



(Convenience Translation of Consolidated Financial Report Originally Issued in Turkish)

Tekstil Bankası Anonim Şirketi

Consolidated Financial Statements

As of and for the Year Ended

31 December 2009

With Independent Auditors' Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi
17 February 2010

*This report contains 2 pages of
independent auditor's report and 75
pages of consolidated financial
statements together with their
explanatory notes.*



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**
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**Convenience Translation of the Independent Auditors' Report
Originally Prepared and Issued in Turkish (See Note 3.I)**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

We have audited the consolidated balance sheet of Tekstil Bankası Anonim Şirketi ("the Bank") and its subsidiaries as of 31 December 2009 and the related consolidated statements of income, cash flows, changes in shareholders' equity, and a summary of the significant accounting policies and other disclosures for the period then ended.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the establishment of an internal control system, selection and application of appropriate accounting policies for the preparation and presentation of the reported consolidated financial statements in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards, Turkish Financial Reporting Standards, and other regulations, explanations and circulars on accounting and financial reporting principles announced by Banking Regulation and Supervision Agency (BRSA), free of material errors and misuse that could lead to false information within.

Auditors' Responsibility

Our responsibility, as independent auditors, is to issue a report on the consolidated financial statements based on our audit. We conducted our audit in accordance with the Regulation on Authorization of Entities that Conduct Independent Audit in the Banks and Their Operations, dated 1 November 2006 which is published in the Official Gazette No.26333, and international auditing standards. Our independent audit was planned and conducted to provide reasonable assurance that the consolidated financial statements are free of material misstatement. Our independent audit involved the necessary techniques to collect audit evidence related to the figures included in the consolidated financial statements and accompanying footnotes; which have been determined based on our professional conviction. Those techniques have been selected by considering the effectiveness of the internal controls used in preparation and presentation of the consolidated financial statements and the appropriateness of the accounting policies applied. We believe that our audit provides a reasonable basis for our opinion expressed below.



Opinion:

In our opinion, based on our audit, the accompanying consolidated financial statements present fairly the financial position of Tekstil Bankası Anonim Şirketi and its subsidiaries as of 31 December 2009, and of the results of its operations and its cash flows for the year then ended, in all material respects in accordance with regulations described in Articles 37 and 38 of the (Turkish) Banking Law No 5411; and other regulations, explanations and circulars on accounting and financial reporting principles announced by BRSA.

Istanbul,
17 February 2010

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Orhan Akova
Partner

Additional paragraph for convenience translation to English:

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

TEKSTİL BANKASI A. Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2009

Address of the Bank's

Headquarters: : Büyükdere Caddesi No: 63 34398 Maslak - İstanbul
Telephone Number : (0212) 335 53 35
Fax Number : (0212) 328 13 28
Website of the Bank : www.tekstilbank.com.tr

The year-end consolidated financial report prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- DISCLOSURES ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER INFORMATION AND DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated financial report are as follows:

1. **Tekstil Menkul Değerler A.Ş.**
2. **The Euro Textile International Banking Unit Ltd.**

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira**.

Akgün TÜRER	İ.Sencan DEREBEYOĞLU	H.Çim GÜZELAYDINLI	Nuriye DİZDAR	M.Sercan ÇOBAN
Chairman of Board of Directors and Audit Committee	Member of Board of Directors and Audit Committee	Chief Executive Officer and Member of Board of Directors	Executive Vice President	Unit Manager

Contact information for questions on this financial report:

Name-Surname : M. Sercan Çoban
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SECTION ONE GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes on its statute

Tekstil Bankası A.Ş. ("the Bank") was established on 29 April 1986, to carry out all types of banking activities according to the Banking Law and later changes in the laws and regulations, with the permission of the Council of Ministers in accordance with the resolution numbered 85/9890 and dated 24 June 1985 and started its operations on 13 October 1986. "Articles of Association" of the Bank was published in the Official Gazette dated 31 January 1986. The statute of the Parent Bank was not changed since its establishment.

II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and information about the Group that the Bank belongs to and the persons and institutions that have qualified shares in the Parent Bank

The capital of the Parent Bank is TL 420,000 as at 31 December 2009 and is fully paid. GSD Holding Anonim Şirketi ("GSD Holding") owns 75.50% of the outstanding shares of the Bank. The Bank is a subsidiary of GSD Holding. Remaining shares have been listed on Istanbul Stock Exchange since 23 May 1990.

The ultimate business of GSD Holding, which was initially established as a foreign trade company in 1986 and became a holding company to build a more efficient corporate structure for GSD Group Companies in 1996, is management of assets. GSD Holding also aims to manage the growth of the Group, finance and invest in profitable businesses. GSD Holding's shares have been listed on Istanbul Stock Exchange since November 1999. Almost all of its shares, which has nominal value of TL 250,000 as at 31 December 2009, are held by public.

Main operations of GSD Group Companies are;

Foreign Trade:	GSD Dış Ticaret A.Ş.
Banking :	Tekstil Bankası A.Ş., GSD Yatırım Bankası A.Ş., The Euro Textile International Banking Unit Ltd ("ETB")
Financial Services:	Tekstil Finansal Kiralama A.Ş., Tekstil Faktoring Hizmetleri A.Ş., Tekstil Menkul Değerler A.Ş. ("Tekstil Menkul")
Other:	Tekstil Bilişim Hizmetleri ve Ticaret A.Ş., GSD International Ltd., GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Plan Proje Etüd A.Ş., GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.

III. President and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Bank's shares they hold

Title	Name	Job Description	Education
Chairman of the Board of Directors ve Audit Committee	Akgün TÜRER	Chairman of the Board of Directors and Audit Committee	Graduate
Member of Audit Committee:	I.Sencan DEREBEYOĞLU	Member of Audit Committee and Board of Directors	Graduate
Member of Board of Directors:	I.Sühan ÖZKAN	Vice Chairman of Board of Directors	Under-Graduate
	Cezmi ÖZTÜRK	Member	Under-Graduate
	Murat ATIM	Member	Under-Graduate
General Manager:	H. Çim GÜZELAYDINLI	Chief Executive Officer and Member of Board of Directors	Graduate
Head of Board of Inspectors:	Senan DAĞAL	President of Inspectors' Group	Under-Graduate
Executive Vice Presidents:	Ümit ALTINAY	Information Technologies and Organization Group	Graduate
	Yasef COYAŞ	Operations Group	Under-Graduate
	Nuriye DİZDAR	Financial Control Group	Under-Graduate
	D.Halit DÖVER	International Relations Group	Graduate
	Ahmet İLERİGELEN	Loans Group	Graduate
	Hüseyin H. İMECE	Treasury and Investors Relations Group	Under-Graduate
	Başbuğ Y. SAMANCIOĞLU	Corporate and Commercial Banking Group	Under-Graduate
Statutory Auditors:	M.Sedat ÖZKANLI	Statutory Auditor	Under-Graduate
	Sedat TEMELTAŞ	Statutory Auditor	Under-Graduate

These people mentioned above do not own any share of the Bank.

IV. Type of services provided and the areas of operations of the Bank

The operations of the Parent Bank consist of corporate and commercial banking services, fund management transactions (foreign currency, money market and securities trading), international banking services, retail banking services and credit card business. The Bank also operates, through its branches, as insurance agent of Güneş Sigorta A.Ş., Aviva Sigorta A.Ş. and Vakıf Emeklilik A.Ş.

As at 31 December 2009, the Bank has 45 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Bank has 940 employees as at 31 December 2009 (As at 31 December 2008 number of branches was 60, number of employees was 1,410).

The Parent Bank and its subsidiaries Tekstil Menkul Değerler A.Ş. and The Euro Textile International Banking Unit Ltd. have been consolidated. The Parent Bank and its subsidiaries are named as "the Group" as a whole.

As at 31 December 2009, the Group has 984 employees (31 December 2008 -1,451).

V. Other information

Bank's Official Title : Tekstil Bankası Anonim Şirketi
Reporting Period : 1 January – 31 December 2009
Address of Bank's Headquarters : Büyükdere Caddesi No: 63 34398 Maslak - İstanbul
Telephone number : (0212) 335 53 35
Fax number : (0212) 328 13 28
Bank's Internet Address : www.tekstilbank.com.tr
Reporting currency : Thousands of TL – Turkish Lira

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES					Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.1			
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)								
AS AT 31 DECEMBER 2009 AND 2008								
(Currency: Thousands of TL - Turkish Lira)								
ASSETS		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			31/12/2009			31/12/2008		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	58,837	82,359	141,196	41,528	114,558	156,086
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	918	2,883	3,801	4,681	3,713	8,394
2.1	Trading Securities		918	2,883	3,801	4,681	3,713	8,394
2.1.1	Public Sector Debt Securities		296	410	706	591	373	964
2.1.2	Share Certificates		-	-	-	-	-	-
2.1.3	Positive Value of Trading Derivatives		622	2,473	3,095	4,090	3,340	7,430
2.1.4	Other Securities		-	-	-	-	-	-
2.2	Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1	Public Sector Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	12	59,443	59,455	60,034	178,892	238,926
IV.	INTERBANK MONEY MARKET		-	-	-	369,154	-	369,154
4.1	Interbank Money Market Placements		-	-	-	369,154	-	369,154
4.2	Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	209,864	20,578	230,442	1,882	21,095	22,977
5.1	Share Certificates		-	278	278	-	279	279
5.2	Public Sector Debt Securities		209,864	9,936	219,800	1,882	8,898	10,780
5.3	Other Securities		-	10,364	10,364	-	11,918	11,918
VI.	LOANS	(5.1.5)	1,363,686	223,877	1,587,563	1,317,262	312,394	1,629,656
6.1	Loans		1,321,808	223,877	1,545,685	1,287,139	312,394	1,599,533
6.1.1	Loans Utilized to the Bank's Risk Group		71,035	7,662	78,697	18,066	22,866	40,932
6.1.2	Public Sector Debt Securities		-	-	-	-	-	-
6.1.3	Others		1,250,773	216,215	1,466,988	1,269,073	289,528	1,558,601
6.2	Loans under Follow-Up		98,390	-	98,390	53,365	-	53,365
6.3	Specific Provisions (-)		56,512	-	56,512	23,242	-	23,242
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	-	-	-	364,068	-	364,068
8.1	Public Sector Debt Securities		-	-	-	364,068	-	364,068
8.2	Other Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	50	-	50	50	-	50
9.1	Equity Method Associates		-	-	-	-	-	-
9.2	Unconsolidated Associates		50	-	50	50	-	50
9.2.1	Financial Associates		50	-	50	50	-	50
9.2.2	Non-Financial Associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	54	-	54	55	-	55
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		54	-	54	55	-	55
XI.	JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Equity Method Joint Ventures		-	-	-	-	-	-
11.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-Financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	HEDGING DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	71,212	2	71,214	76,700	2	76,702
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	2,048	-	2,048	2,672	-	2,672
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		2,048	-	2,048	2,672	-	2,672
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII.	TAX ASSETS	(5.1.15)	2,022	-	2,022	3,009	-	3,009
17.1	Current Tax Assets		-	-	-	-	-	-
17.2	Deferred Tax Assets		2,022	-	2,022	3,009	-	3,009
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-	-	-	-
18.1	Held For Sale		-	-	-	-	-	-
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	39,315	2,847	42,162	55,912	40,617	96,529
TOTAL ASSETS			1,748,018	391,989	2,140,007	2,297,007	671,271	2,968,278

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2009 AND 2008

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

LIABILITIES AND EQUITY		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			31/12/2009			31/12/2008		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS		(5.II.1)	724,391	735,912	1,460,303	960,770	571,395	1,532,165
1.1 Deposits of the Bank's Risk Group			23,245	20,608	43,853	55,110	22,111	77,221
1.2 Others			701,146	715,304	1,416,450	905,660	549,284	1,454,944
II. NEGATIVE VALUE OF TRADING DERIVATIVES		(5.II.2)	1,137	2,507	3,644	3,480	9,470	12,950
III. FUNDS BORROWED		(5.II.3)	7,588	138,778	146,366	22,660	680,561	703,221
IV. DUE TO MONEY MARKETS			5,653	-	5,653	207,019	-	207,019
4.1 Interbank Money Market			-	-	-	-	-	-
4.2 Istanbul Stock Exchange			-	-	-	376	-	376
4.3 Obligations under Repurchase Agreements			5,653	-	5,653	206,643	-	206,643
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset Backed Securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Bank Borrowers' Funds			-	-	-	-	-	-
6.2 Others			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			9,157	512	9,669	10,511	2,936	13,447
VIII. OTHER EXTERNAL RESOURCES		(5.II.4)	22,932	5,653	28,585	25,555	5,480	31,035
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)		(5.II.5)	-	137	137	-	1,366	1,366
10.1 Financial Lease Payables			-	141	141	-	1,430	1,430
10.2 Operational Lease Payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)			-	4	4	-	64	64
XI. HEDGING PURPOSE DERIVATIVES		(5.II.6)	-	-	-	-	-	-
11.1 Fair Value Hedge			-	-	-	-	-	-
11.2 Cash Flow Hedge			-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries			-	-	-	-	-	-
XII. PROVISIONS		(5.II.7)	17,483	-	17,483	15,985	-	15,985
12.1 General Provisions			9,777	-	9,777	10,290	-	10,290
12.2 Restructuring Provisions			-	-	-	-	-	-
12.3 Reserve for Employee Benefits			4,665	-	4,665	4,046	-	4,046
12.4 Insurance Technical Provisions (Net)			-	-	-	-	-	-
12.5 Other Provisions			3,041	-	3,041	1,649	-	1,649
XIII. TAX LIABILITIES		(5.II.8)	5,355	1	5,356	9,613	1	9,614
13.1 Current Tax Liability			5,355	1	5,356	9,613	1	9,614
13.2 Deferred Tax Liability			-	-	-	-	-	-
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS		(5.II.9)	-	-	-	-	-	-
14.1 Held For Sale			-	-	-	-	-	-
14.2 Discontinued Operations			-	-	-	-	-	-
XV. SUBORDINATED LOANS		(5.II.10)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY		(5.II.11)	462,311	500	462,811	442,078	(602)	441,476
16.1 Paid-In Capital			420,000	-	420,000	420,000	-	420,000
16.2 Supplementary Capital			7,795	500	8,295	3,721	(602)	3,119
16.2.1 Share Premium			(814)	-	(814)	(814)	-	(814)
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Valuation Differences of Securities			3,582	500	4,082	(361)	(602)	(963)
16.2.4 Revaluation Fund on Tangible Assets			5,027	-	5,027	4,896	-	4,896
16.2.5 Revaluation Fund on Intangible Assets			-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property			-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures			-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)			-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations			-	-	-	-	-	-
16.2.10 Other Supplementary Capital			-	-	-	-	-	-
16.3 Profit Reserves			18,357	-	18,357	13,091	-	13,091
16.3.1 Legal Reserves			4,252	-	4,252	3,623	-	3,623
16.3.2 Status Reserves			-	-	-	-	-	-
16.3.3 Extraordinary Reserves			14,105	-	14,105	9,468	-	9,468
16.3.4 Other Profit Reserves			-	-	-	-	-	-
16.4 Profit or Loss			16,159	-	16,159	5,266	-	5,266
16.4.1 Prior Periods' Profit or Loss			-	-	-	-	-	-
16.4.2 Current Period Profit or Loss			16,159	-	16,159	5,266	-	5,266
16.5 Minority Shares			-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			1,256,007	884,000	2,140,007	1,697,671	1,270,607	2,968,278

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OFF BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2009 AND 2008
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/12/2009	31/12/2008		31/12/2008		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-II+III)		1,172,498	1,685,834	2,858,332	1,128,912	1,378,359	2,507,271
I. GUARANTEES	(5.IV.1)	375,483	380,083	755,566	453,492	550,677	1,004,169
1.1. Letters of Guarantee		375,472	283,023	658,495	453,481	368,734	822,215
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		375,472	283,023	658,495	453,481	368,734	822,215
1.2. Bank Acceptances		-	305	305	-	9,813	9,813
1.2.1. Import Letter of Acceptance		-	305	305	-	9,813	9,813
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		11	70,629	70,640	11	135,115	135,126
1.3.1. Documentary Letters of Credit		-	46,361	46,361	-	107,969	107,969
1.3.2. Other Letters of Credit		11	24,268	24,279	11	27,146	27,157
1.4. Prefinancing Given As Guarantee		-	1,402	1,402	-	1,408	1,408
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		-	24,724	24,724	-	35,607	35,607
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	308,311	-	308,311	303,463	-	303,463
2.1. Irrevocable Commitments		308,311	-	308,311	303,463	-	303,463
2.1.1. Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		38,723	-	38,723	36,784	-	36,784
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		68,107	-	68,107	59,289	-	59,289
2.1.8. Tax and Fund Obligations from Export Commitments		63	-	63	11	-	11
2.1.9. Commitments for Credit Card Limits		200,692	-	200,692	206,354	-	206,354
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		726	-	726	1,025	-	1,025
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.IV.3)	488,704	1,305,751	1,794,455	371,957	827,682	1,199,639
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		488,704	1,305,751	1,794,455	371,957	827,682	1,199,639
3.2.1. Forward Foreign Currency Purchases/Sales		77,752	462,172	539,924	160,659	378,865	539,524
3.2.1.1. Forward Foreign Currency Purchases		27,273	242,269	269,542	78,864	191,539	270,403
3.2.1.2. Forward Foreign Currency Sales		50,479	219,903	270,382	81,795	187,326	269,121
3.2.2. Currency and Interest Rate Swaps		210,231	623,017	833,248	191,713	305,591	497,304
3.2.2.1. Currency Swaps-Purchases		-	416,796	416,796	2,236	244,529	246,765
3.2.2.2. Currency Swaps-Sales		210,231	206,221	416,452	189,477	61,062	250,539
3.2.2.3. Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4. Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3. Currency, Interest Rate and Security Options		200,721	220,562	421,283	19,585	22,242	41,827
3.2.3.1. Currency Options-Purchases		100,633	110,017	210,650	9,762	11,152	20,914
3.2.3.2. Currency Options-Sales		100,088	110,545	210,633	9,823	11,090	20,913
3.2.3.3. Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	-	-	-	-	-
3.2.4.1. Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2. Currency Futures-Sales		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		-	-	-	-	120,984	120,984
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		1,487,634	724,723	2,212,357	1,428,770	517,144	1,945,914
IV. ITEMS HELD IN CUSTODY		136,545	24,722	161,267	328,346	44,842	373,188
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		81,524	7,726	89,250	94,311	10,834	105,145
4.3. Checks Received for Collection		38,190	3,174	41,364	207,401	28,040	235,441
4.4. Commercial Notes Received for Collection		11,843	7,231	19,074	16,786	3,352	20,138
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		82	-	82	277	-	277
4.8. Custodians		4,906	6,591	11,497	9,571	2,616	12,187
V. PLEDGED ITEMS		1,351,089	700,001	2,051,090	1,100,424	472,302	1,572,726
5.1. Securities		5,447	-	5,447	4,220	-	4,220
5.2. Guarantee Notes		3,178	10,971	14,149	6,622	21,772	28,394
5.3. Commodities		54,894	37,164	92,058	81,037	48,204	129,241
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		1,033,440	578,569	1,612,009	961,697	341,020	1,302,717
5.6. Other Pledged Items		254,130	73,297	327,427	46,848	61,306	108,154
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ITEMS (A+B)		2,660,132	2,410,557	5,070,689	2,557,682	1,895,503	4,453,185

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2009 - 31/12/2009)	(01/01/2008 - 31/12/2008)
I. INTEREST INCOME	(5.III.1)	252,043	435,596
1.1 Interest from Loans		206,863	357,844
1.2 Interest from Reserve Deposits		74	1,101
1.3 Interest from Banks		6,620	16,089
1.4 Interest from Money Market Transactions		4,888	956
1.5 Interest from Securities Portfolio		33,031	59,576
1.5.1 Trading Securities		102	10,824
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		30,599	24,772
1.5.4 Held to Maturity Securities		2,330	23,980
1.6 Interest from Financial Leases		-	-
1.7 Other Interest Income		567	30
II. INTEREST EXPENSE	(5.III.2)	123,575	279,078
2.1 Interest on Deposits		107,464	217,514
2.2 Interest on Funds Borrowed		14,950	36,487
2.3 Interest on Money Market Transactions		990	24,767
2.4 Interest on Securities Issued		-	-
2.5 Other Interest Expense		171	310
III. NET INTEREST INCOME (I - II)		128,468	156,518
IV. NET FEE AND COMMISSION INCOME		21,070	27,437
4.1 Fees and Commissions Received		25,387	31,541
4.1.1 Non-Cash Loans		10,779	14,344
4.1.2 Other		14,608	17,197
4.2 Fees and Commissions Paid		4,317	4,104
4.2.1 Non-Cash Loans		302	78
4.2.2 Other		4,015	4,026
V. DIVIDEND INCOME	(5.III.3)	-	-
VI. TRADING INCOME/LOSS (Net)	(5.III.4)	17,330	(15,573)
6.1 Profit / Loss on Trading Account Securities		12,583	3,107
6.2 Derivative Instruments Gain / Loss		(5,450)	(4,328)
6.3 Foreign Exchange Gain / Loss		10,197	(14,352)
VII. OTHER OPERATING INCOME	(5.III.5)	10,303	14,123
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		177,171	182,505
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.6)	52,117	43,331
X. OTHER OPERATING EXPENSES (-)	(5.III.7)	105,490	131,708
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		19,564	7,466
XII. NEGATIVE GOODWILL		-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(5.III.8)	19,564	7,466
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.9)	(3,405)	(2,200)
16.1 Current Tax Provision		(2,425)	(130)
16.2 Deferred Tax Provision		(980)	(2,070)
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.III.10)	16,159	5,266
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	-
18.1 Assets Held for Sale		-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-
18.3 Others		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Assets Held for Sale		-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
19.3 Others		-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(5.III.8)	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.III.9)	-	-
21.1 Current Tax Provision		-	-
21.2 Deferred Tax Provision		-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.III.10)	-	-
XVIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.11)	16,159	5,266
23.1 Group's Profit / Loss		16,159	5,266
23.2 Minority Shares		-	-
Earnings / Losses per Share (Full TL)		0.0038	0.0013

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES		Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.1	
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE UNDER EQUITY			
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008			
(Currency: Thousands of TL - Turkish Lira)			
PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY	THOUSANDS OF TURKISH LIRA		
	CURRENT PERIOD (01/01/2009 - 31/12/2009)	PRIOR PERIOD (01/01/2008 - 31/12/2008)	
I. ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	5,045	(1,873)	
II. REVALUATION ON TANGIBLE ASSETS	138	(1,108)	
III. REVALUATION ON INTANGIBLE ASSETS	-	-	
IV. FOREIGN EXCHANGE DIFFERENCES	-	-	
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	-	-	
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	-	-	
VII. EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-	
VIII. OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER TURKISH ACCOUNTING STANDARDS	-	(196)	
IX. DEFERRED TAXES ON VALUATION DIFFERENCES	(7)	56	
X. NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	5,176	(3,121)	
XI. CURRENT PERIOD PROFIT/LOSS	16,159	5,266	
11.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	(917)	58	
11.2 Ineffective Portion of Profit/Loss Related to Derivatives Used in Cash Flow Hedges	-	-	
11.3 Ineffective Portion of Profit/Loss Related to Derivatives Used in Hedge of a Net Investment in Foreign Subsidiaries	-	-	
11.4 Others	17,076	5,208	
XII. TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	21,335	2,145	

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Currency: Thousands of TL - Turkish Lira)

Concurrence Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	Paid-In Capital	Capital Reserves from Issuance Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Difference of Securities	Revaluation Surplus	Securities Value Increase Fund	Hedge Funds	Rev. Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD 31/12/2008																			
I. Balances at the Beginning of Period-01/01/2008		300,000	9,449	(618)	-	1,500	-	21,046	-	41,943	(847)	910	5,948	-	-	-	379,331	-	379,331
II. Corrections According to Turkish Accounting Standard No.8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I + II)		300,000	9,449	(618)	-	1,500	-	21,046	-	41,943	(847)	910	5,948	-	-	-	379,331	-	379,331
Changes in the Period																			
IV. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation Difference of Available-for-Sale Securities	(5.V.4)	-	-	-	-	-	-	-	-	-	-	(1,873)	-	-	-	-	(1,873)	-	(1,873)
VI. Hedging Transaction (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation fund on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	(1,052)	-	-	(1,052)	-	(1,052)
VIII. Revaluation fund on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Capital Bonus of Associates,Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of Changes in Equities of Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		120,000	(9,449)	-	-	-	-	(50,551)	-	-	-	-	-	-	-	-	60,000	-	60,000
14.1 Cash		60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000	-	60,000
14.2 Domestic sources		60,000	(9,449)	-	-	-	-	(50,551)	-	-	-	-	-	-	-	-	-	-	-
XV. Issuances of Share Certificates		-	-	(196)	-	-	-	-	-	-	-	-	-	-	-	-	(196)	-	(196)
XVI. Abolition profit of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital Reserves from Issuance Adjustments to Paid-In Capital	(5.V.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	5,266	-	-	-	-	-	-	5,266	-	5,266
XX. Profit Distribution		-	-	-	-	2,123	-	38,973	-	(41,943)	847	-	-	-	-	-	-	-	-
20.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transferred to Reserves		-	-	-	-	2,123	-	38,973	-	(41,943)	847	-	-	-	-	-	-	-	-
20.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III-IV+V,...-XVIII+XIX-XX) - 31/12/2008		420,000	-	(814)	-	3,623	-	9,468	-	5,266	-	(963)	4,896	-	-	-	441,476	-	441,476
CURRENT PERIOD 31/12/2009																			
I. Balances at the Beginning of Period-01/01/2009		420,000	-	(814)	-	3,623	-	9,468	-	5,266	-	(963)	4,896	-	-	-	441,476	-	441,476
Changes in the Period																			
II. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Difference of Available-for-Sale Securities	(5.V.4)	-	-	-	-	-	-	-	-	-	-	5,045	-	-	-	-	5,045	-	5,045
IV. Hedging Transaction (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation fund on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	131	-	-	131	-	131
VI. Revaluation fund on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Bonus of Associates,Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of Changes in Equities of Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Domestic sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuances of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Abolition profit of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Issuance Adjustments to Paid-In Capital	(5.V.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	16,159	-	-	-	-	-	-	16,159	-	16,159
XVIII. Profit Distribution		-	-	-	-	629	-	4,637	-	(5,266)	-	-	-	-	-	-	-	-	-
18.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transferred to Reserves		-	-	-	-	629	-	4,637	-	(5,266)	-	-	-	-	-	-	-	-	-
18.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (I+II-III+,...-XVI+XVII-XVIII) - 31/12/2009		420,000	-	(814)	-	4,252	-	14,105	-	16,159	-	4,082	5,027	-	-	-	462,811	-	462,811

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2009 - 31/12/2009)	PRIOR PERIOD (01/01/2008 - 31/12/2008)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before Changes in Operating Assets and Liabilities		111,867	21,369
1.1.1 Interest Received		292,713	417,880
1.1.2 Interest Paid		(136,355)	(283,419)
1.1.3 Dividend Received		-	-
1.1.4 Fees And Commissions Received		21,070	27,437
1.1.5 Other Income		18,110	9,822
1.1.6 Collections from Non-performing Loans		16,318	6,361
1.1.7 Payments to Personnel and Service Suppliers		(64,943)	(85,648)
1.1.8 Taxes Paid		(1,920)	(1,948)
1.1.9 Other	(5.VI.3)	(33,126)	(69,116)
1.2 Changes in Operating Assets and Liabilities		(789,664)	470,732
1.2.1 Net (Increase) Decrease in Trading Securities		247	36,929
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV		-	-
1.2.3 Net (Increase) Decrease in Banks		20,573	38,814
1.2.4 Net (Increase) Decrease in Loans		(43,710)	518,558
1.2.5 Net (Increase) Decrease in Other Assets	(5.VI.3)	58,457	(48,620)
1.2.6 Net Increase (Decrease) in Bank Deposits		27,161	(88,223)
1.2.7 Net Increase (Decrease) in Other Deposits		(94,294)	(130,680)
1.2.8 Net Increase (Decrease) in Funds Borrowed		(750,171)	145,625
1.2.9 Net Increase (Decrease) in Due Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(5.VI.3)	(7,927)	(1,671)
I. Net Cash (Used in)/Provided by Banking Operations		(677,797)	492,101
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (Used in) Investing Activities		137,541	(121,157)
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries		-	-
2.3 Fixed Assets Purchases		(665)	(5,517)
2.4 Fixed Assets Sales		102	138
2.5 Cash Paid for Purchase of Investments Available for Sale		(16,603)	(108,948)
2.6 Cash Obtained From Sale of Investments Available for Sale		154,707	35,458
2.7 Cash Paid for Purchase of Investment Securities		-	(42,288)
2.8 Cash Obtained from Sale of Investment Securities		-	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash from Financing Activities		(1,229)	59,649
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		-	60,000
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(1,229)	(351)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		-	-
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(541,485)	430,593
VI. Cash and Cash Equivalents at the Beginning of Period	(5.VI.1,2)	693,667	263,074
VII. Cash and Cash Equivalents at the End of Period (V+VI)	(5.VI.1,2)	152,182	693,667

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT DISTRIBUTION
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Currency: Thousands of TL -Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2009 - 31/12/2009)	PRIOR PERIOD (01/01/2008 - 31/12/2008)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	19,564	7,466
1.2 TAXES AND DUTIES PAYABLE (-)	3,405	2,200
1.2.1 Corporate Tax (Income Tax)	2,425	130
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties	980	2,070
A. NET INCOME FOR THE YEAR (1.1-1.2)	16,159 (*)	5,266
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	629
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NETINCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	-	4,637
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	4,637
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0.0038(*)	0.0013
3.2 TO OWNERS OF ORDINARY SHARES (%)	3.8(*)	1.3
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDENDS PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) General Assembly of the Parent Bank has the authority of profit distribution.
Profit distribution is based on the Parent Bank's unconsolidated financial statements.
As of this report date, General Assembly of the Parent Bank has not been held yet.

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents:

The consolidated financial statements are prepared; in accordance with The Regulation on Accounting Applications for Banks and Safeguarding of Documents ("Regulation") related to Turkish Banking Law No 5411 published on the Official Gazette no.26333 dated 1 November 2006, in accordance with accounting and financial reporting standards described in regulations, communiqués and other explanations published by the Banking Regulation and Supervision Agency (BRSA), Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidance. The Parent Bank maintains its books of account in Turkish Lira (TL) in accordance with Banking Law, Turkish Commercial Code and Turkish Tax Code.

Unless stated otherwise, the consolidated financial statements and balances in related information and disclosures are presented in thousands of Turkish Lira.

Preparation of financial statements according to TAS requires Bank Management to make assumptions and forecasts about assets and liabilities in the balance sheet. These assumptions and forecasts are regularly revised, adjusted and the effects of these adjustments is reflected to income statement.

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.

Accounting policies and valuation principles used in the preparation of the consolidated financial statements

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are explained in footnotes II through XXVII in the following pages.

II. Strategy for the use of financial instruments and the foreign currency operations

Strategy for the use of financial instruments

The Parent Bank's main area of activities consist corporate, commercial and retail banking, fund management transactions and international banking services. The Parent Bank gives loans mainly to domestic customers by external sources of funds comprised mainly of domestic deposits and foreign borrowings and invests in marketable securities and banks placements to maintain liquidity.

The liability side of the balance sheet is intensively composed of short-term deposits and medium/long term borrowings in line with the general trend in the banking sector. Foreign currency borrowings are predominately floating rate and thus, the Parent Bank aims to minimize the effects of fluctuations in currency and interest rates in the market. Deposits collected are fixed rate and balanced with fixed rate loans and other investments. The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Parent Bank invests some of its resources to domestic government bonds and short-term placements to reduce liquidity risk.

In order to avoid currency risk, the Parent Bank aims to balance foreign currency assets and liabilities through currency swaps. Currency risk, interest rate risk and liquidity risk are monitored and measured instantly by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

The Parent Bank designates its loan strategy considering international and national economic data and expectations, market conditions, interest, liquidity, currency, credit and other risks. Loan portfolio of the Bank is not concentrated on a specific segment and concentration risk is taken in consideration as much as possible.

Transactions denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated by using currency exchange rates on the balance sheet date. The resulting exchange differences are recorded in the income statement as "Foreign Exchange Gain/Loss".

There is no goodwill related to the Parent Bank's foreign operations.

No foreign operation has been disposed of during the period.

III. Presentation of information regarding the Bank and consolidated subsidiaries and associates

The Parent Bank has no consolidating associate.

Tekstil Menkul and ETB which are financial subsidiaries of the Bank are consolidated to accompanying financial statements by using "Full Consolidation" method as of 31 December 2009 and 2008.

The Parent Bank and the consolidated companies are named as "the Group".

The carrying amount of the Parent Bank's investment in each subsidiary and the Bank's portion of equity of each subsidiary are eliminated. All intercompany transactions and intercompany balances between the consolidated subsidiaries and the Parent Bank are eliminated. The financial statements which have been used in the consolidation are prepared as at 31 December 2009 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances.

Tekstil Bilişim, subsidiary of the Parent Bank, is not consolidated in consideration of not being a financial subsidiary as per the BRSA Communiqué article 5, division 1 published on the Official Gazette no.26340 dated 6 November 2006.

Stated in the same Communiqué article 5, division 8, all the banks have to prepare consolidated financial statements including all subsidiaries according to TAS within a content determined by the BRSA and publish these financial statements on their web sites. The Parent Bank publishes consolidated financial statements, in which Tekstil Bilişim is included in consolidation, within the required periods on its web site.

IV. Forward transactions, options and derivative instruments:

The derivative transactions of the Parent Bank mainly consist of foreign currency swaps, foreign currency options and forward contracts.

Derivatives are classified as held for trading in accordance with TAS 39 “Financial Instruments: Recognition and Measurement”. The Parent Bank and its financial subsidiaries do not have any embedded derivatives.

The liabilities and receivables arising from derivative transactions are recorded as off-balance sheet items at their contract values.

The derivative transactions are valued at fair value subsequent to initial recognition and are presented in the “Positive Value of Trading Derivatives” under the “Financial Assets at Fair Value Through Profit or Loss” and “Negative Value of Trading Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the consolidated income statement. Fair values of derivatives are determined using quoted market prices in active markets or using discounted cash flow techniques within current market interest rates.

V. Interest income and expense:

Interest is recognized using the effective interest method (the effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability) defined in TAS 39. Interest income and expense computed by using internal rate of return are recognized on an accrual basis. In accordance with the related legislation, the Parent Bank ceases to accrue interest income on loans that become non-performing. Interest is not accrued until such loans become performing and are classified as performing loans or until collection.

VI. Fees and commissions:

Except for commissions received for cash loans, commission income and banking service income are recognized as income when collected. Commissions received for cash loans are recognized on accrual basis.

VII. Financial assets:

1. Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss consist of “trading securities” and “financial assets designated at fair value”. The Bank does not have any financial assets classified as “financial assets designated at fair value”.

Trading securities are financial assets acquired for generating a profit from short term fluctuations in price or dealer’s margin.

Trading securities are recognized and derecognized on settlement date basis when purchased and disposed of. Trading securities are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, trading securities are measured at fair value and gains and losses arising from a change in the fair value are recognized in the income statement. Interest earned whilst holding trading securities is reported as interest income.

2. Investment securities available-for-sale

Available-for-sale assets are financial assets other than financial assets held for trading, loans and advances to banks and customers, or financial assets held to maturity.

Financial assets available-for-sale are measured at their fair values subsequently following the initial recognition at cost. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in "securities value increase fund" under the shareholders' equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

3. Loans and receivables:

Loans and receivables arise when the Bank provides money, goods or services directly to a debtor. Such assets are initially recognized at cost and are carried at amortized cost using the effective interest method. Duties paid, transaction expenditures and other similar expenses on assets received against such risks are not considered as a part of transaction cost and are recorded as expense.

Based on the regular reviews of the loan portfolio by the Bank management, loans that are identified as being impaired are transferred to "loans under follow-up" accounts. Thereby, specific allowances are made against the carrying amount of these loans in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published on the Official Gazette no.26333 dated 1 November 2006. Provisions are deducted from the income of the current year. When collections are made on loans that have been provided for, they are credited to the income statement accounts "Provision for Loan Losses or Other Receivables" if the provision was made in the current year, otherwise such collections are credited to "Other Operating Income" account with respect to allowances made in the prior years. Loans and receivables which are not possible to be collected are written off after the resolution of the Board of Directors.

4. Investment securities held-to-maturity:

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables. Investment securities held-to-maturity and loans are initially recognized at cost. Investment securities held-to-maturity are accounted for by using a discounting method based on internal rate of return applied on the net investment amounts after the deduction of provision for impairments. Interest earned on held-to-maturity securities are recognized as interest income in the consolidated income statement.

In the first quarter of 2009, the Parent Bank has sold a significant portion of its securities classified in held to maturity portfolio before the maturity dates of such securities. As at 31 December 2009, the carrying value of such financial assets which can not be classified as held to maturity securities for two years due to violation of classification rules is TL 193,144 (31 December 2008: None).

VIII. Impairment of financial assets:

Financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is an objective indicator of impairment. If any such indicator exists, the Parent Bank estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published on the Official Gazette no.26333 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

IX. Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

X. Sale And Repurchase Agreements And Transactions Related To The Lending Of Securities

Securities sold under repurchase agreements ("repo") are classified as "trading", "available for sale" or "held to maturity" based on the Banks management's intention and measured with the same valuation principles of the portfolio above. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis based on the difference between selling and repurchase prices using effective interest rate method.

Securities purchased under resale agreements are classified under "Receivables from Reverse Repurchase Agreements". An income accrual using the effective interest rate method is accounted for the positive difference between the purchase and resale prices earned during the period. The Parent Bank does not have any securities related to the lending.

XI. Assets held for sale and discontinued operations:

Assets held for sale consists of assets that have high sales probability, have been planned to sell, and started an active programme to complete the plan and determine the buyers. Asset should be marketed the price compatible with fair value. Furthermore, starting from the day of sale, the sales should be hold for a year before to be accounted as a sale and also for the completion of the plan, the necessary activities show that the possibility of having significant change in the plan or the cancelation of the plan is low.

The Group does not have any assets held for sale.

The Group does not have any discontinued operations.

XII. Goodwill and other intangible assets:

There is no goodwill in the accompanying consolidated financial statements as at 31 December 2009 and 2008.

Intangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Intangibles are reflected in the consolidated balance sheet at cost less amortization and any accumulated impairment losses.

Intangible assets have been restated for the effects of inflation, until 31 December 2004. The new additions to intangible assets after 31 December 2004 are recorded with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Intangible assets are amortized on amortization rates between 2% and 33%.

Intangible assets are amortized on a straight-line basis. Useful life of an asset is estimated by assessment of the expected life span of the asset, technical, technological wear outs, of the asset. The amortization rates used approximate the useful lives of the assets.

XIII. Tangible assets:

Tangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets (except buildings as stated below) are reflected in the consolidated financial statements at cost less accumulated depreciation and any accumulated impairment.

Tangible assets that are acquired before 31 December 2004 have been restated for the effects of inflation, until 31 December 2004. The new additions to tangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Tangible assets are depreciated on a straight-line basis based on the estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Furniture and fixtures	3 – 50 years
Leasehold improvements	5 years

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

In cases where the expected future benefits of the assets are less than their book values, the book values of such assets are reduced to their net realizable values and impairment losses are recorded as expense.

Gains and losses on disposal of an item of assets are determined by deducting the carrying amount of the asset from the proceeds from disposal.

The regular maintenance and repair expenditures are accounted as expense. The investment expenditures, made to increase the future benefits of the asset by improving the capacity of the asset, are added to the cost of the asset. Investment expenditures comprised of the costs which increase the useful life of the asset, improve the capacity of the asset, increase the quality or decrease the cost of production.

At 31 December 2007, the Parent Bank has started to implement revaluation model for the buildings as permitted by TAS 16 “Property, Plant and Equipment”. For this purpose, fair value of the buildings are determined by a third party appraiser. The fair value difference is recognized in “Revaluation Fund on Tangible Assets” within the equity items. As at 31 December 2009, revaluation difference on tangible assets amounts to TL 5,292 (31 December 2008: TL 5,154).

XIV. Leasing activities:

Leased assets are recognized by recording an asset and a liability at the same amount. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Tangible assets acquired by way of financial leasing are recognized in tangible assets and depreciated in line with tangible assets group they relate to. In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. The obligations under financial leases arising from the lease contracts are presented under "Financial Lease Payables" account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement. The Parent Bank does not enter into financial lease transactions by acting as the "lessor".

In operating leases, the rent payments are charged to the income statement in accrual basis.

XV. Provisions and contingencies:

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Parent Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as "Contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the notes to the consolidated financial statements.

XVI. Contingent assets:

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank or its subsidiaries. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

XVII. Obligations concerning employee rights:

Obligations concerning employee severance indemnities and vacation pay are accounted in accordance with the Turkish Accounting Standard 19 ("TAS 19") "Employee Benefits".

In accordance with existing legislation in Turkey, the banks have to make certain lump-sum payments to employees who has completed one year of service with the Bank and whose employment is terminated due to retirement or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

XVIII. Taxation:

a. Current taxes:

In accordance with the amendments made to the tax legislation by Law No. 5520, effective 21 June 2006, the corporate tax rate is levied at the rate 20%, beginning from 2006. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The foreign subsidiary of the Parent Bank, ETB, is entitled to corporate tax rate of 2%.

In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 20%. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance are deducted from the final corporate tax liability.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred taxes:

In accordance with TAS 12 "Income Taxes", the Parent Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are based on tax rates (and tax laws) that have been enacted at the balance sheet date.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities of the Parent Bank have been offset in the Parent Bank's financial statements. Net deferred tax assets or liabilities of the subsidiaries in the Group which are calculated individually have not been offset.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts.

As at 31 December 2009 and 2008, the Parent Bank has calculated deferred taxes as based on the principles above and reflected to the financial statements.

c. Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Corporate tax-payers required in "section 7.1 annual documentation" part of related communiqué, have to fill the "form relating to transfer pricing, controlled foreign companies and thin capitalization" ("the Form") as associated with purchasing and selling goods or services with related parties in an accounting period and send it to the tax office submitted as an appendix to the corporate tax return. The Parent Bank fills the related form and submits to tax office in the required time.

XIX. Additional explanations on borrowings:

Financial liabilities held for trading and negative value of derivative instruments are carried at fair value and all other financial liabilities are carried at amortized cost using effective interest rate method.

XX. Issued stock:

There is no issued share in the current period.

XXI. Acceptances:

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts.

XXII. Government grants:

As at 31 December 2009 and 2008, the Group does not have any government grants.

XXIII. Reserves and profit distribution:

Retained earnings at statutory books are allowed for distribution except for the following clause on legal reserves.

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital.

XXIV. Related parties:

For the purpose of the consolidated financial statements, shareholders, top management and members of board of directors, related companies managed by their own and families, associates and jointly controlled entities are accepted as related party in accordance with TAS 24 "Related Party Disclosures".

XXV. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and balances with central banks, deposits with banks and other financial institutions and other money market placements with an original maturity of three months or less. The reserve requirements held as a blocked at the Central Bank are not regarded as a "cash equivalent" in the statements of cash flows.

XXVI. Segment reporting:

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment reporting is presented in Section Four, Footnote X.

XXVII. Reclassifications:

Assets amounting to TL 33,881, acquired from non-performing loans presented under “Assets Held for Sale and Discontinued Operations” in the previous period are presented under “Other Assets”. There is not any material reclassification in the accompanying consolidated financial statements and related notes other than this.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

As at 31 December 2009, the Group's consolidated capital adequacy ratio is 20.54% (31 December 2008: 17.51%).

Risk measurement methods used in the calculation of consolidated capital adequacy ratio is the sum of risk weighted assets and non-cash loans weighted based on the regulation; and market risk on marketable securities, specific risk and foreign currency exchange risk also based on the regulation, which are aggregately defined as Value at Risk calculated by standardized method. The following tables present details of "risk weighted assets" and determination of "capital" which are basis for the calculation of capital adequacy ratio of the Bank.

Consolidated Capital Adequacy Ratio:

	Risk Weights						Risk Weights					
	Unconsolidated						Consolidated					
	0%	20%	50%	100%	150%	200%	0%	20%	50%	100%	150%	200%
Credit Risk Based												
Balance Sheet Items (Net)	414,883	60,378	333,829	1,310,321	763	6	427,641	60,382	333,829	1,304,455	763	6
Cash in Vault	17,501	-	-	-	-	-	17,501	-	-	-	-	-
Due Dated Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	75,239	-	-	-	-	-	75,239	-	-	-	-	-
Domestic and Foreign Banks,												
Foreign Branches	-	59,433	-	-	-	-	-	59,442	-	-	-	-
Interbank Money Market	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repos	-	-	-	-	-	-	-	-	-	-	-	-
Reserve Deposits	47,982	-	-	-	-	-	47,982	-	-	-	-	-
Loans	56,192	-	333,829	1,103,137	763	6	63,721	-	333,829	1,107,034	763	6
Non-performing Loans (Net)	-	-	-	41,878	-	-	-	-	-	41,878	-	-
Receivables from Leasing												
Operations	-	-	-	-	-	-	-	-	-	-	-	-
Investments Available-for-Sale	208,424	-	-	10,314	-	-	213,238	-	-	10,314	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Receivables	389	794	-	3,117	-	-	389	794	-	3,189	-	-
Accrued Interest and Other Income	6,626	151	-	40,580	-	-	7,036	146	-	40,838	-	-
Investments in Associates,												
Subsidiaries and Joint Ventures												
(Net)	-	-	-	10,347	-	-	-	-	-	104	-	-
Tangible Assets	-	-	-	84,168	-	-	-	-	-	84,317	-	-
Other Assets	2,530	-	-	16,780	-	-	2,535	-	-	16,781	-	-
Off-Balance Sheet Items	6,507	27,170	30,276	406,164	-	-	6,507	25,231	30,276	409,555	-	-
Non-Cash Loans and Commitments	6,507	21,810	30,276	403,249	-	-	6,507	21,810	30,276	404,700	-	-
Derivatives	-	5,360	-	2,915	-	-	-	3,421	-	4,855	-	-
Accounts Not Risk Weighted	-	-	-	-	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	421,390	87,548	364,105	1,716,485	763	6	434,148	85,613	364,105	1,714,010	763	6

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Unconsolidated		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets (RWA)	1,917,204	2,088,988	1,914,342	2,095,143
Market Risk (MR)	13,813	87,563	13,363	86,925
Operational Risk (OR)	301,371	245,194	304,612	250,759
Shareholders' Equity	463,786	434,460	458,448	426,066
Shareholders' Equity /(RWA+MR+OR) *100	20.78	17.94	20.54	17.51

Components of shareholders' equity :

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	420,000	420,000
Nominal Capital	420,000	420,000
Capital Commitments (-)	-	-
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	-	-
Share Premium	(814)	(814)
Share Cancellation Profit	-	-
Legal Reserves	4,252	3,623
I. Legal Reserve (Turkish Commercial Code 466/1)	4,252	3,623
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Other Legal Reserve per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	14,105	9,468
Reserve Allocated at the General Assembly	-	-
Retained Earnings	14,105	9,468
Accumulated Losses	-	-
Foreign Currency Translation Differences	-	-
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	16,159	5,266
Current Period Profit	16,159	5,266
Prior Periods' Profit	-	-
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	-	-
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Share Capital	-	-
Primary Subordinated Loans (Up to 15% of the Core Capital)	-	-
Accumulated Losses (-)	-	-
Current Period Loss	-	-
Prior Periods' Loss	-	-
Leasehold Improvements (-) (*) (**)	1,319	-
Prepaid Expenses (-) (**)	1,898	4,120
Intangible Assets (-)(**)	2,048	2,672
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	-	-
Amount Excess of Article 56/3 of the Law (-)	-	-
Total Core Capital	448,437	437,543

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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SUPPLEMENTARY CAPITAL

General Loan Loss Reserves	9,777	10,290
45% of Revaluation Fund of Securities	-	-
45% of Revaluation Fund of Real Estate	2,262	2,203
Bonus Shares from Subsidiaries and Joint Ventures	-	-
Amount not Included in Core Capital for Primary Subordinated Loans	-	-
Secondary Subordinated Loans (*)	-	-
45% of Securities Value Increase Fund (100% in case of a deficit)	1,837	(963)
Associates and Subsidiaries	-	-
Investments Available-for-Sale	1,837	(963)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	-	-
Total Supplementary Capital	13,876	11,530

TIER III CAPITAL

CAPITAL	462,313	449,073
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DEDUCTIONS FROM CAPITAL

DEDUCTIONS FROM CAPITAL	3,865	23,007
Shares in Unconsolidated Banks and Financial Institutions	-	-
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	-	-
Shares in Banks and Financial Institutions Accounted under the Equity Method	-	-
Loans Granted in Violation of the Articles 50 and 51 of the Law	-	-
Amount in Excess of 50% of the Equities of the Net Book Value of the Real Estate of the Banks, and Net Book Value of the Assets Held for Sale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years	3,865	16,215
Others	-	-

TOTAL SHAREHOLDERS' EQUITY	458,448	426,066
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(*) According to Article of Banking Regulations and Supervision Agency dated 18 March 2009 and numbered BDDK.UYI/44.3-5379, the leasehold improvements are included in the deductions from capital after 31 March 2009.

(**) The leasehold improvements, prepaid expenses and intangible assets are included in deductions from capital at the current period in accordance with "Regulation on the Equity of the Banks" published on the Official Gazette no.26333 dated 1 November 2006.

II. Consolidated credit risk

1. Credit risk represents the risk generating from the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

In the Parent Bank, Credit Allocation Department and Credit Follow-up and Control Department is responsible for the managing credit risk. The Group determines credit limits to counter parties and does not allocate more than these limits so as to risk limitation. Credit limits are determined individually for every customer, company, company groups and risk groups. The Group assesses several criterias such as financial power of customers, sectors, geographicak segmets and equity structure when determining credit limits. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulations. The limit of the debtors of the Parent Bank is assessed periodically by Internal Control and Risk Management Departments.

The geographical distribution of credit customers is appropriate to branch network, country industry and service activities. The sectoral distribution of credit customers is followed up periodically and credit allocation process is orientated to prevent risk concentration.

The credibility of the debtors of the Parent Bank is assessed periodically in accordance with the related regulations. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulations.

The Group attach importance to credit guarantees. Guarantees is generally in form of real estate and movable mortgage, commercial enterprice pledge, secured investment securities, letter of guarantees of other banks and bill guarantees.

2. The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.
3. Forward transactions can be realized at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.
4. Indemnified non-cash loans, in accordance with "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published on the Official Gazette no.26333 dated 1 November 2006, are treated as having the same risk weight as non-performing loans. Loans that are renewed and rescheduled are included in a new rating group is followed-up by plan defined in the banking regulations.
5. There is no significant credit risk in the since the Group's credit portfolio does not include foreign operations and credit transactions. As at 31 December 2009, the ratio of loans under follow-up to total loans is 6.0% (31 December 2008: 3.2%)
- 6.a) The share of the top 100 cash loan customers comprise 55% of the total cash loans portfolio (31 December 2008: 43%).
b) The share of the top 100 non-cash loan customers comprise 69% of the total non-cash loans portfolio (31 December 2008: 63%).
c) The Bank's total cash and non-cash loans from its top 100 loan customers comprise 17% of the total assets and off-balance sheet items (31 December 2008: 15%).
7. As at 31 December 2009, the Group's general loan provision amounts to TL 9,777 (31 December 2008: TL 10,290).

Information on concentration of credit risk according to beneficiaries and geographical regions:

	Real persons and Institutions (Loans)		Banks and Other Financial Institutions (Loans)		Securities*		Other Loans**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loan Concentration according to Customers								
Private Sector	1,105,656	1,279,327	235,862	78,914	10,364	11,918	896,983	1,269,515
Public Sector	-	-	-	-	220,506	375,812	-	-
Banks	-	-	-	49	-	-	974,279	1,146,780
Retail	204,167	241,243	-	-	-	-	272,753	233,089
Share Certificates	-	-	-	-	278	279	104	105
Loan Concentration according to Geographical Regions								
Domestic	1,309,823	1,519,552	235,862	78,963	220,506	375,812	1,386,857	2,085,803
European Union Countries	-	-	-	-	10,364	11,918	488,313	370,728
OECD Countries***	-	-	-	-	-	-	7,148	466
Off Shore Regions	-	-	-	-	-	-	131,731	-
USA, Canada	-	-	-	-	278	279	118,489	189,417
Other Countries	-	1,018	-	-	-	-	11,581	3,075
Total	1,309,823	1,520,570	235,862	78,963	231,148	388,009	2,144,119	2,649,489

* Consist of Securities at Fair Value through Profit/Loss, Available For Sale, Held to Maturity

** Consist of accounts, such as banks, interbank money market balances, non-cash loans, commitments, subsidiaries and derivatives, which are classified other than first three columns in Uniform Chart of Accounts and defined as loan in article 48 of Law no 5411. The balances are presented with their carrying amounts and nominal values and they are not weighted with the rates defined in "Regulation on Loans of Banks".

*** Consist of OECD countries other than the EU Countries, the USA and Canada

Information on geographical concentration:

	Assets	Liabilities	Non-Cash Loans	Capital Investments (***)	Net Profit
Current Period					
Domestic	2,106,140	1,967,374	745,897	104	16,159
European Union Countries	19,689	112,889	396	-	-
OECD Countries (*)	1,259	1,683	-	-	-
Off-Shore Banking Regions	11,387	10,384	5,300	-	-
USA, Canada	1,420	26,621	3,648	-	-
Other Countries	8	4,897	325	-	-
Subsidiaries, associates and jointly controlled companies	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	2,139,903	2,123,848	755,566	104	16,159
Prior Period					
Domestic	2,805,849	2,285,196	987,189	105	5,266
European Union Countries	152,827	570,067	16,531	-	-
OECD Countries (*)	466	19,782	-	-	-
Off-Shore Banking Regions	2	-	-	-	-
USA, Canada	8,011	82,816	399	-	-
Other Countries	1,018	5,151	50	-	-
Subsidiaries, associates and jointly controlled companies	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	2,968,173	2,963,012	1,004,169	105	5,266

* Consist of OECD countries other than the EU Countries, the USA and Canada

** Unallocated assets and liabilities

*** Subsidiaries and associates

Information on cash loans concentration according to sectors:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	17,712	1.34	14,103	6.30	22,285	1.73	32,955	10.54
Farming and Raising								
Livestock	16,492	1.25	13,967	6.24	20,358	1.58	32,910	10.53
Forestry	1,220	0.09	136	0.06	1,927	0.15	45	0.01
Fishing	-	-	-	-	-	-	-	-
Manufacturing	365,580	27.66	91,458	40.85	333,126	25.89	148,329	47.49
Mining	4,700	0.36	1,164	0.52	16,569	1.29	4,116	1.32
Production	284,171	21.50	89,530	39.99	211,544	16.44	141,290	45.23
Electric, gas and water	76,709	5.80	764	0.34	105,013	8.16	2,923	0.94
Construction	149,557	11.31	49,317	22.03	145,200	11.28	6,656	2.13
Services	524,015	39.64	57,973	25.89	484,933	37.68	110,546	35.39
Wholesale and retail trade	204,326	15.46	33,224	14.84	307,115	23.86	59,314	18.99
Hotel, food and beverage services	8,030	0.61	21,115	9.43	20,109	1.56	7,832	2.51
Transportation and telecommunication	50,247	3.80	3,634	1.62	62,139	4.83	20,059	6.42
Financial institutions	235,862	17.84	-	-	65,774	5.11	13,189	4.22
Real estate and renting services	-	-	-	-	-	-	-	-
Self-employment services	13,760	1.04	-	-	15,540	1.21	10,152	3.25
Education services	1,305	0.10	-	-	966	0.08	-	-
Health and social services	10,485	0.79	-	-	13,290	1.03	-	-
Other	264,944	20.05	11,026	4.93	301,595	23.42	13,908	4.45
Total	1,321,808	100.00	223,877	100.00	1,287,139	100.00	312,394	100.00

Exposure to credit risk:

	Loans and advances to customers		Other assets	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Individually impaired	98,390	53,365	-	-
Allowance for impairment	56,512	23,242	-	-
Carrying amount	41,878	30,123	-	-
Collectively impaired	-	-	-	-
Allowance for impairment	-	-	-	-
Carrying amount	-	-	-	-
Past due but not impaired				
0-30 days	20,854	19,551	-	-
30-60 days	17,670	22,665	-	-
60-90 days	4,030	14,849	-	-
90-180 days	-	-	-	-
More than 180 days	-	-	-	-
Carrying amount	42,554	57,065	-	-
Neither past due nor impaired	1,489,200	1,542,305	-	-
Loans with renegotiated terms	13,931	163	-	-
Carrying amount	1,503,131	1,542,468	-	-
Total carrying amount	1,587,563	1,629,656	-	-

The breakdown of cash and non-cash loans and advances to customers by type of collateral is as follows:

	31 December 2009	31 December 2008
Cash loans		
Secured loans:	1,201,969	1,266,047
Secured by cash collateral	63,799	45,047
Secured by mortgages	333,829	425,219
Secured by government institutions or government securities	-	-
Loans granted against share certificates	350	-
Other collateral (pledge on assets, corporate and personal guarantees, promissory notes)	803,991	795,781
Unsecured loans	343,716	333,486
Total	1,545,685	1,599,533
Non-cash loans (*)		
Secured loans:	607,908	850,493
Secured by cash collateral	14,017	10,152
Secured by mortgages	49,794	78,496
Secured by government institutions or government securities	-	-
Guarantees issued by financial institutions	-	-
Other collateral (pledge on assets, corporate and personal guarantees, promissory notes)	544,097	761,845
Unsecured loans	147,658	153,676
Total	755,566	1,004,169

(*) Non cash loans, over which provision is allocated as explained in Section 5 Note IV. 1.e of the report amounting to TL 2,635 (31 December 2008: TL 5,053) are included in the table above.

An estimate of the fair value of collateral held against non-performing loans and receivables is as follows:

	31 December 2009	31 December 2008
Secured by mortgages	46,487	19,168
Pledge on vehicles	4,521	2,909
Other collateral	641	32
Total	51,649	22,109

III. Consolidated market risk

Consolidated market risk is the potential risk of loss arising from changes in interest rates, foreign currency exchange rates and equity prices regarding the assets and liabilities of the Parent Bank's on-off balance sheet.

Standard method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no. 26333 dated 1 November 2006 is used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis.

Market risk is calculated by employing the Standard Method and internal risk measurement models using value at risk (VaR) methodology. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

The internal methods used by the Parent Bank are Parametric Method, Historical Simulation and Monte Carlo Simulation. In calculating VaR, a one-tailed 99% confidence level is used regarding one-day holding period. The results are regularly reported to the Senior Level Risk Committee and Asset-Liability Committee.

a) Consolidated market risk:

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	885
(II) Capital Obligation against Specific Risk - Standard Method	26
(III) Capital Obligation against Currency Risk - Standard Method	153
(IV) Capital Obligation against Commodity Risk - Standard Method	-
(V) Capital Obligation against Clearing Risk - Standard Method	-
(VI) Capital Obligation against Options Subject to Market Risk – Standard Method	5
(VII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	1,069
(IX) Value-At-Risk Amount (12.5 x VIII) or (12.5 x VII)	13,363

(*) Value at Risk does not represent all of TL 13,363 but 8% of which is TL 1,069 as the market risk. This amount, TL 1,069, is also the minimum capital obligation to eliminate the market risk.

b) Average of month-end market risks:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	1,722	3,149	911	2,889	3,739	1,797
Equity Risk	-	-	-	-	-	-
Currency Risk	2,655	5,230	25	3,655	5,154	2,341
Commodity Risk	-	-	-	-	-	-
Clearing Risk	-	-	-	-	-	-
Option Risk	126	513	5	512	855	3
Total Value-At-Risk (*)	56,288	103,063	13,363	88,200	107,163	74,313

(*) Minimum and maximum amounts of the total value at risk are not related to the total of each component of risk, but related to the month end calculated total value at risk .

IV. Consolidated operational risk

The Group used the “Basic Indicators Approach” in computation of its operational risk. In accordance with the 4th section (Computation of the Operational Risk) which is valid after 1 June 2007, of the “Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks”, published in the Official Gazette dated 1 November 2006 and numbered 26333, operational risk is computed using the gross income of Group for the years ended 2008, 2007 and 2006. Operational risk does not represent all of TL 304,612 but 8%, of which is TL 24,369, is the operational risk. This amount, TL 24,369, is also the minimum capital obligation to eliminate the operational risk.

V. Consolidated foreign currency exchange rate risk

Foreign currency risk indicates the possibilities of the potential losses that banks are subject to due to adverse movements between currencies. The Parent Bank monitors foreign currency exchange rate risk in currency/TL and parity basis and uses different risk methods and tools for each. The Parent Bank hedges parity risks through spot/arbitrage and future transactions.

The Parent Bank's foreign currency exchange rate risk is measured by Standard Method and Value at Risk Method.

The Parent Bank considers all foreign currency assets and liabilities and currency forward transactions in measuring capital obligation against currency risk. Net short and long positions of TL equivalents of all types of currencies are calculated. Position with the higher absolute value, which is the basis for the capital obligation, is used measuring the capital obligation for currency risk.

The Bank's Board of Directors, determines the Parent Bank's limits, within regulatory limitations, related to short/long positions at any period. The Treasury Department of the Parent Bank is responsible from the management of price and liquidity risks on Turkish Lira or foreign currency in the domestic and international markets. Risk Management Department, exercise continuous control on risks in the money markets and transactions creating these risks and reports to the Assets-Liability Committee of the Bank weekly.

The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date (TL full):

	24/12/09	25/12/09	28/12/09	29/12/09	30/12/09	31/12/09
USD	1.5186	1.5070	1.5052	1.5065	1.5026	1.5057
GBP	2.4207	2.4097	2.4018	2.4068	2.4067	2.3892
EURO	2.1654	2.1680	2.1702	2.1686	2.1680	2.1603
JPY	0.0165	0.0165	0.0165	0.0164	0.0164	0.0163

The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days from 31 December 2009 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	1.4991
GBP	2.4363
EURO	2.1943
JPY	0.0167

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Information on consolidated exchange rate risk:

Current Period	EURO	USD	JPY	OTHER FC	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	3,714	78,277	5	363	82,359
Banks	16,347	36,756	574	5,766	59,443
Financial Assets at Fair Value Through Profit or Loss (*)	47	363	-	-	410
Interbank Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	-	20,578	-	-	20,578
Loans (**)	135,775	304,564	36,688	2,351	479,378
Investments in Subsidiaries and Associates	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-	-
Tangible Assets	-	2	-	-	2
Intangible Assets	-	-	-	-	-
Other Assets	21	2,824	-	2	2,847
Total Assets(*)	155,904	443,364	37,267	8,482	645,017
Liabilities					
Bank Deposits	-	3,099	-	-	3,099
Foreign Currency Deposits	236,361	490,415	14	6,023	732,813
Interbank Money Markets	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	20,642	118,136	-	-	138,778
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	229	283	-	-	512
Hedging Purpose Financial Derivatives	-	-	-	-	-
Other Liabilities (*)	2,671	2,964	-	156	5,791
Total Liabilities (*) (***)	259,903	614,897	14	6,179	880,993
Net On Balance Sheet Position	(103,999)	(171,533)	37,253	2,303	(235,976)
Net Off Balance Sheet Position	103,443	167,862	(36,676)	(2,216)	232,413
Financial Derivatives (Assets)	279,256	352,181	115,019	22,626	769,082
Financial Derivatives (Liabilities)	175,813	184,319	151,695	24,842	536,669
Non-cash Loans (****)	92,321	286,571	598	593	380,083
Prior Period					
Total Assets (*) (**)	342,791	674,281	47,359	8,060	1,072,491
Total Liabilities (*) (***)	404,803	855,406	909	4,233	1,265,351
Net On Balance Sheet Position	(62,012)	(181,125)	46,450	3,827	(192,860)
Net Off Balance Sheet Position	61,864	175,777	(46,457)	(3,442)	187,742
Financial Derivatives (Assets)	103,889	319,483	15,260	8,588	447,220
Financial Derivatives (Liabilities)	42,025	143,706	61,717	12,030	259,478
Non-cash Loans (****)	112,164	430,228	5,106	3,179	550,677

(*) As at 31 December 2009 there is an accrual difference in "Financial Assets At Fair Value Through Profit Or Loss" and "Negative Value Of Trading Derivatives" amounting to TL 2,473 and TL 2,507, respectively (31 December 2008: TL 3,340 and TL 5,858). Accrual of CDS amounting to TL 3,612 has been included as at 31 December 2008.

(**) As at 31 December 2009 "Loans" balance includes, in addition to the balance sheet amount, foreign currency indexed loans amounting to TL 255,501 (31 December 2008: TL 404,560).

(***) As at 31 December 2009 "Security valuation differences" in equity amounting to TL 500 (31 December 2008: TL(602)) not included.

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

The table below demonstrates prospective increase and decrease in equities and profit/loss as at 31 December 2009 and 2008 (excluding tax effect) on condition that 10 percent revaluation/valuation of the foreign currencies below against TL. This analysis has been prepared under the circumstances of assumption of other variables, especially interest rates, to be constant.

	31 December 2009				31 December 2008			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	(417)	417	(367)	367	(475)	475	(535)	535
EURO	(56)	56	(56)	56	(15)	15	(15)	15
Other FC	66	(66)	66	(66)	38	(38)	38	(38)
Total, net	(407)	407	(357)	357	(452)	452	(512)	512

* Equity effect consists of income statement effect in the table.

VI. Consolidated interest rate risk

Consolidated interest rate risk is the probability of loss due to changes in interest rates depending on the Parent Bank's position regarding the interest bearing financial instruments.

Interest rate risk arises as a result of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves. Exposure to interest rate movements arises when there is a mismatch between rate sensitive assets and liabilities.

Interest rate risk is a key component of the Bank's market risk and asset and liability management.

As part of asset and liability management, duration and sensitivity analysis are used to measure the effects of changes in yield curves on the balance sheet. The Parent Bank daily monitors interest rate movements in the market and revises the Bank's interest rates.

Interest sensitivity of assets, liabilities and off-balance sheet items (based on reprising 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 Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	51,694	-	-	-	-	89,502	141,196
Banks	49,564	3,449	1,280	-	-	5,162	59,455
Financial Assets at Fair Value Through Profit or Loss	2,754	394	214	160	279	-	3,801
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	83,882	119,303	2,723	14,320	9,936	278	230,442
Loans	890,486	164,841	220,713	214,044	55,601	41,878	1,587,563
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	311	-	-	-	-	117,239	117,550
Total Assets	1,078,691	287,987	224,930	228,524	65,816	254,059	2,140,007
Liabilities							
Bank Deposits	3,011	-	-	-	-	110	3,121
Other Deposits	930,307	399,982	26,248	44	-	100,601	1,457,182
Interbank Money Market Placements	5,653	-	-	-	-	-	5,653
Miscellaneous Payables	-	-	-	-	-	9,669	9,669
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	18,123	91,867	36,376	-	-	-	146,366
Other Liabilities	3,016	1,554	91	2	-	513,353	518,016
Total Liabilities	960,110	493,403	62,715	46	-	623,733	2,140,007
Balance Sheet Long Position	118,581	-	162,215	228,478	65,816	-	575,090
Balance Sheet Short Position	-	(205,416)	-	-	-	(369,674)	(575,090)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	118,581	(205,416)	162,215	228,478	65,816	(369,674)	-

(*) Tangible and intangible assets amounting to TL 73,262, subsidiaries amounting to TL 104, assets held for sale amounting to TL 18,287, tax assets amounting to TL 2,022 and other assets amounting to TL 23,564 are presented within other assets as non-interest bearing; provisions amounting to TL 17,483, tax liability amounting to TL 5,356, other liabilities amounting to TL 27,703 and equity amounting to TL 462,811 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Current Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.30
Banks	0.46	0.56	-	-
Financial Assets at Fair Value Through Profit or Loss	4.21	4.14	-	7.95
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	6.13	-	8.87
Loans	7.38	6.49	8.04	13.70
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	2.85	-	-
Other Deposits	2.72	2.80	-	9.75
Interbank Money Market Placements	-	-	-	6.88
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	4.22	2.50	-	9.41

(*) Stated at compound interest rates.

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	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 Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	100,790	-	-	-	-	55,296	156,086
Banks	234,732	-	-	-	-	4,194	238,926
Financial Assets at Fair Value Through Profit or Loss	4,350	2,778	764	265	237	-	8,394
Interbank Money Market Placements	369,154	-	-	-	-	-	369,154
Investment Securities Av.-for-Sale	12,197	-	-	1,882	8,898	-	22,977
Loans	740,782	256,842	252,696	295,613	53,600	30,123	1,629,656
Investment Securities Held-to-Mat.	68,434	127,523	91,051	77,060	-	-	364,068
Other Assets	105	-	-	-	-	178,912	179,017
Total Assets	1,530,544	387,143	344,511	374,820	62,735	268,525	2,968,278
Liabilities							
Bank Deposits	16,207	-	-	-	-	492	16,699
Other Deposits	1,156,575	242,370	29,951	20	-	86,550	1,515,466
Interbank Money Market Placements	207,019	-	-	-	-	-	207,019
Miscellaneous Payables	-	-	-	-	-	13,447	13,447
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	59,771	467,719	175,036	695	-	-	703,221
Other Liabilities	12,730	4,176	1,217	137	-	494,166	512,426
Total Liabilities	1,452,302	714,265	206,204	852	-	594,655	2,968,278
Balance Sheet Long Position	78,242	-	138,307	373,968	62,735	-	653,252
Balance Sheet Short Position	-	(327,122)	-	-	-	(326,130)	(653,252)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	78,242	(327,122)	138,307	373,968	62,735	(326,130)	-

(*) Tangible and intangible assets amounting to TL 79,374, subsidiaries amounting to TL 105, assets held for sale amounting to TL 33,881, tax assets amounting to TL 3,009 and other assets amounting to TL 62,543 are presented within other assets as non-interest bearing; provisions amounting to TL 15,985, tax liability amounting to TL 9,614, other liabilities amounting to TL 27,091 and equity amounting to TL 441,476 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Prior Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.18	0.15	-	12.55
Banks	2.18	0.30	-	16.18
Financial Assets at Fair Value Through Profit or Loss	7.33	6.83	-	16.69
Interbank Money Market Placements	-	-	-	16.18
Investment Securities Available-for-Sale	-	8.27	-	20.66
Loans	9.50	8.30	7.51	28.63
Investment Securities Held-to-Maturity	-	-	-	19.19
Liabilities				
Bank Deposits	-	-	-	15.89
Other Deposits	5.66	5.66	0.50	23.23
Interbank Money Market Placements	-	-	-	16.36
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	6.29	3.95	1.82	16.23

(*) Stated at compound interest rates.

Possible effects of sensitivity to interest rates on net income and equities in the future

The interest rate sensitivity of the income statement as at 31 December 2009 and 2008 is calculated by the effect of possible changes in interest rates on the floating rate, non-trading financial assets and liabilities. The sensitivity of the equity is calculated by the revaluation of the available for sale securities portfolio based on possible interest rate changes. Tax effects are ignored during calculations. Other variables, especially foreign exchange rates are held constant in the analysis.

	Income Statement		Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2009				
Financial assets at fair value through profit or loss	(20)	20	(20)	20
Financial assets available for sale	-	-	(1,632)	1,641
Floating rate financial liabilities	(474)	432	(474)	432
Total, net	(494)	452	(2,126)	2,093
	Income Statement		Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2008 (**)				
Financial assets at fair value through profit or loss	(1,287)	1,313	(1,287)	1,313
Financial assets available for sale	-	-	(4,445)	4,554
Floating rate financial liabilities	(1,742)	1,748	(1,742)	1,748
Total, net	(3,029)	3,061	(7,474)	7,615

(*) Equity effect includes the sensitivity of income statement when interest rate increases or decreases 100 bp.

(**)The amounts at 31 December 2008 include effects of changes in interest rates on held for trading securities and available for sale securities which are reclassified to held to maturity securities.

VII. Consolidated liquidity risk

Liquidity risk occurs when there is an insufficient amount of cash or cash inflows to fulfill the cash outflows in full and on time, resulting from the unstable cash inflows.

Liquidity risk may occur when there is an inadequate market penetration and the open positions cannot be closed on a timely basis with an appropriate price and sufficient amount due to barriers and break-ups at the markets.

The Parent Bank monitors the liquidity position on a daily basis. Cash flow pojections are examined and accordingly appropriate amounts of positions are determined in the weekly Asset-Liability Commission meetings. Alternative strategies are evaluated in case of a liquidity shortage. The available free lines in the ISE Settlement and Custody Bank's Stock Exchange Money Market, Interbank and secondary market are monitored frequently. Regarding maturity mismatch risk in the balance sheet, the maximum limits have been set by the Board of Directors.

Major part of the liquidity has been maintained by the deposits in the Parent Bank. Additionally, the volume of deposits has retained a stable path during the period. On the contrary, the parent Bank executes the strategy of increasing long-term loans from international markets rather than loans from domestic secondary market.

Presentation of assets and liabilities according to their residual maturities:

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	89,502	51,694	-	-	-	-	-	141,196
Banks	5,162	49,564	3,449	1,280	-	-	-	59,455
Financial Assets at Fair Value Through Profit or Loss	-	2,754	394	214	161	278	-	3,801
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	278	8,272	18,246	12,664	170,682	20,300	-	230,442
Loans	-	661,449	275,743	326,867	226,026	55,600	41,878	1,587,563
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	23,273	5	26	62	2,022	92,162	117,550
Total Assets	94,942	797,006	297,837	341,051	396,931	78,200	134,040	2,140,007
Liabilities								
Bank Deposits	110	3,011	-	-	-	-	-	3,121
Other Deposits	100,601	930,307	399,982	26,248	44	-	-	1,457,182
Funds Borrowed from Other Financial Institutions	-	2,282	4,619	106,266	33,199	-	-	146,366
Interbank Money Markets	-	5,653	-	-	-	-	-	5,653
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	8,236	1,433	-	-	-	-	-	9,669
Other Liabilities	27,704	7,043	2,881	92	2	-	480,294	518,016
Total Liabilities	136,651	949,729	407,482	132,606	33,245	-	480,294	2,140,007
Net Liquidity Gap	(41,709)	(152,723)	(109,645)	208,445	363,686	78,200	(346,254)	-
Prior Period								
Total Assets	59,769	1,322,383	390,136	403,454	538,636	109,808	144,092	2,968,278
Total Liabilities	127,581	1,435,344	284,153	549,208	114,531	-	457,461	2,968,278
Net Liquidity Gap	(67,812)	(112,961)	105,983	(145,754)	424,105	109,808	(313,369)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting TL to 73,262, subsidiaries amounting to TL 104, stationary supplies amounting to TL 509, assets held for sale amounting to TL 18,287, loans in follow-up amounting to TL 41,878 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 17,483 and equity amounting to TL 462,811 are included.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 January 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Parent Bank's liquidity ratios for 2009 are as follows:

	First Maturity Bracket		Second Maturity Bracket	
Liquidity Ratios	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio
31 December 2009	276.1	233.0	140.7	151.0
Average (%)	284.6	259.0	166.2	165.4
Max. (%)	481.1	348.4	266.0	218.1
Min. (%)	144.8	185.2	108.5	128.2

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The undiscounted cash outflows of the residual contractual maturities of the Parent Bank's financial liabilities are shown below.

31 December 2009	Carrying Value	Contractual cash flows	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more
Bank Deposits	3,121	3,121	110	3,011	-	-	-	-
Deposits from Customers	1,457,812	1,462,507	100,601	932,300	402,791	26,750	65	-
Due to Money Markets	5,653	5,653	-	5,653	-	-	-	-
Funds Borrowed	146,366	148,992	-	2,287	4,648	107,468	34,589	-
Total	1,612,322	1,620,273	100,711	943,251	407,439	134,218	34,654	-

31 December 2008	Carrying Value	Contractual cash flows	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more
Bank Deposits	16,699	16,705	492	16,213	-	-	-	-
Deposits from Customers	1,515,466	1,528,019	86,550	1,164,276	246,167	31,002	24	-
Due to Money Markets	207,019	207,105	-	207,105	-	-	-	-
Funds Borrowed	703,221	725,272	-	38,274	36,507	530,889	119,602	-
Total	2,442,405	2,477,101	87,042	1,425,868	282,674	561,891	119,626	-

Presentation of residual maturities of the derivative financial assets and liabilities:

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more	Total
Currency Derivative Instruments (I)	1,597,552	94,825	102,078	-	-	1,794,455
Forward Foreign Currency Purchases	236,015	21,456	12,071	-	-	269,542
Forward Foreign Currency Sales	236,834	21,487	12,061	-	-	270,382
Currency Swaps-Purchases	397,867	7,209	11,720	-	-	416,796
Currency Swaps-Sales	397,396	7,315	11,741	-	-	416,452
Currency Futures-Purchases	-	-	-	-	-	-
Currency Futures-Sales	-	-	-	-	-	-
Currency Options-Purchases	164,728	18,679	27,243	-	-	210,650
Currency Options-Sales	164,712	18,679	27,242	-	-	210,633
Interest Rate Derivative Instruments (II)	-	-	-	-	-	-
Forward Foreign Currency Purchases/Sales	-	-	-	-	-	-
Interest Rate Swaps-Purchases/Sales	-	-	-	-	-	-
Interest Rate Options-Purchases/Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases/Sales	-	-	-	-	-	-
Others (III)	-	-	-	-	-	-
Total (I+II+III)	1,597,552	94,825	102,078	-	-	1,794,455

VIII. Presentation of financial assets and liabilities at their fair value

In the current priod, the investment securities include only financial assets available for sale securites. Estimated fair value of financial assets available for sale are determined by their listed market prices or prices of instruments with similar interest rates, maturities and other variables, in case an active market is not available.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities. The estimated fair values of fixed rate loans are calculated by using discounted cash flows with current market rates. The fair value of loans with floating interest rate represents its carrying value. The fair value of miscellaneous payables represents its carrying amount because of short term maturity.

In the table below; fair values and book values of some of the financial assets and liabilities are presented.

	Carrying value		Fair value	
	Current period	Prior period	Current period	Prior period
Financial Assets	1,835,582	2,594,658	1,838,844	2,577,958
Money market placements	-	369,154	-	369,154
Due from banks and other financial institutions	59,455	238,926	59,455	238,926
Investment securities available-for-sale	230,442	22,977	230,442	22,977
Investment securities held-to-maturity	-	364,068	-	368,336
Loans	1,545,685	1,599,533	1,548,947	1,578,565
Financial Liabilities	1,616,338	2,248,833	1,617,955	2,244,732
Bank deposits	3,121	16,699	3,121	16,699
Other deposits	1,457,182	1,515,466	1,458,156	1,517,397
Funds borrowed from other financial institutions	146,366	703,221	147,009	697,189
Marketable securities issued	-	-	-	-
Miscellaneous payables	9,669	13,447	9,669	13,447

XI. Activities carried out on behalf and account of other persons

Group performs sales, purchase, management, consultancy and custody services on behalf and account of others.

The Parent Bank is not involved in fiduciary activities.

X. Consolidated segment reporting

The Group is active in three areas, namely, retail banking, corporate banking and investment banking and treasury.

Corporate banking offers TL and foreign currency loans, corporate deposit operations, cash management, foreign currency purchases and sales, non-cash transactions (letters of credit, letters of guarantee, prefinancing, bills of exchange) and custody services.

Treasury department is consisted of marketing, foreign currency-TL and securities units and markets, both in the name of the Bank and its customers, bonds, foreign exchange transactions and hedging purpose derivative products including swaps and options. Tekstil Menkul gives agency services in capital markets products and provides investment fund and portfolio management services.

Servicing the middle-upper segment of retail customers who require sophisticated banking and investment services falls within the scope of retail banking. Credit card services is also within the activities of retail banking.

Information related to the segments of the Group:

Segment reporting is prepared according to the 28th article of the BRSA's "Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated 1 November 2006 which is published in the Official Gazette No. 26333.

Current Period	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating Income	21,095	101,090	54,986	177,171
Operating profit of segment	3,139	25,945	(9,520)	19,564
Costs not distributed	-	-	-	-
Operating profit	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit before tax	3,139	25,945	(9,520)	19,564
Tax provision (-)	-	-	3,405	3,405
Profit after tax	3,139	25,945	(12,925)	16,159
Minority rights	-	-	-	-
Net Profit	3,139	25,945	(12,925)	16,159
Segment assets (*)	204,328	1,383,235	552,340	2,139,903
Investments in subsidiaries	-	-	104	104
Total Assets	204,328	1,383,235	552,444	2,140,007
Segment liabilities (*)	943,631	516,672	216,893	1,677,196
Equity	-	-	462,811	462,811
Total Liabilities	943,631	516,672	679,704	2,140,007
Other Segment Items	500	1,211	9,701	11,412
Capital expenditure	-	-	665	665
Depreciation and amortization	500	1,211	3,732	5,443
Impairment losses (**)	-	-	5,304	5,304
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) Assets in others column contain tangible assets, intangible assets, assets held for sale, deferred tax assets and assets not distributed. Liabilities in others column contain general provisions, reserve for employee benefits, current tax liabilities and liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets, assets to be disposed off and associates.

In the table above, corporate banking, retail banking and investment banking and others represent 65%, 10%, 25%, respectively, of the balance sheet. Corporate banking, investment banking and others, and retail banking represent 57%, 31% and 12%, respectively, of the operating income.

SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to assets

1. Information related to cash and balances with the Central Bank of Turkey:

a) Cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	7,116	10,385	9,328	11,660
Central Bank of Turkey	51,721	71,974	32,200	102,898
Others	-	-	-	-
Total	58,837	82,359	41,528	114,558

b) Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	51,721	23,992	32,200	34,342
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	47,982	-	68,556
Total	51,721	71,974	32,200	102,898

c) Explanation related to reserve deposits:

According to the circular no. 2005/1 of the Central Bank of Turkey, "Circular on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to 5% of the liabilities in Turkish Lira and 9% of the liabilities in foreign currencies beginning from 5 December 2008. The Central Bank of Turkey makes interest payments on a quarterly basis. As at 31 December 2009, the interest rates applied for Turkish Lira reserve deposits by the Central Bank is 5.2% and interest rate is nil for foreign currency reserve deposits after 5 December 2008.

2. Financial assets at fair value through profit or loss:

a) Financial assets at fair value through profit or loss given as collateral/blocked and subject to repurchase agreements:

As at 31 December 2009 and 31 December 2008, the financial assets at fair value through profit or loss are all unrestricted.

b) Positive value of trading derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	356	754	3,982	2,434
Swap transactions	165	1,680	-	901
Futures	-	-	-	-
Options	101	39	108	5
Other	-	-	-	-
Total	622	2,473	4,090	3,340

3. Information on banks:

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	12	59,443	60,034	178,892
Domestic	12	50,163	60,034	31,094
Foreign	-	9,280	-	147,798
Foreign branches	-	-	-	-
Total	12	59,443	60,034	178,892

b) Foreign banks :

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	7,149	139,731	-	-
USA, Canada	872	7,601	-	-
OECD Countries*	1,259	466	-	-
Off shore zones	-	-	-	-
Other	-	-	-	-
Total	9,280	147,798	-	-

(*) OECD countries except for the EU countries, the USA and Canada

4. Information on investment securities available-for-sale (net):

a) Investment securities available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as collateral or blocked	31,133	9,936	-	8,898
Subject to repurchase agreements	5,696	-	-	-
Total	36,829	9,936	-	8,898

Financial assets available-for-sale other than those given as collateral or subject to repurchase agreements amount to TL 183,677 (31 December 2008: TL 14,079).

b) Available-for-sale securities:

	Current Period	Prior Period
Debt instruments	233,494	23,346
Listed	223,130	11,428
Unlisted	10,364	11,918
Equity instruments	278	279
Listed	278	279
Unlisted	-	-
Impairment provision (-)	(3,330)	(648)
Total	230,442	22,977

5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	7,607	-	8,392	-
Corporate shareholders	7,607	-	8,392	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	71,090	3,874	32,540	5,722
Loans granted to employees	1,456	-	1,190	-
Total	80,153	3,874	42,122	5,722

- b) Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled:

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	1,499,124	19	32,630	13,912
Discount Notes	29,222	-	-	-
Export Loans	194,974	-	1,596	986
Import Loans	-	-	-	-
Loans Given to Financial Sector	221,175	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	153,509	-	17,518	-
Credit Cards	31,100	-	3,694	-
Precious Metal Loans	-	-	-	-
Other	869,144	19	9,822	12,926
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1,499,124	19	32,630	13,912

(*) Loans which are classified in group II have been restructured or rescheduled in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" temporary.

- c) Information on cash loans according to maturity structure concentration:

Cash Loans	Standard Loans and Other Receivables		Loans and Receivables Under Close Monitoring	
	Loans and other receivables	Restructured or Rescheduled	Loans and other receivables	Restructured or Rescheduled
Short term Loans and Other Receivables	1,195,429	-	14,074	5,437
Non specialized Loans	1,195,429	-	14,074	5,437
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Middle and Long term Loans and Other Receivables	303,695	19	18,556	8,475
Non specialized Loans	303,695	19	18,556	8,475
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1,499,124	19	32,630	13,912

d) Information on consumer loans, credit cards, loans given to employees and employee credit cards:

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	15,915	127,593	143,508
Real estate Loans	3,151	60,632	63,783
Automotive Loans	740	9,682	10,422
Consumer Loans	11,849	55,976	67,825
Other	175	1,303	1,478
Consumer Loans-Indexed to FC	328	23,910	24,238
Real estate Loans	328	21,561	21,889
Automotive Loans	-	708	708
Consumer Loans	-	1,641	1,641
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards-TL	31,894	-	31,894
Installment	5,162	-	5,162
Non installment	26,732	-	26,732
Credit Cards-FC	308	-	308
With Installment	-	-	-
Without Installment	308	-	308
Loans Given to Employees-TL	176	342	518
Real estate Loans	-	31	31
Automotive Loans	-	-	-
Consumer Loans	176	311	487
Other	-	-	-
Loans Given to Employees – Indexed to FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Loans Given to Employees – FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Employee Credit Cards-TL	891	-	891
With Installment	281	-	281
Without Installment	610	-	610
Employee Credit Cards-FC	47	-	47
Without Installment	-	-	-
Without Installment	47	-	47
Overdraft Account-TL (Individual)	2,763	-	2,763
Overdraft Account-FC (Individual)	-	-	-
Total	52,322	151,845	204,167

e) Information on installment corporate loans and corporate credit cards:

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	30,140	71,991	102,131
Real Estate Loans	-	2,614	2,614
Automotive Loans	254	13,916	14,170
Consumer Loans	1,945	-	1,945
Other	27,941	55,461	83,402
Installment Corporate Loans – Indexed to FC	5,189	35,286	40,475
Real Estate Loans	-	128	128
Automotive Loans	69	8,141	8,210
Consumer Loans	3,964	2,580	6,544
Other	1,156	24,437	25,593
Installment Corporate Loans – FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	1,644	-	1,644
With Installment	181	-	181
Without Installment	1,463	-	1,463
Corporate Credit Cards – FC	10	-	10
With Installment	-	-	-
Without Installment	10	-	10
Overdraft Account-TL (Commercial)	5,721	-	5,721
Overdraft Account-FC (Commercial)	-	-	-
Total	42,704	107,277	149,981

f) Loan concentration according to counterparty:

	Current Period	Prior Period
Public sector	-	-
Private sector	1,545,685	1,599,533
Total	1,545,685	1,599,533

i) Domestic and international loans:

	Current Period	Prior Period
Domestic loans	1,545,685	1,598,515
Foreign loans	-	1,018
Total	1,545,685	1,599,533

i) Loans granted to subsidiaries and associates: None.

i) Specific provisions for loans:

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectibility	3,375	5,774
Loans and Receivables with Doubtful Collectibility	20,886	8,200
Uncollectible Loans and Receivables	32,251	9,268
Total	56,512	23,242

j) Information on non-performing loans (Net):

j.1) Information on loans under follow-up, loans and other receivables those are restructured/rescheduled: None.

j.2) Information on total non-performing loans:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Balances at Beginning of Period	23,410	17,443	12,512
Additions (+)	62,883	6,310	3,522
Transfers from Other Categories of Non- Performing Loans (+)	-	71,495	47,535
Transfers to Other Categories of Non-Performing Loans (-)	71,495	47,535	-
Collections (-)	5,511	2,787	8,021
Write-offs (-)	1,181	5,078	5,112
Corporate and Commercial Loans	1,181	5,078	5,112
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balances at End of the Period	8,106	39,848	50,436
Specific Provisions (-)	3,375	20,886	32,251
Net Balance on Balance Sheet	4,731	18,962	18,185

j.3) Information on non-performing loans in foreign currencies: None.

j.4) Information on non-performing loans according to beneficiary group:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current Period (Net)	4,731	18,962	18,185
Loans Allowed to Real Persons and Corporate Bodies (Gross)	8,106	39,848	50,436
Specific provision (-)	3,375	20,886	32,251
Loans Allowed to Real Persons and Corporate Bodies (Net)	4,731	18,962	18,185
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	17,636	9,243	3,244
Loans Allowed to Real Persons and Corporate Bodies (Gross)	23,410	17,443	12,512
Specific provision (-)	5,774	8,200	9,268
Loans Allowed to Real Persons and Corporate Bodies (Net)	17,636	9,243	3,244
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

k) Liquidation policy for uncollectible loans and receivables:

In accordance with “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside” published on the Official Gazette no.26333 dated 1 November 2006, Loans and other receivables are written off with the decision taken by the Parent Bank’s management if the collection is not possible.

l) Information on policy for write-offs :

As a result of legal follow up relating to loan impairment, the loans and other receivables that 100% allowance provided for in accordance with the “Provisions Communiqué”, have no collateral and have no evidence of insolvency after legal follow-up are netted-off from allowance provided for them and presented as in the balance sheet. Procedures are performed in accordance with the tax code and they are reclassified as uncollectible loans, and if there would be a collection from this loans, collected amounts are recorded as income and included in corporate tax.

6. Information on investment securities held-to-maturity (Net):

a) Information on subject to repurchase agreement and given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as collateral or blocked	-	-	3,801	-
Subject to Repurchase Agreement	-	-	220,212	-
Total	-	-	224,013	-

As at 31 December 2008, investment securities held-to-maturity other than those subject to repurchase agreements and given as collateral or blocked is TL 140,055.

b) Information on accounts in which government securities held-to-maturity are reflected :

	Current Period	Prior Period
Government Bonds	-	364,068
Tresury Bills	-	-
Other Government Securities	-	-
Total	-	364,068

c) Information on investment securities held-to-maturity:

	Current Period	Prior Period
Debt Securities	-	365,346
Listed	-	365,346
Unlisted	-	-
Impairment(-)	-	(1,278)
Total	-	364,068

d) Information on the movement of investment securities held-to-maturity during the period :

	Current Period	Prior Period
Balance at the beginning of the period	364,068	-
Foreign exchange differences	-	-
Purchases	-	365,346
Sales and redemptions	(174,536)	-
Transfers to available for sale portfolio	(189,532)	-
Impairment (-)	-	(1,278)
Balance at the end of the period	-	364,068

The Parent Bank has sold a significant portion of its securities amounting to TL 364,068 classified in held to maturity portfolio as at 31 December 2008, before the maturity dates of such securities in year 2009. For this reason, the Parent Bank can not classify its financial assets as held to maturity securities for the following two years beginning from 1 January 2009. The carrying value of the such financial assets is TL 189,532 as of first reporting date; 31 March 2009 and the carrying value of such financial assets classified as available for sale securities is TL 193,144 as at 31 December 2009.

7. Investments in associates (Net):

Tekstil Menkul Değerler A.Ş., the subsidiary of the Parent Bank, participated in “Gelişen İşletmeler Piyasaları A.Ş.” with TL 100 which is 1% of its share capital and paid TL 50 in cash and recorded in consolidated financial statements.

8. Investments in subsidiaries (Net):

Information related to subsidiaries:

a) Information on subsidiaries not consolidated:

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage(%)	Bank's Risk Group Share Percentage (%)
Tekstil Bilişim Hizmetleri ve Ticaret A.Ş. (*) (Bilişim)	Istanbul/Turkey	99.97	100.00

(*)As explained in Third Section Note III, Bilişim is not consolidated.

b) Information on subsidiaries according to information above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
54	54	1	6	-	(1)	(4)	-

c) Movement of subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	55	107
Movements during the Period	(1)	(52)
Purchases	-	-
Bonus shares received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	(1)	(52)
Balance at the End of the Period	54	55
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

d) Sectoral distribution of subsidiaries:

	Current Period	Prior Period
Subsidiaries		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	-	-
Other Non Financial Subsidiaries	54	55
Total	54	55

e) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage	Banks Risk Group Share Percentage (%)
Tekstil Menkul Değerler A.Ş. (Tekstil Menkul)	Istanbul/Turkey	99.92	100.00
The Euro Textile International Banking Unit Ltd. (ETB)	Lefkoşa/Cyprus	99.99	100.00

f) Information on subsidiaries according to information above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
8,401	6,291	155	490	4,535	3,019	(245)	-
12,821	(1,280)	2	2,676	-	(429)	(7,106)	-

g) Movement of consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	10,794	10,794
Movements during the Period	(501)	-
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	(501)	-
Increase/(Decrease) of FC subsidiaries due to effect of F/X Revaluation	-	-
Balance at the End of the Period	10,293	10,794
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

h) Sectoral distribution of consolidated subsidiaries:

	Current Period	Prior Period
Subsidiaries		
Banks	2,203	5,310
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	8,090	5,484
Other Non Financial Subsidiaries	-	-
Total	10,293	10,794

i) Listed subsidiaries: None.

j) Subsidiaries disposed during the current period: None.

k) Subsidiaries purchased in the current period: None.

9. Information on Joint Ventures:

None.

10. Information on Financial Lease Receivables (net):

None.

11. Information on hedging purpose derivatives:

None.

12. Information on tangible assets (Net) :

	Land and buildings	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Prior Period End: 31/12/2008					
Cost	79,175	8,231	851	40,112	128,369
Accumulated Depreciation (-)	13,255	5,978	557	31,877	51,667
Net Book Value	65,920	2,253	294	8,235	76,702
Current Period End: 31/12/2009					
Net Book Value at the Beginning of the Period	65,920	2,253	294	8,235	76,702
Additions	-	-	-	543	543
Disposals, net (-) (*)	-	2	35	886	923
Impairment	(561)	-	-	-	(561)
Depreciation (-)	1,495	944	112	1,996	4,547
Cost at year end	78,614	8,225	811	37,162	124,812
Accumulated Depreciation at year end (-)	14,750	6,918	664	31,266	53,598
Closing Net Book Value	63,864	1,307	147	5,896	71,214

	Land and buildings	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Prior Period End: 31/12/2007					
Cost	80,283	8,323	809	46,050	135,465
Accumulated Depreciation (-)	11,764	5,243	389	39,407	56,803
Net Book Value	68,519	3,080	420	6,643	78,662
Current Period End: 31/12/2008					
Net Book Value at the Beginning of the Period	68,519	3,080	420	6,643	78,662
Additions	-	486	42	3,623	4,151
Disposals, net (-) (*)	-	67	-	83	150
Impairment	(1,108)	-	-	-	(1,108)
Depreciation (-)	1,491	1,246	168	1,948	4,853
Cost at year end	79,175	8,231	851	40,112	128,369
Accumulated Depreciation at year end (-)	13,255	5,978	557	31,877	51,667
Closing Net Book Value	65,920	2,253	294	8,235	76,702

(*) The cost and accumulated depreciation of assets held for sales is as follows:

	Land and buildings	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Current Period					
Cost	-	6	40	3,493	3,539
Accumulated Depreciation (-)	-	4	5	2,607	2,616
Net disposal amount	-	2	35	886	923

13. Intangible assets:

- a) The gross book value and accumulated amortization amounts at the beginning and at the end of the period:

	Current Period	Prior Period
Gross Book Value	17,244	17,126
Accumulated Amortization (-)	15,196	14,454
Total	2,048	2,672

- b) Movement of intangible assets:

	Current Period	Prior Period
Beginning of the period	2,672	2,061
Additions Resulting from Mergers, Acquisitions and Purchases	122	1,366
Disposals (-)	-	-
Accumulated Amortization (-)	746	755
Prior End	2,048	2,672

14. Information on investment properties:

None.

15. Information on deferred tax assets:

- a) Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax credits:

The Parent Bank has net deferred tax asset amounting TL 2,022 (31 December 2008: TL 3,009) which was calculated on deductible temporary differences except general provisions and tax losses at 31 December 2009.

Deferred tax effects of items charged or credited to equity are also charged or credited directly to equity.

- b) Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet: None.

16. Information on assets held for sale and discontinued operations:

The Parent Bank has no asset held for sale and discontinued operation as of 31 December 2009 and 31 December 2008.

17. Information on other assets:

The Group has properties and assets acquired against non performing loans and they are recorded under assets to be disposed of account and are presented under other assets.

Movement of such assets are as follows:

	Current Period	Prior Period
Opening Balance, net	33,881	28,244
Purchases	6,014	12,008
Disposals, net (-)	23,036	4,857
Impairment (-)	(1,578)	1,198
Current Period Depreciation(-)	150	316
Closing Net Book Value	18,287	33,881

Other assets other than assets held for sale amounting to TL 23,875 (net) (31 December 2008: TL 62,648) do not exceed 10% of total assets.

II. Information and disclosures related to liabilities

1. Information on deposits:

a) Information on maturity profile of deposits:

The Parent Bank does not have any deposits callable in 7 days informed deposits.

a.1) Current Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cummulative Deposits	Total
Saving Deposits	7,157	154,348	363,522	16,607	1,450	1	40	543,125
Foreign Currency Deposits	54,773	256,563	389,160	16,749	14,571	993	4	732,813
Residents in Turkey	52,842	251,598	372,571	10,957	5,311	621	4	693,904
Residents Abroad	1,931	4,965	16,589	5,792	9,260	372	-	38,909
Public Sector Deposits	4,733	7	-	-	-	-	-	4,740
Commercial Deposits	33,124	100,589	29,286	11,488	6	-	-	174,493
Other Ins. Deposits	814	531	654	8	4	-	-	2,011
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	110	3,011	-	-	-	-	-	3,121
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	21	3,011	-	-	-	-	-	3,032
Foreign Banks	89	-	-	-	-	-	-	89
Special Financial Inst.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	100,711	515,049	782,622	44,852	16,031	994	44	1,460,303

a.2) Prior Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cummulative Deposits	Total
Saving Deposits	6,153	253,875	469,475	1,595	3,378	365	-	734,841
Foreign Currency Deposits	38,053	244,852	237,678	19,780	21,319	9,410	-	571,092
Residents in Turkey	36,142	235,069	225,578	15,214	11,487	677	-	524,167
Residents Abroad	1,911	9,783	12,100	4,566	9,832	8,733	-	46,925
Public Sector Deposits	10,457	3	-	-	-	-	-	10,460
Commercial Deposits	30,356	123,424	39,295	2,817	1	1	-	195,894
Other Ins. Deposits	1,531	270	1,360	9	9	-	-	3,179
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	492	16,207	-	-	-	-	-	16,699
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	492	16,207	-	-	-	-	-	16,699
Foreign Banks	-	-	-	-	-	-	-	-
Special Financial Inst.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	87,042	638,631	747,808	24,201	24,707	9,776	-	1,532,165

b) Information on Deposit Insurance:

b.1) Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit:

Saving Deposits	Covered by Deposit Insurance Fund	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Exceeding the Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	253,926	291,546	280,218	424,177
Foreign Currency Savings Deposits	108,780	109,440	278,997	262,169
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	362,706	400,986	559,215	686,346

b.2) Explanations on savings deposits, held at Foreign Bank's branch located in Turkey, and covered at the country where HQ is located: None.

b.3) Saving deposits not covered by deposit insurance: TL 25,617 (31 December 2008: TL 41,432)

Saving deposits that are not covered under the guarantee of deposit insurance fund:

	Current Period	Prior Period
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	10,297	10,154
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	10,444	9,680
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established in Turkey.	4,876	21,598

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	241	1,727	3,355	1,892
Swaps	613	721	-	3,961
Futures	-	-	-	-
Options	283	59	125	5
Other	-	-	-	3,612
Total	1,137	2,507	3,480	9,470

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	7,588	31,989	22,660	49,081
Foreign Banks, Institutions and Funds	-	106,789	-	631,480
Total	7,588	138,778	22,660	680,561

b) Maturities of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	7,588	61,792	22,660	551,483
Medium and Long-Term	-	76,986	-	129,078
Total	7,588	138,778	22,660	680,561

c) Additional information on concentrations of the Bank's liabilities:

The Parent Bank diversifies its funding resources with customer deposits and funds borrowed from foreign banks. The Parent Bank makes concentration analysis for the customers providing funds in branch basis and takes long and short term actions to generalize the customers in these branches. Funds borrowed consist of funds with different characteristics like syndication, money market, post-finance and maturity-interest structures and provided from different institutions. There is no risk concentration in the Parent Bank's fund sources.

4. Information on other liabilities:

Other liabilities are amounting to TL 28,585 (31 December 2008: TL 31,035) and do not exceed 10% of total liabilities excluding the off-balance sheet commitments.

5. Obligations under financial leases:

Lease rent payments are determined according to related asset's cost, market interest rates and lease term. The Group does not have significant obligations on financial lease agreements.

Obligations under financial leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	139	135	1,289	1,229
Between 1-4 years	2	2	141	137
More than 4 years	-	-	-	-
Total	141	137	1,430	1,366

6. Information on liabilities arising from hedging purpose derivatives:

None.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for Loans and Receivables in Group I	7,689	8,083
Provisions for Loans and Receivables in Group II	913	828
Provisions for Non Cash Loans	1,072	1,324
Other	103	55
Total	9,777	10,290

b) Information on reserve for employee rights:

In accordance with existing legislation in Turkey, the Bank and its subsidiary in Turkey have to make certain lump-sum payments to employees who has completed one year of service with the Bank and whose employment is terminated due to retirement or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

Such payments are calculated on the basis of 30 days' pay, as at 31 December 2009, at ceiling amount of TL 2,365 full (31 December 2008: TL 2,173 full), per year of employment at the rate of pay applicable at the date of retirement or termination. The liability is not funded, since there is no funding requirement.

The Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in accordance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits". The major actuarial assumptions used in the calculation of the total liability are as follows:

	Current Period	Prior Period
Discount Ratio (%)	5.92	6.26
Expected Salary/ETI Liability Ceiling Increase Rate (%)	4.80	5.40

It is assumed that the ceiling amount would increase by the rate of inflation.

Movement of ETI liabilities is as below:

	Current Period	Prior Period
Prior Period End Amount	1,456	1,455
Current year provisions/ (reversal of provision)	2,626	2,279
Paid in current year	(1,938)	(2,278)
Period end amount	2,144	1,456

The Group also has vacation pay liabilities amounting TL 2,521 (31 December 2008: TL 2,590) as at 31 December 2009.

c) Provision for foreign exchange gain/loss on foreign currency indexed loans:

Foreign exchange differences on foreign currency indexed loans amounting TL 753 (31 December 2008: TL 757) are netted with loans on the asset side.

d) Specific provisions for non cash loans that are not indemnified and converted into cash:

As at 31 December 2009, the Group has provision amounting to TL 4,429 (31 December 2008: TL 5,596) for non cash loans that are not indemnified and converted into cash and TL 2,684 (31 December 2008: 1,121) for undeniable commitments.

e) Information on other provisions:

e.1) Information on provision for possible risks: None.

e.2) Information on provision for promotions related with banking services:

As at 31 December 2009, the Parent Bank has provision for credit card service promotions amounting TL 357 (31 December 2008: TL 528).

8. Taxation:

a) Current tax liability: As at 31 December 2009, corporate taxes payable of the Parent Bank is TL 634 (31 December 2008: TL 130).

b) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	634	130
Taxation on securities	1,255	3,325
Capital gains tax on property	118	109
Banking Insurance Transaction Tax (BITT)	1,282	3,211
Taxes on foreign exchange transactions	-	-
Value added tax payable	54	59
Other	1,134	1,570
Total	4,477	8,404

c) Information on premiums payable:

	Current Period	Prior Period
Social security premiums- employee share	383	530
Social security premiums- employer share	413	568
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	29	38
Unemployment insurance- employer share	52	74
Other	2	-
Total	879	1,210

d) Information on deferred tax liabilities:

Deferred tax liability is netted off with deferred tax assets.

9. Information on payables related to assets held for sale:

None.

10. Information on subordinated loans:

None.

11. Information on shareholders' equity:

a) Paid in capital:

	Current Period	Prior Period
Common Stock	420,000	420,000
Preferred Stock	-	-

The paid-in share capital of the Bank is represented by 4,200 million registered shares of one 0.1 Turkish Liras each.

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital: Not applicable at the Bank.

c) Information on share capital increases and their sources; other information on any increase in capital shares during the current period:

None.

d) Information on share capital increases from revaluation funds:

None.

e) Capital commitments for current financial year and following period: None.

f) Prior period indicators of the Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators: None.

g) Information on the privileges given to stocks representing the capital: The Parent Bank's capital is consist of 70% A Type Share and 30% B Type Share. The three out of five Board of Directors members are voted by A Type share holders, two out of five members are voted by B Type share holders. There are no other privileges.

h) Information on securities revaluation fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates and subsidiaries	-	-	-	-
Financial assets available-for-sale	3,582	500	(361)	(602)
Foregin exchange difference	-	-	-	-
Total	3,582	500	(361)	(602)

Information on portion of foreign currency securities that are related to marketable securities valuation funds:

Portion of foreign currency securities which are related with the marketable securities valuation funds is presented as difference between fair values and amortized costs of the government bonds classified as investment securities available-for-sale.

III. Information on disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term	142,533	16,077	281,111	26,950
Medium and Long Term	42,013	3,051	43,962	4,258
Loans Under Follow-Up	3,189	-	1,563	-
Source Utilization Support Fund	-	-	-	-
Total	187,735	19,128	326,636	31,208

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	3,299	-	6,998	470
Domestic Banks	1,675	101	1,676	1,635
Foreign Banks	380	1,165	-	5,310
Foreign Branches	-	-	-	-
Total	5,354	1,266	8,674	7,415

c) Information on interest income received from securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	57	45	10,406	418
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Investment Securities Available-for-Sale	29,223	1,376	23,140	1,632
Investment Securities Held-to-Maturity	2,330	-	23,980	-
Total	31,610	1,421	57,526	2,050

d) Information on interest income received from associates and subsidiaries: None.

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks (*)	1,515	13,435	4,885	31,602
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,515	1,354	4,755	2,732
Foreign Banks	-	12,081	130	28,870
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	1,515	13,435	4,885	31,602

(*) Includes fees and commission expenses related with funds borrowed.

b) Information on interest expense paid to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	5	9

c) Information on interest expense paid to securities issued: None.

d) Maturity structure of the interest expense on deposits:

The Group has no interest expense paid to 7 days informed and accumulating deposits.

Account Name	Demand Deposits	Time Deposits						Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over	Cumulative Deposits	
TL								
Bank Deposits	-	125	-	-	-	-	-	125
Saving Deposits	-	22,925	47,096	1,379	328	4	11	71,743
Public Sector Deposits	-	1	-	1,000	-	-	-	1,001
Commercial Deposits	-	7,746	5,241	110	20	-	-	13,117
Other Deposits	-	58	100	1	1	-	-	160
Total Turkish Lira	-	30,855	52,437	2,490	349	4	11	86,146
FC								
Foreign Currency Deposits	-	7,251	11,052	1,485	735	37	-	20,560
Bank Deposits	-	137	106	427	72	16	-	758
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	7,388	11,158	1,912	807	53	-	21,318
Total	-	38,243	63,595	4,402	1,156	57	11	107,464

3. Information on dividend income:

None.

4. Trading income / loss (net):

	Current Period	Prior Period
Profit	366,327	621,967
Capital Market Gains	12,722	3,693
Derivative Gains	244,448	322,874
Foreign Exchange Gains	109,157	295,400
Loss (-)	348,997	637,540
Capital Market Losses	139	586
Derivative Losses	249,898	327,202
Foreign Exchange Losses	98,960	309,752

Net loss from foreign currency changes of derivatives amounts to TL 5,106 (31 December 2008: 29,281 TL net profit).

5. Other operating income:

There is not any extraordinary event that would effect the Parent Bank's other operating income.

6. Impairment on loans and other receivables:

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	48,944	42,927
Loans and Receivables in Group III	4,512	11,025
Loans and Receivables in Group IV	23,813	22,506
Loans and Receivables in Group V	20,619	9,396
General Provision Expenses	-	-
Provision for Possible Losses	-	-
Impairment Losses on Securities:	3,172	15
Trading securities	-	15
Investment Securities Available-for-Sale	3,172	-
Other Impairment Losses:	1	389
Associates	-	-
Subsidiaries	1	52
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	337
Other	-	-
Total	52,117	43,331

7. Information related to other operational expenses:

	Current Period	Prior Period
Personnel Expenses	63,321	85,648
Reserve for Employee Termination Indemnity Benefits	619	83
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	699	-
Depreciation Expenses of Tangible Assets	4,547	4,853
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	746	755
Impairment of Investments in Associates	-	-
Impairment of Securities Held for Sale	1,432	1,468
Depreciation of Securities Held for Sale (*)	150	316
Impairment of Assets Held for Sale and	-	-
Other Operating Expenses	24,973	31,052
Operational Leases	9,446	10,043
Repair and Maintenance	1,243	1,649
Advertising	636	1,369
Other Expenses	13,648	17,991
Loss on Sales of Assets	2,462	119
Other	6,541	7,414
Total	105,490	131,708

8. Profit / loss before taxes for continued and discontinued operations:

Profit before taxes for continued operations is TL 19,564 for the year ended 31 December 2009 (31 December 2008: TL 7,466).

9. Profit / loss taxes for continued and discontinued operations:

a) Information on calculated current tax income or expense and deferred tax income or expense:

For the year ended 31 December 2009, current tax expense is TL 2,425 (31 December 2008- 130 TL).

For the year ended 31 December 2009, deferred tax expense is TL 980 (31 December 2008- TL 2,070).

b) Deferred tax charge arising from origination or reversal of temporary differences:

For the year ended 31 December 2009 deferred tax expense arising from temporary differences amounting TL 980 (31 December 2008- TL 2,070).

Besides, the change in the deferred tax liabilities consist of the revaluation of buildings amounting to TL 7 (31 December 2008: TL 56) is not reflected on the income statement, is netted-off from revaluation fund on tangible assets under equity.

c) Information on deferred tax income or expense by temporary difference, statutory loss and tax deduction and exception reflected to income table.

For the year ended 31 December 2009, deferred tax expense arising from temporary differences is TL 980 (31 December 2008: TL 2,070).

For the year ended 31 December 2009, there is no deferred tax income resulted from tax losses (31 December 2008: None).

10. Information on continued and discontinued operations net profit/loss:

Net profit from continued operations is TL 16,159 (2008: TL 5,266).

11. Information on net profit and loss:

- a) Any further explanation on operating results needed for better understanding of the Bank's performance: None.
- b) Any changes in estimations that might have a material effect on current and subsequent period results: None

12. Information related to the components of other items in the income statement exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group:

None.

IV. Information and disclosures related to consolidated off-balance sheet items

1. Disclosures related to other contingent liabilities

- a) Type and amount of irrevocable commitments: As at 31 December 2009, loan granting commitments amount to TL 38,723 (31 December 2008: TL 36,784), commitments for credit card limits amount to TL 200,692 (31 December 2008: TL 206,354) commitments for cheque payments amount to TL 68,107 (31 December 2008: TL 59,289), commitments for promotional operations re-credit cards amount to TL 726 (31 December 2008: TL 1,025), tax and fund obligations from export commitments is TL 63 (31 December 2008: TL 11).
- b) Type and amount of possible losses and commitments from off-balance sheet items: None.

Guarantees from off-balance sheet commitments are shown in Off-balance Sheet Commitments and Contingencies" table.

As at 31 December 2009, the Parent Bank has letters of guarantees amounting to TL 658,495 (31 December 2008: TL 822,215), bills of exchange and acceptances amounting to TL 305 (31 December 2008: TL 9,813), letters of credit amounting to TL 70,640 (31 December 2008: TL 135,126), prefinancing given as guarantee amounting to TL 1,402 (31 December 2008: TL 1,408) and other guarantees amounting to TL 24,724 (31 December 2008: TL 35,607).

c) Non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	59,228	90,224
With Original Maturity of 1 Year or Less	124	2,984
With Original Maturity of More Than 1 Year	59,104	87,240
Other Non-Cash Loans	696,338	913,945
Total	755,566	1,004,169

d) Sectoral risk concentration of non cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	4,427	1.18	16,553	4.36	3,804	0.84	24,779	4.50
Farming and Cattle	4,410	1.17	16,553	4.36	3,768	0.83	24,779	4.50
Forestry	17	0.01	-	-	36	0.01	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	105,236	28.02	103,888	27.33	110,839	24.44	165,375	30.03
Mining	5,234	1.39	591	0.16	4,260	0.94	6	-
Production	73,607	19.60	90,244	23.74	81,810	18.04	149,508	27.15
Electric, gas and water	26,395	7.03	13,053	3.43	24,769	5.46	15,861	2.88
Construction	124,746	33.22	138,652	36.48	166,814	36.78	190,525	34.60
Services	121,393	32.33	116,869	30.74	160,427	35.38	163,656	29.72
Wholesale and retail trade	69,874	18.61	49,123	12.92	102,859	22.67	73,979	13.43
Hotel, food and beverage								
Services	8,281	2.21	613	0.16	8,205	1.81	752	0.14
Transportation and telecommunication	12,930	3.44	4,404	1.16	17,131	3.78	8,038	1.46
Financial institutions	22,434	5.97	61,580	16.20	24,198	5.34	78,690	14.29
Real estate and renting								
Services	117	0.03	-	-	412	0.09	-	-
Self-employment services	6,867	1.83	1,149	0.30	5,747	1.27	2,134	0.39
Education services	28	0.01	-	-	263	0.06	-	-
Health and social services	862	0.23	-	-	1,612	0.36	63	0.01
Other	19,681	5.25	4,121	1.09	11,608	2.56	6,342	1.15
Total	375,483	100.00	380,083	100.00	453,492	100.00	550,677	100.00

e) Information on the first and second group non cash loans :

Non Cash Loans	I. Group		II. Group	
	TL	FC	TL	FC
Letters of guarantee	370,936	280,351	2,647	1,926
Bank acceptances	-	305	-	-
Letters of credit	11	70,629	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	26,126	-	-
Total	370,947	377,411	2,647	1,926

The Parent Bank has provided provisions amounting to TL 2,635 after considering the guarantees for the non cash loans classified as Group 5 loans amounting to TL 1,126. The Parent Bank also provided provisions amounting to TL 1,558 from the cheque commitments based on off-balance sheet transactions.

2. **Mutual Funds :**

The Parent Bank is the founder of B Type Liquid Fund, B Type Variable Fund and A Type Share Certificates Fund. Tekstil Menkul Değerler A.Ş. is the founder of A Type Variable Fund. As of 31 December 2009, total amount of funds that Group has founded is TL 73,826. (31 December 2008: TL 62,052). Funds value are kept at Merkezi Kayıt Kuruluşu A.Ş.

3. Information related to derivative financial instruments:

	Current Period	Prior Period
Types of trading transactions		
Foreign currency related derivative transactions (I)	1,794,455	1,078,655
Forward FC Call and Put Transactions	539,924	539,524
Swap FC Call and Put Transactions	833,248	497,304
Futures Transactions	-	-
Options FC Call and Put Transactions	421,283	41,827
Interest rate related derivative transactions (II)	-	-
Forward FC Call and Put Transactions	-	-
Swap FC Call and Put Transactions	-	-
Futures Transactions	-	-
Options FC Call and Put Transactions	-	-
Other types of trading transactions (III)	-	120,984
A. Total types of trading transactions (I+II+III)	1,794,455	1,199,639
Hedging purpose derivative transactions	-	-
Fair Value Hedge Transactions	-	-
Cash Flow Hedge Transactions	-	-
Net Foreign Investment Hedge Transactions	-	-
B. Total Hedging Purpose Derivative Transactions	-	-
Total Derivative Transactions (A+B)	1,794,455	1,199,639

4. Contingent assets and liabilities:

A customer has sued the Bank in year 2001 with the claim that his deposit money has been with drawn from his account with forged documents. The amount is 1,299,213 Australian Dollars (equivalent to TL 1,745). The trial is still in progress and no provision has been provided as professional legal advice indicates that it is unlikely that any loss will arise.

5. Information on fiduciary services rendered on behalf of third parties:

None.

V. Information and disclosures related to consolidated statement of changes in shareholders' equity

1. Information on differences in shareholders' equity accounts due to inflation accounting:

According to the resolution of the BRSA No. 1623 dated 21 April 2005, the banks and financial subsidiaries are no longer required to prepare their financial statements in accordance with the Regulation on Accounting Principles ("RAP") No.14 "Accounting Standard for Financial Reporting in Hyperinflationary Periods" since the indicators of hyperinflation as disclosed in Article 5 of RAP 14 are no longer existing in Turkey.

In compliance with the resolution of BRSA, the "Capital Reserves from Inflation Adjustments" amounting to TL 9,449 is transferred to "Other Capital Reserves". The amount is feed off for the equity increase in 2008.

2. Information on profit distribution:

The competent body of the Parent Bank for the decision of profit distribution is the General Assembly. As of the report date, the annual general assembly of the Parent Bank has not been held.

3. Information on the foreign exchange differences:

The financial statements of the foreign subsidiaries of the Group are converted to Turkish Lira by using existing foreign exchange rates.

4. Information on available for sale securities:

Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in "securities value increase fund" under the shareholders' equity.

VI. Information and disclosures related to consolidated cash flow statement

1. Information on cash and cash equivalents:

The components of cash and cash equivalents and the accounting policies used in the determination of these components:

Cash in vault, foreign currencies, cash in transit, cheques purchased, demand deposits in banks included demand deposit balances with the Central Bank of Turkey are described as "Cash"; interbank money market placements which have original maturities lower than three months, time deposits in banks and investment securities are described as "Cash Equivalents". The reserve requirements blocked at the Central Bank are not considered as "cash equivalent" in the statement of cash flows.

a) Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	89,969	90,842
Cash in Vault, Foreign Currencies and Other	20,988	19,650
Demand Deposits at Banks	68,981	71,192
Cash Equivalents	603,698	172,232
Interbank Money Market Placements	-	-
Time Deposits at Banks	603,698	172,232
Marketable Securities	-	-
Total Cash and Cash Equivalents	693,667	263,074

b) Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	46,682	89,969
Cash in Vault, Foreign Currencies and Other	17,501	20,988
Demand Deposits at Banks	29,181	68,981
Cash Equivalents	105,500	603,698
Interbank Money Market Placements	-	-
Time Deposits at Banks	105,500	603,698
Marketable Securities	-	-
Total Cash and Cash Equivalents	152,182	693,667

2. Information on cash and cash equivalent assets of the Group that are not available for free use due to legal restrictions or other reasons:

As mentioned above, reserve requirements blocked at the Central Bank are not considered as "cash equivalent" in the statement of cash flows.

3. Disclosures for "other" items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents:

"Other" item amounting to TL 33,126 (31 December 2008: TL 69,116) represents "operating profit and before changes in operating assets and liabilities" comprise other operating expenses except personnel expenses and corporate tax paid.

As at 31 December 2009 “Net increase/decrease in Other Liabilities” amounting to TL (7,927) (31 December 2008: TL (1,671)) which takes place in “Changes in Operating Assets and Liabilities” is comprised of changes in miscellaneous payables, other external resources and tax liabilities. The change in “Net increase/decrease in other assets” amounting to TL 58,457 (31 December 2008: TL (48,620)) is comprised of miscellaneous receivables and other assets.

VII. Information and disclosures related to the Parent Bank's risk group

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period:

a) Current Period:

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<u>Loans and Other Receivables</u>						
Balance at the Beginning of the Period	-	-	40,932	5,722	-	-
Balance at the End of the Period	-	-	78,697	3,874	-	-
Interest and Commission Income Received	-	-	4,520	93	-	-

(*) As described in the Article 49 of Banking Law no.5411.

b) Prior Period:

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<u>Loans and Other Receivables</u>						
Balance at the Beginning of the Period	-	-	40,185	16,750	-	-
Balance at the End of the Period	-	-	40,932	5,722	-	-
Interest and Commission Income Received	-	-	4,305	220	-	-

(*) As described in the Article 49 of Banking Law no.5411.

As at 31 December 2009 the Parent Bank has placements amounting to TL 6,991 (31 December 2008: None) in the banks which are included in Bank's risk group.

c) Information on deposits held by the Bank's risk group:

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<u>Deposit</u>						
Balance at the beginning of the Period	52	56	77,169	43,810	-	-
Balance at the End of the Period	53	52	43,800	77,169	-	-
Interest on Deposits	5	9	5,009	4,683	-	-

(*) As described in the Article 49 of Banking Law no.5411.

d) Information on forward transactions and option agreements and similar other agreements related with the Bank's risk group:

As at 31 December 2009, the Parent Bank has forward, currency swap and option buy and sell transactions amounting to TL 14,064 and TL 14,263 (31 December 2008: TL 2,293 and TL 2,323, respectively) with the Bank's risk group.

VIII. Domestic, foreign and off-shore banking branches and foreign representatives of Parent Bank

	Number	Number of Employees			
Domestic branches	45	940			
			Country of Incorporation		
Foreign representation	1	2	Berlin, Germany	Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore banking region branches	-	-	-	-	-

IX. Information and disclosure related to subsequent events

- a) Transactions that have not been finalized and their effect on the consolidated financial statements and in this context, the information related to the acceptable subjects included in Standart of Subsequent Events Accounting:

The Law for the Amendments to the Law on the Procedure for the Collection of Public Receivables and Certain Laws” was accepted by the Turkish Parliament at the meeting held on 28 January 2010 and became effective by being published on the Official Gazette dated 5 February 2010. According to aforementioned Law; banks founded in Turkey and the foreign banks having head offices in Turkey are required to pay TL 200,000 for each year to obtain operating license. The banks founded to operate in the free trade zones and branches of the foreign banks are required to pay TL 200,000 for each branch and for each year to obtain operating license. All the branches of the banks including the branches operating in free trade zones (excluding branches of the foreign banks established in free trade zones) are required to pay license fee according to the population of the operating area at the beginning of the prior calendar year; branches operating in the municipalities which have population upto 5,000 are required to pay TL 12,000; branches operating in the municipalities which have population between 5,000 and 25,000 are required to pay TL 36,000; and branches operating in the municipalities which have population more than 25,000 and branches operating in the free trade zones are required to pay 48,000 for each year and for each branch.

- b) Information about effects on foreign currency transactions and financial statements of significant changes in foreign exchange rates after balance sheet date and foreign operations of the bank: None.

SECTION SIX

OTHER EXPLANATIONS AND FOOTNOTES

I. Other explanations related to the Group's operations:

None.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. Information on the independent auditor's report

The consolidated financial statements of Bank and its subsidiaries as of 31 December 2009 have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. It was noted in their audit report dated 17 February 2010 that the consolidated financial statements present fairly the financial position of Tekstil Bankası Anonim Şirketi and its subsidiaries as of 31 December 2009, and of the results of its operations and its cash flows for the year then ended, in all material respects in accordance with regulations described in Articles 37 and 38 of the (Turkish) Banking Law No. 5411.

II. Information and disclosures prepared by the independent auditors

None.