published in the Turkey 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 reserve (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 Parent Bank has no capital commitments in the last fiscal year and at the end of the following interim period.

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II. Explanations Related to the Consolidated 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 Parent Bank and their trends in the successive periods are followed by Financial Control Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under several different scenario analyses. The Parent Bank operations are profitable, and the Parent Bank keeps the major part of its profit by capital increases or capital reserves within the shareholders equity.

10.g Information on preferred shares:

The Parent Bank has no preferred shares.

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	4.946		3.513	-
Valuation Differences	33.209	14.892	35.732	13.358
Foreign Exchange Difference	-	-	-	-
Total	38.155	14.892	39.245	13.358

11. Information on Minority Shares

	Current Period	Prior Period
Paid-in-Capital	18.387	19.262
Share Premium	23	24
Securities Value Increase Fund	3	-
Legal Reserves	699	532
Extraordinary Reserves	3.701	2.636
Other Profit Reserves	-	-
Retained Earnings / Accumulated Losses	1.252	(5.123)
Net Profit or Loss	753	9.624
Total	24.818	26.955

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SECTION FIVE (Cont'd)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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III. Explanations Related to the Consolidated Off-Balance Sheet Contingencies and Commitments

1. Information on Off-Balance Sheet Liabilities

1.a Nature and amount of irrevocable loan commitments:

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

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

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

As of the balance sheet date, total letter of credits is TL 182.092 (31 December 2009: TL 180.321).

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

As of balance sheet date, total letters of guarantee is TL 360.671 (31 December 2009: TL 357.761).

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

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	100.269	98.107
With Maturity of One Year or Less than One Year	-	-
With Maturity of More than One Year	100.269	98.107
Other Non-Cash Loans	628.475	618.276
Total	728.744	716.383

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III. Explanations Related to the Consolidated 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	114.853	34	166.322	43	115.447	33	132.721	36
Mining	854	-	4.280	1	404	-	-	-
Manufacturing Industry	5.623	2	21.651	6	7.766	2	22.827	6
Electricity, Gas, Water	108.376	32	140.391	36	107.277	31	109.894	30
Construction	20.001	6	24.579	6	30.171	9	26.070	7
Services	205.278	60	197.671	51	122.788	36	212.629	57
Wholesale and Retail Trade	-	-	87.824	23	-	-	105.151	29
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Communication	2	-	100.270	26	2	-	98.107	26
Financial Institutions	201.116	59	9.180	2	118.619	35	8.982	2
Real Estate and Leasing Services	160	-	397	-	167	-	389	-
Self-employment Services	4.000	1	-	-	4.000	1	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	40	-	-	-	76.557	22	-	-
Total	340.172	100	388.572	100	344.963	100	371.420	100

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

	Ist Group				IInd Group			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	340.172	388.572	344.963	371.420	-	-	-	-
Letters of Guarantee	257.334	103.337	268.406	89.355	-	-	-	-
Bank Acceptances	-	-	-	-	-	-	-	-
Letters of Credit	-	182.092	-	180.321	-	-	-	-
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other	82.838	103.143	76.557	101.744	-	-	-	-

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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III. Explanations Related to the Consolidated Off-Balance Sheet Contingencies and Commitments
(Cont'd)

2. Explanations on Contingent Liabilities and Assets

There are 13 legal cases against the Group which are amounting to TL 151 as of the balance sheet date.

IV. Explanations Related to the Consolidated Income Statement

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans (*)				
Short Term Loans	1.909	767	599	1.499
Medium and Long Term Loans	15.147	23.814	40.815	51.474
Interest on Non-performing Loans	169	-	1.173	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	17.225	24.581	42.587	52.973

(*) 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	6.721	2	3.000	528
Foreign Banks	2	20	-	327
Branches and Head Office Abroad	-	-	-	-
Total	6.723	22	3.000	855

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	1.593	2	1.227	6
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Available for Sale Financial Assets	50.705	7.995	54.679	10.695
Investments Held to Maturity	8.575	-	1.364	-
Total	60.873	7.997	57.270	10.701

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1.077	1.982

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(Cont'd)

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

2.a Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1.437	1.423	628	8.453
The Central Bank of Turkey	45	-	-	-
Domestic Banks	1.387	112	357	36
Foreign Banks	5	1.311	271	8.417
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions (*)	-	9.256	-	81.488
Total	1.437	10.679	628	89.941

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

2.b Information on interest expenses to associates and subsidiaries:

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

3. Information on Net Trading Income (Net)

	Current Period	Prior Period
Profit	118.539	176.744
Gains on capital market operations	2.107	3.338
On derivative financial instruments (*)	21.717	43.668
Foreign exchange gains	94.715	129.738
Losses (-)	(115.557)	(182.585)
Losses on capital market operations	(2.631)	(3.675)
On derivative financial instruments (*)	(25.194)	(50.881)
Foreign exchange losses	(87.734)	(128.029)

(*) Foreign Exchange gain from derivative transactions amounting to TL 7.686 is presented in "Profit on derivative financial instruments" (31 March 2009: TL 24.108), foreign Exchange loss from derivative transactions amounting to TL (2.871) is presented in "Losses on derivative financial instruments" (31 March 2009: TL (32.067)).

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

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

4. Information related to Other Operating Income

	Current Period	Prior Period
Provisions Released	2.656	12.500
Gains on Sale of Assets	-	-
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Properties Sales	-	-
From Other Asset Sales	-	-
Other	3.104	3.431
Total	5.760	15.931

5. Provision Expenses related to Loans and Other Receivables of the Group

	Current Period	Prior Period
Specific provisions for loans and other receivables	5	194
III. Group	-	181
IV. Group	-	4
V. Group	5	9
General provision expenses	1.564	2.315
Provision expenses for possible losses	-	-
Marketable securities impairment expenses	6.291	6.953
Trading securities	657	91
Investment securities available for sale	5.634	6.862
Impairment provisions		
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investment securities held to maturity	-	-
Other	53	75
Total	7.913	9.537

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

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

6. Information Related to Other Operating Expenses:

	Current Period	Prior Period
Personnel expenses	11.306	10.862
Reserve for employee termination benefits	158	406
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	665	694
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	76	70
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets held for resale	327	377
Impairment expenses of assets held for sale	-	-
Other operating expenses	4.420	6.821
Rent expenses	610	2.713
Maintenance expenses	391	218
Advertisement expenses	404	145
Other expenses	3.015	3.745
Loss on sales of assets	-	-
Other	5.162	1.030
Total	22.114	20.260

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

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

The Group's current tax charge for the period is TL 15.724 (31 March 2009: TL 13.317). Deferred tax benefit is TL 2.334 (31 March 2009: TL 4.678 deferred tax income).

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

Deferred tax benefit calculated on temporary differences is TL 2.334 (31 March 2009: TL 4.678 deferred tax income).

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

As of 31 March 2010, deferred tax benefit calculated based on temporary timing differences is TL 2.334 (31 March 2009: TL 4.678 deferred tax income). There is no deferred tax benefit or charge reflected to income statement on carry forward tax losses, tax deductions and exceptions (31 March 2009: None).

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SECTION FIVE (Cont'd)

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

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

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

For the interim period ended 31 March 2010, profit before tax of the Group has increased by 61,58 % compared to the prior year (31 March 2009: 22,62 % increase).

9. Information on Net Profit/Loss

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

The Group has generated TL 118.670 interest income, TL 37.094 interest expenses, TL 7.890 net fee and commission income from banking operations (31 March 2009: TL 171.018 interest income, TL 116.911 interest expenses, TL 4.135 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:

The changes in the accounting estimates are disclosed under the "Accounting Policies" section.

9.c Minority share of profit and loss:

The current year profit attributable to minority shares is TL 753 (31 March 2009: TL 359). The total shareholders' equity, including current year profit attributable to minority shares is TL 24.818 (31 December 2009: TL 26.955).

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:

	Current Period	Prior Period
Gains on Other Fees and Commissions		
Gains on Brokerage Commissions	5.669	2.319
Investment Fund Management Income	1.056	784
Other	1.454	656
Total	8.179	3.759

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SECTION FIVE (Cont'd)

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

V. Explanations on the Risk Group of the Parent Bank

1. Information on the Volume of Transactions Related to the Parent 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 Parent Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group (*)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	56.526	334	39.691	117.413	39.585	1
Balance at the end of the period	42.464	327	111.844	117.413	53.305	-
Interest and commission income	226	1	144	73	575	-

(*) Other entities included in the risk group cover the financial lease receivables amounting to TL 1.371 (31 December 2009: TL 1.433).

1.b Prior Period:

Risk Group of the Parent Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group (*)	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	56.130	5	-	141.759	66.812	226
Balance at end of the period	56.526	334	39.691	117.413	39.585	1
Interest and commission income received (**)	1.995	-	-	153	1.227	-

(*) Other entities included in the risk group cover the financial lease receivables amounting to TL 1.433 (31 December 2008: TL 2.776).

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

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

The Parent Bank is not authorized to accept deposits.

2. Information on Forward and Option Agreements and Other Similar Agreements made with Related Parties:

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

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

Benefits provided to key management personnel in the current period amount to TL 4.275 (31 March 2009: TL 3.679).

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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VI. Other Explanations Related to the Operations of the Group

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

FITCH RATINGS

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

Information above is received from Fitch Ratings report dated 8 January 2010.

MOODY'S

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

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

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

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SECTION FIVE

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

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

In the current period, the Parent 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 Parent 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 BRSA on 27 April 2010. The registration has not been completed by T.C. Istanbul Trade Registry as of reporting date.

According to "Press release related to reserve requirements" of Central Bank of Turkey , dated 26 April 2010 and numbered 2010/05, foreign currency reserve requirement rate for banks is increased from 9% to 9,5%.

38.33% of share capital of TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. amounting to TL 57.500 which has par value of TL 0,001 is offered to the public with the stock price range of TL 0,00105 and 0,00116 on 1 and 2 April 2010.

SECTION SIX

INDEPENDENT AUDITORS' REVIEW REPORT

I. Explanations on the Independent Auditors' Review Report

Consolidated financial statements and the notes to the financial statements as at 31 March 2010 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("the Turkish member firm of KPMG International, a Swiss entity"). The independent auditors' limited review report dated 13 May 2010 is presented at the beginning of the financial statements and related notes.

II. Explanations and Notes Prepared by Independent Auditor

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