

**CONVENIENCE TRANSLATION INTO ENGLISH  
OF FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH  
SEE NOTE I.B.3**

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**

**FINANCIAL STATEMENTS  
AT 31 DECEMBER 2009  
TOGETHER WITH AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

To the Central Bank of the Republic of Turkey

1. We have audited the accompanying financial statements of the Central Bank of the Republic of Turkey (the "Bank") which comprise the balance sheet as of 31 December 2009 and the income statement, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### *Management's responsibility for the financial statements*

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law of the Central Bank of the Republic of Turkey (the "Central Bank Law") and related legislation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Central Bank of the Republic of Turkey as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the Central Bank Law and related legislation.

Without qualifying our opinion, we draw attention to the following matter:

5. As explained in Note I.B.3, effects of differences between accounting principles and standards set out by related legislation in Turkey and the Central Bank Law, and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers



Zeynep Uras, SMMM

Istanbul, 26 February 2010

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**

**BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

ASSETS	Note (Section II)	31 December 2009	31 December 2008
<b>I. GOLD</b>	<b>1</b>	<b>6,374,873</b>	<b>5,016,931</b>
A. International Standards		6,205,039	4,883,049
B. Non-international Standards		169,834	133,882
<b>II. FOREIGN CURRENCY RESERVES</b>	<b>2, 12, 20</b>	<b>106,476,995</b>	<b>107,384,842</b>
A. Foreign Currency Banknotes		410,946	570,646
B. Correspondent Bank Accounts		105,799,336	106,549,028
C. Reserve Tranche Position		266,713	265,168
<b>III. COINS</b>		<b>88,416</b>	<b>59,451</b>
<b>IV. DOMESTIC CORRESPONDENTS</b>	<b>3</b>	<b>221,338</b>	<b>213,234</b>
<b>V. SECURITIES PORTFOLIO</b>	<b>4</b>	<b>39,692,302</b>	<b>33,653,502</b>
A. Government Securities		39,692,302	33,653,502
a) Coupon		32,905,435	30,965,502
b) Discount		6,786,867	2,688,000
B. Other		-	-
<b>VI. DOMESTIC LOANS</b>	<b>5</b>	<b>485,836</b>	<b>389</b>
A. Banking Sector		485,836	389
a) Discount Loans		485,836	389
b) Loans Given according to Law 1211 40/1-c		-	-
c) Other		-	-
B. Loans to Savings Deposit Insurance Fund		-	-
<b>VII. OPEN MARKET OPERATIONS</b>	<b>4</b>	<b>35,265,340</b>	<b>20,060,925</b>
A. Repurchase Agreements		35,265,340	20,060,925
a) Cash		33,249,340	20,060,925
i. Foreign Exchange		-	-
ii. Securities		33,249,340	20,060,925
b) Securities		2,016,000	-
B. Other		-	-
<b>VIII. FOREIGN LOANS</b>	<b>5</b>	<b>33,564</b>	<b>38,111</b>
<b>IX. EQUITY PARTICIPATIONS</b>	<b>6</b>	<b>23,698</b>	<b>23,559</b>
<b>X. PROPERTY AND EQUIPMENT (Net)</b>	<b>7</b>	<b>280,849</b>	<b>286,178</b>
<b>XI. LOANS UNDER LEGAL FOLLOW-UP (Net)</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>XII. TREASURY LIABILITIES DUE TO SDR ALLOCATION</b>	<b>12</b>	<b>2,533,695</b>	<b>264,067</b>
<b>XIII. VALUATION ACCOUNT</b>	<b>17</b>	<b>-</b>	<b>-</b>
<b>XIV. INTEREST AND INCOME ACCRUALS</b>	<b>10</b>	<b>139,814</b>	<b>43,692</b>
<b>XV. MISCELLANEOUS RECEIVABLES</b>	<b>8</b>	<b>483,483</b>	<b>211,400</b>
<b>XVI. OTHER ASSETS</b>	<b>9</b>	<b>57,525</b>	<b>42,072</b>
<b>TOTAL ASSETS</b>		<b>192,157,728</b>	<b>167,298,353</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**

**BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

<b>LIABILITIES</b>	<b>Note (Section II)</b>	<b>31 December 2009</b>	<b>Restated (*) 31 December 2008</b>
<b>I. CURRENCY IN CIRCULATION</b>	<b>11</b>	<b>38,340,278</b>	<b>31,743,434</b>
<b>II. DUE TO TREASURY</b>	<b>12</b>	<b>330,883</b>	<b>316,271</b>
A. Gold		18,469	14,534
B. Reserve Tranche Position		266,713	265,168
C. Other (Net)		45,701	36,569
<b>III. FOREIGN CORRESPONDENTS</b>	<b>13</b>	<b>1,193</b>	<b>1,143</b>
<b>IV. DEPOSITS</b>	<b>14</b>	<b>89,359,637</b>	<b>90,435,791</b>
A. Public Sector		20,471,316	13,303,585
a) Treasury, General and Annexed Budget Administrations		20,352,142	13,096,654
b) Public Economic Enterprises		29	15
c) State Economic Enterprises		60,062	75,232
d) Other		59,083	131,684
B. Banking Sector		46,652,131	52,644,480
a) Domestic Banks		33,570,380	38,993,290
b) Foreign Banks		9,335	8,742
c) Reserve Requirements (Central Bank Law 1211 Article 40)		13,072,370	13,642,395
d) Other		46	53
C. Miscellaneous		19,471,706	20,789,598
a) Foreign Exchange Deposits By Citizens Abroad		19,406,635	20,723,600
b) Other		65,071	65,998
D. International Institutions		7,148	6,201
E. Funds		2,757,336	3,691,927
a) Saving Deposit Insurance Fund		18,771	980
b) Other		2,738,565	3,690,947
<b>V. LIQUIDITY BILLS</b>		<b>-</b>	<b>-</b>
<b>VI. OPEN MARKET OPERATIONS</b>	<b>4</b>	<b>47,331,936</b>	<b>29,935,300</b>
A. Repurchase Agreements		35,017,436	20,000,000
a) Cash		2,017,436	-
i. Foreign Exchange		-	-
ii. Securities		2,017,436	-
b) Securities		33,000,000	20,000,000
B. Other		12,314,500	9,935,300
<b>VII. FOREIGN LOANS</b>		<b>13,862</b>	<b>13,760</b>
<b>VIII. IMPORT TRANSFER ORDERS AND DEPOSITS</b>		<b>679,679</b>	<b>776,822</b>
<b>IX. NOTES AND REMITTANCES PAYABLE</b>		<b>37,382</b>	<b>29,571</b>
<b>X. SDR ALLOCATION</b>	<b>12</b>	<b>2,533,695</b>	<b>264,067</b>
<b>XI. SHARE CAPITAL</b>	<b>15</b>	<b>46,234</b>	<b>46,234</b>
A. Paid-in Share Capital		25	25
B. Adjustment to Paid-in Share Capital		46,209	46,209
<b>XII. LEGAL RESERVES</b>	<b>15</b>	<b>3,691,281</b>	<b>3,037,218</b>
A. Ordinary and Extraordinary Reserves		3,335,530	2,682,955
B. Special Reserves (Central Bank Law 1211 Article 59)		2,379	890
C. Inflation Adjustment to Ordinary and Extraordinary Reserves and Special Reserves		353,372	353,373
<b>XIII. PROVISIONS</b>	<b>16</b>	<b>607,848</b>	<b>469,771</b>
<b>XIV. VALUATION ACCOUNT</b>	<b>17</b>	<b>5,010,104</b>	<b>6,377,223</b>
<b>XV. INTEREST AND EXPENSE ACCRUALS</b>	<b>19</b>	<b>919,143</b>	<b>1,468,712</b>
<b>XVI. MISCELLANEOUS PAYABLES</b>	<b>18</b>	<b>53,478</b>	<b>52,325</b>
<b>XVII. OTHER LIABILITIES</b>	<b>18</b>	<b>464,386</b>	<b>339,943</b>
<b>XVIII. NET PROFIT FOR THE YEAR</b>		<b>2,736,709</b>	<b>1,990,768</b>
<b>TOTAL LIABILITIES</b>		<b>192,157,728</b>	<b>167,298,353</b>

(\*) Please refer to Note I.A.2.ii.j

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**

**STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Note (Section III)	1 January - 31 December 2009	Restated (*) 1 January - 31 December 2008
<b>I - INTEREST INCOME</b>	<b>1</b>	<b>6,180,532</b>	<b>6,281,942</b>
A. Interest Income from Foreign Correspondent Accounts		2,663,627	2,377,487
B. Interest Income from Open Market Operations		3,021,797	3,596,902
C. Interest Income from Foreign Loans		8,053	53,687
D. Positive Valuation Differences		477,674	248,184
E. Other Interest Income		9,381	5,682
<b>II - INTEREST EXPENSE</b>	<b>2</b>	<b>4,062,481</b>	<b>5,264,551</b>
A. Interest Expense on Deposits by Citizens Abroad		569,911	765,336
B. Interest Expense on Open Market Operations		1,273,587	882,126
C. Interest Expenses on Interbank Money Market Transactions		832,913	970,817
D. Interest Expense on Other Deposits		1,383,050	2,297,259
E. Negative Valuation Differences		-	347,826
F. Other Interest Expense		3,020	1,187
<b>III - NET INTEREST INCOME {I-II}</b>		<b>2,118,051</b>	<b>1,017,391</b>
<b>IV - NET COMMISSION AND SERVICE INCOME/(EXPENSE)</b>		<b>54,080</b>	<b>52,879</b>
A. Commission and Service Income		63,862	60,966
B. Commission and Service Expense		9,782	8,087
<b>V - NON-INTEREST INCOME</b>	<b>3</b>	<b>3,563,064</b>	<b>3,969,843</b>
A. Portfolio Purchase and Sales Income (Net)		598,805	657,852
B. Foreign Exchange Purchase-Sales Gains		2,958,369	1,501,278
C. Marketable Security Valuation		-	1,803,502
D. Other Non-Interest Income		5,890	7,211
<b>VI - NON-INTEREST EXPENSE</b>	<b>4</b>	<b>2,531,202</b>	<b>2,709,491</b>
A. Foreign Exchange Purchase-Sales Losses		41,124	1,669,805
B. Marketable Security Valuation		1,906,617	-
C. Personnel Expense		398,450	341,304
D. Provisions		13,826	588,366
E. Depreciation Expense		14,737	16,555
F. Other Non-Interest Expense		156,448	93,461
<b>VIII - PROFIT BEFORE TAX PROVISION {III+IV+V-VI}</b>		<b>3,203,993</b>	<b>2,330,622</b>
<b>IX - TAX PROVISION</b>	<b>Section II Note 16</b>	<b>467,284</b>	<b>339,854</b>
<b>X - NET PROFIT FOR THE YEAR {VIII-IX}</b>		<b>2,736,709</b>	<b>1,990,768</b>

(\*) Please refer to Note I.A.2.ii.j

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

OFF - BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2009 AND 2008

OFF - BALANCE SHEET COMMITMENTS	31 December 2009	31 December 2008
<b>A. Securities in Custody</b>	<b>220,786,624</b>	<b>170,490,879</b>
1. Marketable Securities in Custody - Free (*)	210,723,183	162,451,414
2. Deal Securities (*)	939,778	925,742
3. Marketable Security Exchange Market Banks Guarantee Letters Depot	183,650	110,359
4. Government Debt Security Depot of Savings Deposits Insurance Fund, Exempt From Income Tax (*)	3,711,416	2,298,296
5. Other (*)	5,228,597	4,705,068
<b>B. Guarantees Taken</b>	<b>23,238,935</b>	<b>23,036,672</b>
1. Government Debt Security Depots of Banks under Foreign Exchange Market Guarantee (*)	4,900,693	5,872,117
2. Bonds as Interbank Money Market Operations Guarantees (*)	9,673,247	8,447,623
3. Government Debt Security Depots Accepted as Guarantee for Money Market Transactions (*)	8,081,676	6,654,149
4. Government Debt Security Depots accepted as Guarantee for Preloaded and Subloaded TL Banknotes and Coins (*)	-	1,742,788
5. Intermediary Institutions' Pledged Government Debt Security Depots	18,090	22,058
6. Other (*)	565,229	297,937
<b>C. Reserve Banknotes</b>	<b>34,704,132</b>	<b>40,630,205</b>
1. Reserve Banknotes - Head Office	11,452,975	6,637,675
2. Reserve Banknotes - Branches	22,669,409	32,200,562
3. Reserve Banknotes - Banknotes Depots	327,512	140,080
4. Obsolete Banknotes	254,236	374,299
5. Preloaded TL Banknotes Depots	-	1,277,589
<b>D. Other</b>	<b>128,078,053</b>	<b>119,245,772</b>
1. Repurchase Agreements Pledged Account (*)	11,539,012	6,815,094
2. Bank Treasury Bonds Portfolio	37,626,587	32,641,704
3. Customer Transactions Portfolio - Takasbank (*)	73,556,678	75,138,081
4. Branches' Marketable Security Portfolio in Electronic Security Fund Transfer System	4,637,141	3,265,143
5. Stock Exchange Market Members' Treasury Bond Depot	68,809	53,726
6. Derivative Transactions	-	70,868
7. Other (*)	649,826	1,261,156
<b>E. Electronic Marketable Security Transfer Recording Follow-up Account for Marketable Securities, Classified with Physical Values in Above Accounts</b>	<b>340,913,033</b>	<b>285,147,100</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>747,720,777</b>	<b>638,550,628</b>

(\*) The balances presented in the Off Balance Sheet Commitments table consists of the total of TL, foreign currency and units of securities. TL and foreign currency securities presented in the total balances are expressed in terms of the original amount of currency over their nominal values; blank letter of credits, letter of credits that account owners entrust for maintenance, gold and silver medallions and badges obtained as service award, banknote samples, specimen catalogues, cheques with unknown costs are expressed in terms of units.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2009**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Share Capital	1 <sup>st</sup> and 2 <sup>nd</sup> Group Legal Reserves	Share Premium	Other Legal Reserves	Legal Reserves	Bank Property and Equipment Revaluation Fund	Cost Increase Fund	Retained Earnings/ (Accumulated Deficit)	Net Profit for the Year	Total Shareholders' Equity
<b>Balance at 31 December 2008 - previously reported</b>	46,234	-	-	-	3,037,218	-	-	-	1,990,054	5,073,506
Restatement Effect (Note I.A.2.ii.j)	-	-	-	-	-	-	-	-	714	714
<b>Balance at 1 January 2009 - restated</b>	46,234	-	-	-	3,037,218	-	-	-	1,990,768	5,074,220
<u>Net-off of Previous Year Losses:</u>	-	-	-	-	-	-	-	-	-	-
<u>Profit Distribution:</u>										
- Dividends (Section II Note 15)	-	-	-	-	-	-	-	-	(1,338,194)	(1,338,194)
- Treasury	-	-	-	-	-	-	-	-	(1,334,622)	(1,334,622)
- Other Shareholders	-	-	-	-	-	-	-	-	(3)	(3)
- Employees	-	-	-	-	-	-	-	-	(3,569)	(3,569)
- Transferred to Equity Reserves (Section II Note 15)	-	-	-	-	652,574	-	-	-	(652,574)	-
- Share Premium	-	-	-	-	-	-	-	-	-	-
- Taxes and Funds	-	-	-	-	-	-	-	-	-	-
<u>Increase in Paid-in Share Capital:</u>										
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers of Income Related to Sales of Associates, Subsidiaries (Financial Investments) and Fixed Assets (Property and Equipment)	-	-	-	-	-	-	-	-	-	-
Other (*)	-	-	-	-	1,489	-	-	-	-	1,489
<b>Net Profit for the Year</b>	-	-	-	-	-	-	-	-	2,736,709	2,736,709
<b>Balance at 31 December 2009</b>	46,234	-	-	-	3,691,281	-	-	-	2,736,709	6,474,224

(\*) "Other" includes the amount of expired banknotes transferred to special reserves according to the 59th article of the Central Bank Law.



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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Share Capital	1 <sup>st</sup> and 2 <sup>nd</sup> Group Legal Reserves	Share Premium	Other Legal Reserves	Legal Reserves	Bank Property and Equipment Revaluation Fund	Cost Increase Fund	Retained Earnings/ (Accumulated Deficit)	Net Profit for the year	Total Shareholders' Equity
<b>Balance at 31 December 2007</b>	46,234	-	-	-	2,823,647	-	-	-	220,292	3,090,173
<b>Balance at 1 January 2008</b>	46,234	-	-	-	2,823,647	-	-	-	220,292	3,090,173
<u>Net-off of Previous Year Losses:</u>	-	-	-	-	-	-	-	-	-	-
<u>Profit Distribution:</u>										
- Dividends (Section II Note 15)	-	-	-	-	-	-	-	-	(6,721)	(6,721)
- Treasury	-	-	-	-	-	-	-	-	-	-
- Other Shareholders	-	-	-	-	-	-	-	-	(3)	(3)
- Employees	-	-	-	-	-	-	-	-	(6,718)	(6,718)
- Transferred to Equity Reserves (Section II Note 15)	-	-	-	-	213,571	-	-	-	(213,571)	-
- Share Premium	-	-	-	-	-	-	-	-	-	-
- Taxes and Funds	-	-	-	-	-	-	-	-	-	-
<u>Increase in Paid-in Share Capital:</u>										
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers of Income related to Sales of Associates, Subsidiaries (Financial Investments) and Fixed Assets (Property and Equipment)	-	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-	-	-
Net Profit for the Year - restated (Note I.A.2.ii.j)	-	-	-	-	-	-	-	-	1,990,768	1,990,768
<b>Balance at 31 December 2008 - restated</b>	46,234	-	-	-	3,037,218	-	-	-	1,990,768	5,074,220

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

PROFIT DISTRIBUTION TABLES FOR THE  
YEARS ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

<b>PROFIT DISTRIBUTION TABLE</b>	<b>31 December 2009 (**)</b>	<b>31 December 2008 (***)</b>
<b>A. DISTRIBUTION OF PROFIT FOR THE YEAR</b>		
1. Profit for the year	3,203,993	2,330,622
2. Taxes Payable and Legal Liabilities	(467,284)	(339,854)
- Corporate Tax (Income Tax)	(467,284)	(339,854)
- Income Tax	-	-
- Other Taxes and Legal Liabilities	-	-
<b>NET PROFIT FOR THE YEAR</b>	<b>2,736,709</b>	<b>1,990,768</b>
3. Prior Year Losses	-	-
4. Legal Reserves	-	(652,574)
5. Other Legal Funds	-	-
<b>DISTRIBUTABLE PROFIT FOR THE YEAR</b>	<b>-</b>	<b>1,338,194</b>
6. Dividends to Shareholders	-	(3)
7. Dividends to Employees	-	(3,569)
<b>DUE TO REPUBLIC OF TURKEY PRIME MINISTRY UNDERSECRETARIAT OF TREASURY ("TURKISH TREASURY") ACCORDING TO THE CENTRAL BANK LAW NO. 1211</b>	<b>-</b>	<b>1,334,622</b>

(\*) Please refer to Note I.A.2.ii.j

(\*\*) As of the preparation date of these financial statements, profit appropriation decision of the year 2009 net profit has not been taken by the Board. The profit appropriation of the Bank for the year 2009 will be finalized after the approval of the decision by the General Assembly of the Bank at 20 April 2010.

(\*\*\*) In accordance with the decision taken at the General Assembly, dated 14 April 2009, the Bank allocated reserves according to Article 60 of the Banking Law, and the remaining amount was distributed to Turkish Treasury.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENTS OF CASH FLOWS FOR THE  
YEARS ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

STATEMENTS OF CASH FLOWS	1 January - 31 December 2009	Restated (*) 1 January - 31 December 2008
<b>I- Cash Flows from Banking and Commercial Activities (Main Operations)</b>		
Interest and Similar Income	6,085,572	6,248,748
Interest and Similar Expense	(5,079,334)	(5,454,348)
Dividends Received	4,997	4,248
Commissions and Fees Income/Expense, net	53,010	52,587
Payments to Personnel and Service Providers	(404,095)	(347,196)
<b>Cash Flow from Employees Operational Income Before Changes in Operating Assets and Liabilities</b>	<b>660,150</b>	<b>504,039</b>
<b>Changes in Operating Assets and Liabilities:</b>		
<b><u>(Increase)/Decrease in Operating Assets:</u></b>		
Decrease in Marketable Securities, net	4,945,200	3,273,437
(Increase) in Loans, net	(480,900)	(5,505)
(Increase) in Other Assets, net	(15,743,251)	(16,174,631)
<b><u>Increase/(Decrease) in Operating Liabilities:</u></b>		
(Decrease)/Increase in Deposits, net	(1,076,154)	16,429,725
Increase in Funds Borrowed, net	4,396,738	6,026,944
Increase in Other Liabilities, net	7,679,197	11,249,517
<b>Net Cash Flow from Banking and Commercial Activities</b>	<b>380,980</b>	<b>21,303,526</b>
<b>II- Cash Flows from Financial and Non-financial Investments</b>		
Property and Equipment Purchased	(9,408)	(23,924)
Other Cash Inflows	3,557,974	3,964,748
Other Cash Outflows	(2,104,188)	(1,763,266)
<b>Net Cash Flow Used in Financial and Non-financial Investments</b>	<b>1,444,378</b>	<b>2,177,558</b>
<b>III- Cash Flows Related to Equity Financing Activities</b>	<b>(1,338,194)</b>	<b>(6,721)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>487,164</b>	<b>23,474,363</b>
Cash and Cash Equivalents at the Beginning of the Period	112,674,458	89,200,095
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>113,161,622</b>	<b>112,674,458</b>

(\*) Please refer to Note I.A.2.ii,j

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL STRUCTURE**

**A. Notes and explanations related to current year**

(1) The financial statements of the Central Bank of the Republic of Turkey ("the Bank") have not yet been approved by the Board as of 31 December 2009.

**(2) Detailed explanations of all basic accounting policies applied by the Bank:**

The basis of presentation of the financial statements and the significant accounting policies applied are as follows:

**i. Basis of Presentation of the Financial Statements**

The Bank maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code and Tax Legislation and Central Bank Law No: 1211. According to the 57th and 58th articles of the Central Bank Law, the accounting period of the Bank is the calendar year. At the end of each calendar year, the Bank submits its balance sheet and income statement to the Prime Ministry along with the annual report prior to the General Assembly meeting and publishes the balance sheet in the Official Gazette.

Law No.5024 published in the Official Gazette No.25332 on 30 December 2003 requires the application of inflation accounting in Turkey in 2004 and the following years, if the actual rate of inflation meets certain thresholds. The Bank applied inflation adjustments as of 31 December 2004 as the certain thresholds in the related law had been met. In the communiqué of the Ministry of Finance published on 19 April 2005, it has been stated that the conditions for the application of inflation accounting have not been realized; accordingly the Bank ceased the application of the inflation accounting principles starting from 1 January 2005.

**ii. Application of Accounting Principles**

Apart from the policies listed above, significant accounting principles applied in the preparation of the financial statements are as follows:

**a. Accounting Principles**

Financial statements have been prepared in accordance with the current Turkish legislation in effect as expressed in article "i" above.

**b. Accounting of Income and Expense**

All income and expenses are recognised on an accrual basis.

In accordance with the amendment, with the Law No:4651, to the 61<sup>st</sup> article of the Central Bank Law on 25 April 2001, in the event of a change in the value of the Turkish currency, the unrealised gains and losses arising from the revaluation of gold, foreign exchange and foreign currency indexed assets and liabilities of the Bank are classified into a transitory account "Valuation Differences" on the balance sheet. Realised foreign exchange differences originated from foreign currency sales and purchase transactions are reflected in the income statement at the transaction date.

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL  
STRUCTURE (Continued)**

c. Provisions

Provisions include the retirement pay provision, tax provision and insurance provision for money in transit amounts deemed appropriate by the Board and that is provided for over the gross annual profit of the Bank in order to meet losses that may occur in the following years, in accordance with the 59<sup>th</sup> article of the Central Bank Law.

d. Foreign Currency Transactions

Foreign currency transactions are recorded at the foreign currency exchange rate applicable on the date of the transactions.

Gold is valued with the gold price quoted at the London Bullion market exchange at 10:30 am at 31 December 2009 and 2008, on the basis of 1 ounce being equal to 31.1035 grams.

Foreign currency denominated assets and liabilities are translated using the foreign currency bid rate of the Bank at the balance sheet date. Foreign exchange differences resulting from the translation are recorded as stated in article 'b' above.

In accordance with the process of compliance with the European Union set of rules and legislation, the foreign exchange gains or losses resulting from foreign exchange purchase and sale transactions is calculated using the 'weighted average' basis starting from 1 January 2006, in accordance with the "European Central Banks Guide" published by the European Central Bank.

e. Employment Termination Benefits

According to the Turkish legislation and labor union agreements, employment termination benefits are paid upon the retirement of employees or in the case of layoff. The amount payable depends on the rank and years of service, as defined in The Pension Fund for Civil Servants of the Republic of Turkey and Social Security and Public Health Insurance Law No: 5510. As of 31 December 2009 and 2008, the Bank calculated full provision for the employment termination benefits liability and recorded this provision in its financial statements.

f. Taxation

The Bank is subject to corporation tax in accordance with the Turkish tax legislation. In addition, the Bank is liable for income withholding tax of third parties.

The Corporate Tax Law ("New Corporate Tax Law") No.5520 has come into effect with the announcement at the official Gazette No: 26205 dated 21 June 2007. Most of the articles of the New Corporate Tax Law are effective from 1 January 2006. Accordingly, corporation tax is payable, at a rate of 20% effective from 1 January 2006, on the total income of the Bank after adjusting for certain disallowable expenses and exempt income in accordance with tax legislation and Central Bank Law No:1211.

As of 31 December 2009, the Bank recorded current year corporate tax provision amounting to TL467,284 thousand (2008: TL339,854 thousand).

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL  
STRUCTURE (Continued)**

g. Securities Portfolio

The securities portfolio consists of directly purchased government bonds and securities purchased under agreements to resell in order to regulate the money supply and liquidity in the economy in line with the monetary policy targets based on the 52<sup>nd</sup> article of the Central Bank Law related with the Open Market Operations.

The securities purchased by the Bank on its own account are measured at their fair values. The marketable security portfolio account represents the fair values of these securities.

Fair value of the securities is determined with reference to quoted market prices; in case the securities are not traded in a stock exchange fair value is determined using prices declared by the Bank and published in the Official Gazette. Positive valuation differences between cost and revalued amount are included in the "Securities Portfolio" in the balance sheet and in the "Interest Income-Positive Valuation Differences" account in the income statement. In case there exists negative valuation differences, they are included in the "Securities Portfolio" account in the balance sheet and in the "Interest Expense-Negative Valuation Differences" account in the income statement.

Securities purchased under agreements to resell are valued on an accrual basis using the straight-line method over the difference of the purchase and sale prices of the reverse repo transaction.

h. Equity Participations

The Bank recognizes its equity participations denominated in foreign currency at acquisition cost and translates them with the foreign currency bid rate announced by the Bank at the balance sheet date.

i. Derivative transactions- Interest rate futures

The derivative transactions of the Bank include the interest rate future transactions. The Bank recognizes the transaction amount of the interest rate future transactions initially under its off balance sheet commitments account and recognizes the initial margin under the balance sheet accounts in accordance with the cash or security nature of the collateral.

Future transactions are recognized at their fair value in the international markets as of balance sheet date. The daily price changes of the futures contracts are recorded under "Other Assets" and "Other Liabilities" accounts as well as current accounts of the relevant financial institutions. At month ends, the balances in "Other Assets" and "Other Liabilities" accounts are transferred to the income statement as income or expense accrual. In case of sales of futures contracts or at the maturity of the futures contracts, the difference between market price and transaction price is also recognized in the income statement.

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL  
STRUCTURE (Continued)**

**j. Comparative Information and Restatement of Prior Year Financial Statements**

*Restatement of Corporate Tax provision as of 31 December 2008*

According to the decision taken at the General Assembly, dated 14 April 2009, the Bank paid dividend in the amount of TL3,569 to its employees with reference to Central Bank Law Article 60 and has recognised the dividend amounts paid to the employees as expense in the 2008 corporate tax declaration. Since the General Assembly of the Bank has not decided the employee dividend amount as of the preparation date of the financial statements as of 31 December 2008, this amount has not been deducted from the 2008 tax base, accordingly the corporate tax provision has been overstated by TL714 thousand. The financial statements as of 31 December 2008 presented as the comparative of 31 December 2009 financial statements have been restated to include this adjustment.

*Reclassifications related to the foreign currency marketable security portfolio income/expense accounts*

As of 31 December 2009, the difference between the quoted market price and cost of the foreign currency marketable securities portfolio, classified under the "Correspondent Bank Accounts" account, has been broken down into fair value difference and accrued interest income difference components and classified accordingly in the income statement. In order to conform to these changes in the presentation of the current year, the necessary reclassifications have been made in the financial statements prepared as of 31 December 2008. The reclassifications are stated as follows:

- 1) The interest income amounting to TL903,482 thousand in the "Portfolio purchase and sales income (net)" account under "Non-interest income account" has been reclassified to the "Interest income from foreign correspondent accounts" under "Interest income" account.
- 2) The fair value difference between the quoted market price of marketable securities and the total of their accrued interest income and the initial cost amounting to TL1,014,188 thousand in the "Positive valuation differences" account under "Interest income account" has been reclassified to the "Marketable security valuation" account under the "Non-interest income" account.
- 3) The income from the purchased coupon of marketable securities amounting to TL789,314 thousand in the "Interest income from foreign correspondent accounts" under the "Interest income" account has been reclassified to the "Marketable security valuation" account under the "Non-interest income account".

**iii. Turkish Lira**

In accordance with the Article 1 of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of The Council of Ministers dated 4 April 2008 and No: 2008/11963, the prefix "New" used in the "New Turkish Lira" and the "New Kuruş" was removed as of 1 January 2009. When the prior currency, New Turkish lira ("YTL"), values are converted into TL and Kr, YTL1 and YKr1 is equivalent to TL1 and Kr1, respectively.

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments is considered to have been made to TL at the conversion rate indicated above. Consequently, effective from 1 January 2009, the TL replaced the YTL as a unit of account in keeping and presenting of books, accounts and financial statements.

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL STRUCTURE (Continued)**

**(3) Changes in accounting policies in the current year and their financial effects:**

There are no changes in accounting policies in the current year.

**(4) Compliance of the Bank with the fundamental accounting principles of going concern, matching and consistency:**

These financial statements have been prepared based on the going concern assumption which is one of the fundamental principles of accounting, assuming that the Bank will continue its operations without interruption in the future.

**(5) The effect of any changes in the valuation methods affecting the year-end results of the Bank:**

There are no changes in the valuation methods in the current year.

**(6) Detailed explanation of the valuation methods used for securities (Including Equity Participations, Subsidiaries, and Long-term Securities) in the order given below:**

**a. Securities Portfolio:**

As of 31 December 2009 and 2008:

**TL Denominated Securities**

1- Equity Shares - None (2008: None).

2- Other Securities:

- a) Securities indexed to inflation and foreign currency - Outright purchase securities of the Bank are valued with prices announced daily in the Official Gazette.
- b) Fixed Income Securities: Securities purchased under agreements to resell are carried at cost and interest income accrual is calculated as the difference between purchase price and sales price of the repurchase agreement for the related reporting period. Securities obtained from secondary markets have been valued at the weighted average prices of securities declared daily by the İstanbul Stock Exchange.
- c) Securities with variable interest rate: None (2008: Securities purchased under agreements to resell are carried at cost and interest income accrual is calculated as the difference between purchase price and sales price of the repurchase agreement for the related reporting period).



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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL STRUCTURE (Continued)**

**Foreign Currency Denominated Securities**

Foreign currency denominated securities is classified in the "Correspondent Bank" account in the balance sheet.

1- Equity Shares - None (2008: None).

2- Other Securities

a) Securities indexed to inflation and foreign currency - None (2008: None).

b) Fixed Income Securities - Foreign currency denominated securities are marked to market with prices determined in the foreign stock exchange markets in which they are traded.

c) Securities with variable interest rate - None (2008: None).

3- Gold (\*) - Gold is valued according to the gold price quoted at the London Bullion Market at 10:30 am at 31 December 2009 and 31 December 2008, on the basis of 1 ounce being equal to 31.1035 grams.

(\*) Gold is classified in the balance sheet under the "Gold" account.

**b. Equity Participations:**

**TL Denominated**

None (2008: None).

**Foreign Currency Denominated**

They are valued at the Bank's foreign exchange bid rate at the balance sheet date.

**c. Subsidiaries:**

The Bank has no TL or foreign currency denominated subsidiaries as of 31 December 2009 and 2008.

**d. Long-term Securities:**

The Bank has no TL or foreign currency denominated securities as of 31 December 2009 and 2008.

**(7) Method of depreciation, any changes in method during the current year and monetary effects of such changes:**

Property and equipment are subject to depreciation on a straight-line basis based on their economic useful lives. There has been no change in the depreciation method during the current year. The annual depreciation rates applied are as follows:

Buildings	2 - 4%
Vehicles, Furniture and Fixtures	2 - 33%
Leasehold Improvements	20%

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STRUCTURE (Continued)

The property and equipments that are acquired by the Bank after 1 January 2005, have been depreciated by using the useful lives stated in the communiqués numbered 333, 339 and 365 of the Tax Law.

The effect of revaluation on property and equipment until 31 December 2004 has been removed, due to the adjustments on property and equipment in accordance with Law No: 5024 that stipulates the application of inflation accounting on tangible assets.

In accordance with the tax law that was published in the Official Gazette dated 30 December 2003, and effective from 1 January 2004, the statutory financial statements have been prepared by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. Since the conditions stated in the tax law for the application of inflation accounting have not been realised after 1 January 2005, the statutory financial statements are not adjusted for the changes in the general purchasing power of Turkish Lira after this date.

- (8) The US dollar ("US\$") bid rates used in the preparation of the balance sheet at year-end and the US\$ bid rates announced by the Bank for the last five working days prior to balance sheet date are as follows:

	31 December 2009	31 December 2008
a. The Bank's "Exchange Rate for the Translation of Foreign Currency Items" (1 US\$ = TL)	TL1.5057	TL1.5123
b. US\$ Bid Rates at the Date of Balance Sheet Date and for the Last Five Working Days Prior to Balance Sheet Date are as follows:		
US\$ Bid Rate at the Date of Balance Sheet	TL1.5057	TL1.5123
US\$ Bid Rates for the Five Working Days Prior to Balance Sheet Date		
Bid rate of the 1st Day	TL1.5026	TL1.5065
Bid rate of the 2nd Day	TL1.5065	TL1.4971
Bid rate of the 3rd Day	TL1.5052	TL1.5074
Bid rate of the 4th Day	TL1.5070	TL1.5112
Bid rate of the 5th Day	TL1.5186	TL1.5152

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I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL STRUCTURE (Continued)

(9) Information on assets and liabilities denominated in foreign currencies, their US\$ and TL equivalents and the foreign currency position is as follows:

	31 December 2009		31 December 2008	
	Thousand TL	Million US\$	Thousand TL	Million US\$
<b>I-Foreign Currency Assets</b>				
1) Gold	6,374,873	4,234	5,016,931	3,317
2) Foreign Currency Reserves	106,476,995	70,716	107,384,842	71,008
3) Coins	-	-	-	-
4) Domestic Correspondents	221,338	147	213,234	141
5) Securities Portfolio	-	-	-	-
6) Domestic Loans	485,836	323	389	-
7) Open Market Operations	-	-	-	-
8) Foreign Loans	33,564	22	38,111	25
9) Equity Participations	23,698	16	23,559	16
10) Property and Equipment (Net)	-	-	-	-
11) Loans Under Legal Follow-Up (Net)	-	-	-	-
12) Treasury Liabilities Due To SDR Allocations	2,533,695	1,683	264,067	175
13) Valuation Account	-	-	-	-
14) Interest and Income Accruals	5,299	4	4,426	3
15) Miscellaneous Receivables	2,339	2	2,322	2
16) Other Assets	147	-	465	-
<b>Off-Balance Sheet Items</b>				
17) Forward Purchase Transactions	-	-	-	-
<b>Total Foreign Currency Assets</b>	<b>116,157,784</b>	<b>77,147</b>	<b>112,948,346</b>	<b>74,687</b>
<b>II-Foreign Currency Liabilities</b>				
1) Currency in Circulation	-	-	-	-
2) Due to Treasury	285,221	189	279,741	185
3) Foreign Correspondents	1,193	1	1,143	1
4) Deposits				
a) Public Sector	15,486,429	10,285	11,312,699	7,480
b) Banking Sector	20,473,464	13,597	21,702,652	14,351
c) Miscellaneous	19,469,083	12,930	20,788,140	13,746
d) International Institutions	7,148	5	6,201	4
e) Funds	2,621,683	1,741	3,549,362	2,347
5) Open Market Operations	-	-	-	-
6) Foreign Loans	13,862	9	13,760	9
7) Import Transfer Orders and Deposits	679,675	451	776,818	514
8) Notes and Remittances Payable	37,382	25	29,571	20
9) SDR Allocation	2,533,695	1,683	264,067	175
10) Provisions	-	-	-	-
11) Valuation Account	-	-	-	-
12) Interest and Expense Accruals	673,837	448	886,867	586
13) Miscellaneous Payables	51,099	34	50,512	33
14) Other Liabilities	193,832	129	268,164	177
<b>Off-Balance Sheet Items</b>				
15) Forward Sale Transactions	-	-	-	-
<b>Total Foreign Currency Liabilities</b>	<b>62,527,603</b>	<b>41,527</b>	<b>59,929,697</b>	<b>39,628</b>
<b>Net Foreign Currency Position</b>	<b>53,630,181</b>	<b>35,620</b>	<b>53,018,649</b>	<b>35,059</b>

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I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL  
STRUCTURE (Continued)

(10) Book value of property and equipment, the accumulated depreciation and their insurance coverage:

	31 December 2009				31 December 2008			
	Cost	Accumulated depreciation	Net book value	Insurance coverage	Cost	Accumulated depreciation	Net book value	Insurance coverage
Movables	100,355	83,540	16,815	100,098	96,964	77,586	19,378	97,893
Immovables	329,121	65,087	264,034	290,408	325,514	58,714	266,800	285,721
	<b>429,476</b>	<b>148,627</b>	<b>280,849</b>	<b>390,506</b>	<b>422,478</b>	<b>136,300</b>	<b>286,178</b>	<b>383,614</b>

(11) Information on significant contingent losses and gains, that cannot be quantified:

As of 31 December 2009, there are number of legal proceedings outstanding against the Bank amounting to TL65,928 thousand, US\$247,352 and EUR162,810 (2008: TL76,691 thousand, US\$379,320 and EUR338,098). No provision has been made in the accompanying financial statements for such legal proceedings.

(12) Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements:

*Valuation Account*

As explained in the article 2-ii-b, Section "A. Notes and Explanations related to the Current Year" of the section - I "Notes and Explanations related to the Bank and its Financial Structure", the "Valuation Account" in the balance sheet represents the unrealized foreign exchange gains and losses as at the balance sheet date. Realized foreign exchange gains and losses are recognized in the income statement at the transaction date.

B. Other notes and explanations

(1) Events occurred after the balance sheet date, affecting the financial activities and/or financial structure significantly and therefore require explanation:

In the meeting of General Assembly of the Bank that will be held on 20 April 2010, the General Assembly will make a decision on the payment of dividend to employees and on the allocation of the extraordinary reserves both of which are calculated as 5% , not exceeding their two months salary, and 10% of the remaining amount, respectively; for which the remaining amount is calculated after making deductions from the 2009 net profit amounting to TL2,736,709 thousand in relation with the percentages specified in article 60 paragraphs (a) and (b) of the Central Bank Law.

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL  
STRUCTURE (Continued)**

**(2) Information on the Bank's foreign branches:**

There are no foreign branches; however the Bank has representatives in Frankfurt, London, New York and Tokyo.

**(3) Explanation Added for Convenience Translation into English**

The effects of differences between accounting principles and standards set out by the related legislation in Turkey and the Central Bank Law, and accounting principles generally accepted in countries in which these financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these financial statements. Accordingly, these financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**C. The Independent Audit Firm and the Independent Auditor's Report**

The financial statements for the year ended 31 December 2009 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("a member of PricewaterhouseCoopers") and an unqualified opinion is expressed in the auditor's report. The independent audit opinion is presented prior to the financial statements and notes to the financial statements.

**II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE  
SHEET COMMITMENTS**

**(1) Gold Account**

In accordance with the 53<sup>rd</sup> article of the Central Bank Law, the Bank manages gold and foreign exchange reserves in the context of the monetary policy targets and applications. For this purpose the Bank performs banking operations in domestic and foreign markets including forward or spot purchase/sale of gold, foreign currency, marketable securities, derivative instruments and lending/borrowing transactions in accordance with the procedures and rules determined by its own safe investment, liquidity and yield priorities.

As of 31 December 2009, the Bank owns 116,103,753 (2008: 116,103,753) net grams of gold in international standards and 3,177,798 (2008: 3,183,297) net grams of gold in non-international standards. 82,433,108 (2008: 82,433,108) grams of the gold in international standards is kept at the Bank of England and Federal Reserve Bank of New York and 33,670,645 (2008: 33,670,645) grams is kept at the Head Office of the Bank. The total amount of gold in non-international standards is kept at the Head Office of the Bank; 345,575 (2008: 345,575) grams of gold in non-international standards belongs to the Turkish Treasury and the related liability is presented in the balance sheet under the "Due to Treasury" account.

The gold amount as of 31 December 2009 and 2008 is valued with the gold prices quoted on the London Bullion Market at 10:30 am, as of 31 December 2009 and 2008, on the basis of 1 ounce being equal to 31.1035 grams.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE  
SHEET COMMITMENTS (Continued)

(2) The Foreign Currency Reserves Account

Correspondent Bank Accounts

	31 December 2009		31 December 2008	
	Thousand TL	Million US\$	Thousand TL	Million US\$
Current Accounts	9,842,177	6,537	5,643,140	3,732
Marketable Securities Portfolio	95,957,159	63,729	100,905,888	66,723
<b>Total</b>	<b>105,799,336</b>	<b>70,266</b>	<b>106,549,028</b>	<b>70,455</b>

Correspondent bank accounts consist of the current accounts and marketable securities held as foreign currency reserve in foreign correspondent banks. The marketable securities portfolio consists of foreign currency government bonds and treasury bills issued by foreign financial institutions and kept in foreign banks.

As of 31 December 2009, marketable securities held for reserve purposes amounting to TL95,957,159 thousand (2008: TL100,905,888 thousand) are valued with the quoted prices in the international markets at the balance sheet date.

Under the current accounts of the Bank, there are bank placements deposited in the foreign correspondents amounting to TL252,678 thousand (2008: TL45,219 thousand) against the deposit of the Turkish Defense Fund amounting to TL320,041 thousand (2008: TL450,671 thousand). Bonds issued by the US Treasury amounting to TL339,380 thousand purchased on behalf of the Turkish Defense Fund as of 31 December 2008, have matured in 2009 and related amount has been deposited in the foreign correspondent banks. The securities held on behalf of the Turkish Defense Fund are recognised at their cost value on the balance sheet. The Bank acts as intermediary regarding the bank placements deposited in the foreign correspondents of the Turkish Defense Fund.

(3) Domestic Correspondents

Interbank Money Market transactions where the Bank acts as an intermediary are recognized in the domestic correspondents account under assets and in the bank deposits accounts under liabilities. The Bank carries the default risk of the borrower counterparty in these transactions against the collaterals taken from these counter parties.

The interest accrual amount of the Interbank Money Market Transactions, where the Bank acts as intermediary, is recorded under the account "Interest and Income/Expense Accrual" in the balance sheet and under the accounts "Other Interest Income" and "Other Interest Expense" in the income statement.

The amount of foreign currency interbank money market transactions where the Bank acts as intermediary is TL221,338 thousand as of 31 December 2009 (2008: TL213,234 thousand). As of 31 December 2009 and 2008, there are no TL interbank money market transactions where the Bank acts as intermediary.

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As of 31 December 2009, the Bank acted as a counterparty in TL interbank transactions where the borrowing amount is TL12,314,500 thousand (2008: TL9,935,300 thousand), which is classified in the "Open Market Operations - Other" account under liabilities. The interest expense accrual amounting to TL2,223 thousand (2008: TL4,140 thousand) related to this account is classified under "Interest and Expense Accruals" account.

(4) Marketable Securities and Open Market Operations

(a) Information on the marketable securities account

As of 31 December 2009, the marketable securities portfolio amounting to TL6,690,057 thousand (2008: TL13,653,502 thousand) consists of government bonds with outright purchase.

As of 31 December 2009, the marketable securities portfolio consists of securities purchased under agreements to resell amounting to TL33,000,000 thousand (2008: TL20,000,000 thousand) and income accrual from securities sold under agreements to repurchase amounting to TL2,245 thousand (2008: None). As of 31 December 2009, "Interest and Income Accruals" account also includes TL130,033 thousand (2008: TL35,812 thousand) of income accrual of the securities purchased under agreements to resell calculated by using simple interest rate and straight line method.

Breakdown of securities portfolio as at 31 December 2009 is as follows:

	31 December 2009			
	Acquisition Cost	Accrual (net)	Carrying Amount	Official Gazette Value
<b><u>Purchases under Agreements to Resell:</u></b>				
Treasury Bills and Government Bonds				
1. Fixed Income	33,000,000	130,033	33,000,000	33,000,000
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<b><u>Outright Purchases:</u></b>				
Treasury Bills and Government Bonds				
1. Fixed Income	263,346	2,823	266,169	266,169
2. Indexed to Inflation	6,379,242	44,646	6,423,888	6,423,888
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<b><u>Other Marketable Securities:</u></b>				
Accrued income from securities sold under agreements to repurchase				
	-	2,245	2,245	2,245
<b>TOTAL</b>	<b>39,642,588</b>	<b>179,747</b>	<b>39,692,302</b>	<b>39,692,302</b>

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Breakdown of securities portfolio as at 31 December 2008 is as follows:

	31 December 2008			
	Acquisition Cost	Accrual (net)	Carrying Value	Official Gazette Value
<b><u>Purchases under Agreements to Resell:</u></b>				
Treasury Bills and Government Bonds				
1. Fixed Income	7,978,528	12,955	7,978,528	7,978,528
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	12,021,472	22,857	12,021,472	12,021,472
<b><u>Outright Purchases:</u></b>				
Treasury Bills and Government Bonds				
1. Fixed Income	-	-	-	-
2. Indexed to Inflation	13,794,321	(140,819)	13,653,502	13,653,502
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<b>TOTAL</b>	<b>33,794,321</b>	<b>(105,007)</b>	<b>33,653,502</b>	<b>33,653,502</b>

As of 31 December 2009 and 2008, the nominal values of TL marketable securities acquired by outright purchases amounts to TL6,423,247 thousand and TL13,028,024 thousand, respectively. As of 31 December 2009, the nominal values of TL marketable securities purchased under agreements to resell amounts to TL31,203,340 thousand (2008: TL19,613,680 thousand) and TL marketable securities sold under agreements to repurchase amounts to TL1,904,777 thousand (2008: None).

(b) Information on open market operations

As of 31 December 2009, the amount of TL33,249,340 thousand (2008: TL20,060,925 thousand) and TL2,016,000 thousand (2008: None) under the account "Open Market Operations" on the asset side of the balance sheet are the return and sale amounts of the TL marketable securities purchased under agreements to resell and marketable securities sold under agreements to repurchase, respectively.

As of 31 December 2009, the account "Repurchase Agreements" under "Open Market Operations" on the liability side of the balance sheet amounting to TL33,000,000 thousand (2008: TL20,000,000 thousand) represents the purchase amount of the marketable securities purchased under agreements to resell, and the amount of TL2,017,436 thousand (2008: None) represents the return amount of marketable securities sold under agreements to repurchase; the "Other" account amounting to TL12,314,500 thousand (2008: TL9,935,300 thousand) represents the borrowing of the Bank through the Interbank Money Market.



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As of 31 December 2009, TL249,340 thousand (2008: TL60,925 thousand), the amount to be received at the sales date of the securities purchased under agreements to resell, is recognised under the "Other Liabilities" account and TL1,436 thousand (2008: None), the amount to be paid at the purchase date of the securities sold under agreements to repurchase, is recognised under "Other Assets" account.

(5) Loans

(a) Information on domestic loans:

As of 31 December 2009, TL485,836 thousand (2008: TL389 thousand) classified under domestic loans represents the discount loans extended to Türkiye İhracat ve Kredi Bankası A.Ş. ("Eximbank").

(b) Information on loans and advances given to shareholders and bank personnel

None (2008: None).

(c) Information on the foreign loans account:

Foreign loans accounts were initially used to follow the receivables for the commercial transactions made under treaties with the relevant countries' central banks which are subsequently converted to loans.

(d) Information on loans under legal follow-up (net) account:

The total balance consists of receivables related with the trading transactions with Iraq and became uncollectible due to the Gulf Crisis. Full allowance for these receivables has been established in these financial statements.

Movements in the allowance for loans and receivables under legal follow-up account:

	31 December 2009		31 December 2008	
	Thousand TL	Thousand US\$	Thousand TL	Thousand US\$
<b>Opening balance</b>	<b>2,284,171</b>	<b>1,510,395</b>	<b>1,709,292</b>	<b>1,467,581</b>
- Increases During the Period (+) (*)	7,803	4,982	55,828	42,814
- Transfers from Other Follow-up Accounts (+)	-	-	-	-
- Transfers to Other Follow-up Accounts (-)	-	-	-	-
- Collections During the Period (-)	-	-	-	-
- Write-offs (-)	-	-	-	-
- Foreign Exchange Differences	(10,270)	-	519,051	-
<b>Closing balance</b>	<b>2,281,704</b>	<b>1,515,377</b>	<b>2,284,171</b>	<b>1,510,395</b>
- Special Allowance (-)	2,281,704	1,515,377	2,284,171	1,510,395
<b>Net balance after allowance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) As of 31 December 2009, TL7,803 thousand (2008: TL55,828 thousand) represents interest accruals of the loans and receivables under follow-up in the reporting period.

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According to the 61st article of the Central Bank Law, foreign currency denominated loans under follow-up are revalued at period ends and unrealized gains and losses arising from the revaluation are classified into the transitory "Valuation Differences" account. Allowances for the related receivables including foreign currency rate differences are recorded in the income statement according to the 59th article of the Central Bank Law.

(6) Equity Participations

Equity participations are stated at acquisition cost and valued with the Bank's foreign currency bid rate at year-end.

As of 31 December 2009 and 2008, the Bank's equity participations can be analysed as follows:

Name	Share (%)	Total Paid-in Share Capital	31 December 2009 Acquisition Cost	31 December 2008 Acquisition Cost	31 December 2009 Carrying Amount	31 December 2008 Carrying Amount
Bank for International Settlements (BIS)	1.5	SDR684 million	(*) SDR10,000,000	(*) SDR10,000,000	23,650	23,513
S.W.I.F.T.	0.007	EUR14 million	EUR22,000	EUR21,440	48	46
<b>Total equity participations</b>					<b>23,698</b>	<b>23,559</b>

(\*) The Bank owns 8,000 shares in BIS with respect to the paid capital of SDR10,000,000 and unpaid (capital commitment) capital of SDR30,000,000.

During the year 2009, CHF3,555 thousand equivalent to TL4,997 thousand (2008: CHF3,516 thousand equivalent to TL4,248 thousand) was collected as dividend income and TL3,864 thousand (2008: TL3,771 thousand) has been accrued as dividend accrual as of 31 December 2009.

There have been no additions or disposals to the equity participation account in the current and previous period.

(7) Property and Equipment

The Bank has no repossessed immovables due to receivables. As of 31 December 2009, the cost of immovables and related accumulated depreciation amounts to TL329,121 thousand (2008: TL325,514 thousand) and TL65,087 thousand (2008: TL58,714 thousand), respectively, whereas the cost of movables and related accumulated depreciation amounts to TL100,355 thousand (2008: TL96,964 thousand) and TL83,540 thousand (2008: TL77,586 thousand), respectively.

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(8) Miscellaneous Receivables

Receivables from third parties other than the banking and public sector institutions are followed in this account.

The breakdown of miscellaneous receivables is as follows:

	31 December 2009	31 December 2008
Temporary tax that will be deducted from corporate income tax	347,700	-
Withholding tax that will be deducted from corporate income tax	67,025	179,031
TL deposit accounts that are held in the foreign banks	61,652	16,726
Corporate income tax receivable	2,057	1,344
Deposits and advances given	1,124	1,065
Letter of credit amount of banknote printing plant	701	8,178
Other	3,224	5,056
<b>Total Miscellaneous Receivables</b>	<b>483,483</b>	<b>211,400</b>

(9) Other Assets

The breakdown of other assets is as follows:

	31 December 2009	31 December 2008
Printing plant inventory	36,461	27,418
Construction in progress	9,610	6,750
Other materials and warehouses	2,754	2,933
Collection banknote depot	2,115	1,664
Fair value difference changes of marketable securities	1,436	-
Amounts to be written off according to court decision	924	557
Medallion depot	570	340
Prepaid expenses	535	445
Fees paid for property and equipment purchases	356	-
Amounts that will be recorded to correspondent accounts at settlement date	147	465
Other	2,617	1,500
<b>Total Other Assets</b>	<b>57,525</b>	<b>42,072</b>

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(10) Interest and Income Accruals

	31 December 2009	31 December 2008
Accrued interest income on securities purchased		
under agreements to resell	130,033	35,812
EFT commission income accrual	4,478	3,408
Dividend income accruals	3,864	3,771
Foreign currency deposit accrued interest income	272	46
Foreign loans accrued interest income	14	67
Other	1,153	588
<b>Total</b>	<b>139,814</b>	<b>43,692</b>

(11) Currency in Circulation

According to the Central Bank Law 1<sup>st</sup> article, the Bank has the privilege of issuing banknotes in Turkey. As of 31 December 2009, the banknotes in circulation amount to TL38,340,278 thousand (2008: TL31,743,434 thousand).

(12) Due to Treasury

As of 31 December 2009, TL18,469 thousand (2008: TL14,534 thousand) in the "Due to Treasury" account consists of gold in non-international standards, kept by the Bank on behalf of the Turkish Treasury and TL45,701 thousand (2008: TL36,569 thousand) of Due to Treasury account consists of tax and other liabilities payable to the Turkish Treasury.

As of 1 November 2006, under the scope of the membership to the International Monetary Fund ("IMF"), the country quota of Turkey increased by SDR227,300,000, reaching SDR1,191,300,000. 25% of the quota increase amounting to SDR56,825,000 has been paid in reserve currency and the rest of the increase, amounting to SDR170,475,000, has been paid in securities accounts denominated in TL to the IMF account at the Bank.

Reserve Tranche Position represents the prepayment of the total IMF quota of SDR1,191,300,000, amounting to SDR112,775,000 and is recorded in the "Foreign Currency Reserves - Reserve Tranche Position" account under the assets and in the "Due to Treasury - Reserve Tranche Position" account under liabilities. As of 31 December 2009, the balance of the account amounts to TL266,713 thousand (2008: TL265,168 thousand).

SDR112,307,000 (2008: 112,307,000 SDR) allocated to Turkey as of the date of the protocol signed with the IMF has been used by the Turkish Treasury and is classified as "Treasury Liabilities due to SDR Allocation" under "Assets" and as "SDR Allocation" under "Liabilities". Additionally, as of 28 August 2009 and 9 September 2009, the amounts of SDR883,122,365 and SDR75,900,364 have been used by Turkish Treasury as General SDR allocation and Special SDR allocation, respectively and are accounted for as explained. As of 31 December 2009, the balance is TL2,533,695 thousand (SDR1,071,329,729) (2008: TL264,067 thousand).

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(13) Foreign Correspondents

This account represents the foreign currency accounts of the correspondent banks.

(14) Deposit Accounts

The deposits balance is composed of deposits from the Turkish Treasury, public institutions, the banking sector, citizens abroad, international institutions and other funds.

*Public and Banking Sector Deposits*

According to the Central Bank Law article 41, the Turkish Treasury and public institutions accounts are non-interest bearing accounts with no maturity.

The balance of the banking sector consists of two-day notice foreign currency accounts, TL demand deposits accounts and reserve deposits.

*Deposits by citizens abroad*

As of 31 December 2009 and 2008, deposits by citizens abroad amounting to TL19,406,635 thousand and TL20,723,600 thousand, respectively consist of deposits by Turkish citizens living abroad.

Maturities of the deposits by citizens abroad vary between 1 to 3 years and interest rates vary according to the maturity and balance of the deposit account.

The breakdown of the deposits by citizens abroad according to foreign currency type is as follows:

Foreign Currency Type	31 December 2009			31 December 2008		
	Foreign Currency Balance (000)	Thousand TL Equivalent	Interest Rates (*)	Foreign Currency Balance (000)	Thousand TL Equivalent	Interest Rates (*)
EUR	8,528,274	18,423,630	0.25%-3.25%	9,156,802	19,602,882	0.25%-3.25%
US\$	597,451	899,582	0.25%-2.75%	680,555	1,029,203	0.25%-2.75%
CHF	52,506	76,092	0.25%-0.5%	58,657	83,880	0.25%-0.75%
Other	3,068	7,331	0.25%-1%	3,484	7,635	0.25%-1%
<b>Total</b>		<b>19,406,635</b>			<b>20,723,600</b>	

(\*) Prior to 6 March 2006, accounts denominated in EUR, US\$, GBP and CHF are rolled over, unless there is a customer request to the contrary, at the rate of 0.25%. Minimum interest rates of the deposit accounts other than the ones mentioned above are 1.00%, 1.00%, 0.50% and 1.00% for EUR, US\$, CHF and GBP respectively as of 31 December 2009 (2008: 2.25%, 2.00%, 0.75% and 1.00% for EUR, US\$, CHF and GBP respectively).

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*International Institutions Deposits*

The International Institutions deposit balance is the TL thousand equivalent of the balance transferred by IMF as "special drawing rights" ("SDR"). The Bank is designated as "the depositor" to regulate the relations of the Turkish Treasury and the IMF. As of 31 December 2009, in line with the agreements between IMF and the Turkish Treasury, the amount of TL7,148 thousand (2008: TL6,201 thousand) which represents the minimum quota amount is recorded in the "Deposit" accounts.

*Deposits of Funds*

Deposits of funds consist of the demand accounts of various funds controlled by the Prime Ministry of the Republic of Turkey.

**(15) Capital and Reserves**

According to the 5th article of the Central Bank Law, the capital of the Bank is TL25,000 and it is divided into 250,000 shares, with a value of Kr10 each. The capital may be increased with the approval of the Government. The shares are divided into (A), (B), (C) and (D) classes. The (A) group shares belong solely to the Turkish Treasury and cannot be lower than 51% of capital.

As of 31 December 2009 and 2008, the capital of the Bank is presented below:

	31 December 2009	31 December 2008
Share capital	25	25
Adjustment to share capital	46,209	46,209
<b>Total capital</b>	<b>46,234</b>	<b>46,234</b>

The shareholders of the Bank are as listed below:

	31 December 2009		31 December 2008	
	Participation Amount TL	Share %	Participation Amount TL	Share %
Turkish Treasury	13,680	55	13,680	55
T.C. Ziraat Bankası A.Ş.	4,806	19	4,806	19
T.C.M.B. Mensupları Sosyal Güvenlik Yardımlaşma Sandığı Vakfı	1,280	5	1,280	5
Türkiye Garanti Bankası A.Ş.	621	3	621	3
Türkiye İş Bankası A.Ş.	582	2	582	2
T.C. Sosyal Güvenlik Kurumu	350	2	350	2
Türkiye Kızılay Derneği	301	1	301	1
T. Halk Bankası A.Ş.	277	1	277	1
Other	3,103	12	3,103	12
<b>Total nominal share capital</b>	<b>25,000</b>	<b>100</b>	<b>25,000</b>	<b>100</b>

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20% of the annual gross profit of the Bank is allocated as special reserves each year. In addition, after the deduction of legal reserves on gross profit and first dividends to shareholders, 10% of the remaining balance is allocated as extraordinary reserves.

In accordance with the decision of the General Assembly dated 14 April 2009, the Bank distributed TL3,569 thousand to its employees, TL1,334,622 thousand to Turkish Treasury, TL3 thousand to other shareholders as dividend out of the 2008 profit amounting to TL2,330,622 thousand and the remaining balance amounting to TL652,574 thousand was transferred to legal reserves.

**(16) Provisions**

*Retirement Pay Provision*

As of 31 December 2009, the Bank calculated retirement pay provision amounting to TL92,527 thousand (2008: TL84,564 thousand) and recorded the full provision under the provision account.

*Corporate Tax Provision*

As of 31 December 2009, the Bank has calculated current year corporate tax provision amounting to TL467,284 thousand (2008: TL339,854 thousand) and recorded this amount under the provision account.

*Insurance Provision for Money in Transit*

As of 31 December 2009, the Bank, calculated provision for the transfer insurance of banknotes, cash and securities amounting to TL48,037 thousand (2008: TL45,353 thousand) and recorded the provision amount under the provision account.

**(17) Valuation Account**

According to the amendment, with the Law No: 4651, to the 61st article of the Central Bank Law on 25 April 2001, valuation account represents, the unrealized valuation gains and losses, arising from the revaluation of gold and foreign exchange, under assets and liabilities of the Bank, due to a change in the value of the local currency.

In accordance with the process of compliance with the European Union set of rules and legislation, the foreign exchange gains or losses resulting from foreign exchange purchase and sale transactions is calculated using the 'weighted average' basis starting from 1 January 2006, in accordance with the "European Central Banks Guide" published by the European Central Bank. Under this weighted average method, the date 1 January 2006 has been accepted as the starting point and the cost of the net foreign currency position of the Bank has been determined using the prevailing foreign exchange bid rates announced by the Bank as of 31 December 2005.

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(18) Other Liabilities and Miscellaneous Payables

Other Liabilities

	31 December 2009	31 December 2008
Fair value difference changes of marketable securities	249,340	60,925
Correspondent account transactions with value dates on the next financial year	193,655	268,079
Withholding tax of accrued income on reverse repo transactions	19,505	5,372
Other	1,886	5,567
<b>Total</b>	<b>464,386</b>	<b>339,943</b>

Miscellaneous Payables

	31 December 2009	31 December 2008
Blocked accounts for pending court cases	30,640	30,779
Interest accrued on deposit accounts below specified limits	7,038	7,035
Blocked accounts of tax courts and courts for claim	4,878	4,848
Amount pending due to late application of beneficiary	2,354	1,845
Creditors of foreign currencies that were deposited as trust	570	484
Other	7,998	7,334
<b>Total</b>	<b>53,478</b>	<b>52,325</b>

(19) Interest and Expense Accruals

	31 December 2009	31 December 2008
Interest expense accruals on deposits by citizens abroad	671,936	826,493
Interest expense accruals on reserve deposits	240,948	617,091
Interest expense accruals on interbank transactions in which the Bank acts as a counterparty	2,223	4,140
Interest expense accruals on IMF charges	1,052	594
Interest expense accruals on bank deposits with two days notice	140	17,278
Other	2,844	3,116
<b>Total</b>	<b>919,143</b>	<b>1,468,712</b>



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SHEET COMMITMENTS (Continued)**

**(20) Derivative Instruments and Off-balance sheet Commitments**

As of 31 December 2009, the Bank has no derivative instruments, recorded under off-balance sheet liabilities. As there are no derivative instruments, there are also no collaterals given under correspondent bank accounts related with derivative instruments.

As of 31 December 2008, the Bank has future contracts with a nominal value of US\$70,868 thousands. With reference to these contracts, valuation has been performed on a daily basis at market prices. In the case of profit in favour of the Bank, the profit amount is deposited to the Bank's current account by the counterparty financial institution; in the case of loss, the loss amount is transferred from the current account of the Bank to the account of the counterparty financial institution. The Bank keeps collateral of TL602 thousand at the correspondent bank accounts for the related futures contracts as of 31 December 2008.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE SHEET COMMITMENTS (Continued)

As of 31 December 2009 and 2008, TL and foreign currency denominated securities expressed in TL thousand over their nominal values; blank letter of credits, letter of credits that account owners entrust for maintenance, gold and silver medallions and badges obtained as service award, banknote samples, specimen catalogues, cheques with unknown costs are expressed in units:

OFF - BALANCE SHEET COMMITMENTS	31 December 2009		31 December 2008	
	TL	FC	TL	FC
<b>A. Securities in Custody</b>				
1. Marketable Securities in Custody - Free	215,330,747	8,531,908	164,101,736	10,536,674
2. Deal Securities	207,290,823	5,493,443	156,183,704	10,367,190
3. Marketable Security Exchange Market Banks' Guarantee Letters	937,753	3,357	924,330	2,384
4. Government Debt Security Depot of Savings Deposits Insurance Fund, Exempt from Income Tax	183,650	-	110,359	-
5. Other	3,711,416	-	2,191,376	161,695
<b>B. Guarantees Taken</b>	3,207,105	3,035,108	4,691,967	5,405
1. Government Debt Security Deposits of Bank under Foreign Exchange Market Guarantee	19,435,223	6,347,999	18,567,411	7,556,816
2. Bonds as Interbank Money Market Operations Guarantees	1,763,656	5,363,243	2,537,922	5,760,093
3. Government Debt Security Deposits Accepted as Guarantee for Money Market Transactions	9,044,857	947,469	8,447,623	-
4. Government Debt Security Deposits accepted as Guarantee for Pre-loaded and Subloaded TL Banknotes and Coins	8,081,676	-	5,603,932	1,668,685
5. Intermediary Institutions' Pledged Government Debt Security Deposits	18,090	-	1,696,788	69,566
6. Other	526,944	57,287	22,058	-
<b>C. Reserve Banknotes</b>	34,704,132	-	259,088	58,472
1. Reserve Banknotes - Head Office	11,452,975	-	40,630,205	-
2. Reserve Banknotes - Branches	22,669,409	-	6,637,675	-
3. Reserve Banknotes - Banknotes Deposits	327,512	-	32,200,562	-
4. Obsolete Banknotes	254,236	-	140,080	-
5. Pre-loaded TL Banknotes Deposits	-	-	374,299	-
<b>D. Other</b>	126,130,515	2,474,836	1,277,589	-
1. Repurchase Agreements Pledge Account	11,497,704	70,763	116,774,446	2,379,881
2. Bank Treasury Bonds Portfolio	37,626,587	-	6,784,455	50,207
3. Customer Transactions Portfolio - Takasbank	72,290,140	2,224,046	32,641,704	-
4. Branches' Marketable Security Portfolio in Electronic Security Fund Transfer System	4,637,141	-	73,897,709	2,064,042
5. Stock Exchange Market Members' Treasury Bond Depot	68,809	-	3,265,143	-
6. Derivative Transactions	-	-	53,726	-
7. Other	10,134	180,027	-	-
<b>E. Electronic Marketable Security Transfer Recording Follow-up Account for Marketable Securities, Classified with Physical Values in Above Accounts</b>	340,913,033	-	131,709	-
<b>TOTAL (A+B+C+D+E)</b>	736,513,650	17,374,743	625,220,898	20,473,371
			285,147,100	1,024,668
			524,888	1,024,957

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**III - NOTES AND EXPLANATIONS RELATING TO THE INCOME STATEMENT**

**(1) Interest Income**

For the year ended 31 December 2009, interest income amounting to TL2,663,627 thousand (2008: TL2,377,488 thousand) from foreign correspondents accounts includes interest income from foreign currency marketable security portfolio amounting to TL2,649,310 thousand (2008: TL2,285,081 thousand).

For the year ended 31 December 2009, the interest income from open market operations include only interest income originated from marketable security transactions. For the year ended 31 December 2008, interest income from open market operations includes marketable security interest income amounting to TL3,596,714 thousand and interest income from placements at the interbank money market amounting to TL188 thousand.

The Positive Valuation Differences account is composed of the positive differences between the market values and the total of the original acquisition costs of the TL denominated marketable securities portfolio and interest income accruals of the foreign currency denominated marketable securities as of the balance sheet date. As of 31 December 2009, the difference between the market value and the original acquisition cost and the interest income accrual of the marketable security portfolio is TL477,674 thousand (2008: TL248,184 thousand) and it is represented under the "Positive Valuation Differences" account.

**(2) Interest Expenses**

The "Negative Valuation Differences" account is composed of the negative differences between the market values and the original acquisition costs of the TL denominated marketable securities portfolio. As of 31 December 2009, there is no negative valuation difference on TL denominated marketable securities portfolio (2008: TL347,826 thousand) under "Negative Valuation Differences" account.

**(3) Non-interest Income**

For the year ended 31 December 2009, the portfolio purchase and sales income amounting to TL598,805 thousand (2008: TL657,852 thousand) consists of income on marketable security purchases and sales amounting to TL598,318 thousand (2008: TL655,179 thousand) and income on futures transactions amounting to TL487 thousand (2008: TL2,673 thousand).

For the year ended at 31 December 2009, Foreign Exchange Gains account is composed of realized gains on foreign currency purchase and sales transactions in 2009.

Marketable Security Valuation account consists of gains from positive differences between market value and the total of cost and accrued interest income of the foreign currency denominated marketable security portfolio.

**(4) Non-interest Expenses**

For the year ended 31 December 2009, Foreign Exchange Losses account consists of realized losses on foreign currency purchase and sales transactions in 2009.

Provisions account consists of the interest income accruals amounting to TL7,803 thousand (2008: TL55,828 thousand) for loans under legal follow-up calculated for the year 2009, the foreign exchange losses (2008: foreign exchange gains) amounting to TL10,270 thousand (2008: TL519,051 thousand) calculated over the loans under legal follow-up account and the interest accrual amounts due to the depreciation (2008: appreciation) of US\$ against TL, transfer insurance provision expense amounting to TL2,684 thousand (2008: TL2,876 thousand) and retirement pay provision expense amounting to TL13,609 thousand (2008: TL10,611 thousand).

Marketable Security Valuation account consists of losses from negative differences between market value and the total of cost and accrued interest income of the foreign currency denominated marketable security portfolio.

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**IV - SUPPLEMENTARY FINANCIAL STATEMENTS (Continued)**

Illustration of Assets and Liabilities according to their remaining maturities

CURRENT PERIOD (31 December 2009)	Demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
<b>ASSETS</b>								
Gold	6,374,873	-	-	-	-	-	-	6,374,873
Foreign Currency Reserves	6,164,914	11,274,702	12,297,325	42,172,105	34,301,236	-	266,713	106,476,995
Coins	88,416	-	-	-	-	-	-	88,416
Domestic Correspondents	-	221,338	-	-	-	-	-	221,338
Securities Portfolio	-	25,002,245	8,000,000	6,423,888	266,169	-	-	39,692,302
Domestic Loans	-	-	413,712	72,124	-	-	-	485,836
Open Market Operations	-	-	8,146,230	-	-	-	-	35,265,340
Foreign Loans	-	27,119,110	-	-	20,918	7,610	-	33,564
Equity Participations	23,698	-	2,132	2,904	-	-	-	23,698
Property and Equipment (Net)	-	-	-	-	-	-	-	280,849
Loans Under Legal Follow-up	-	-	-	-	-	-	-	2,281,704
Provisions for Loans Under Legal Follow-up (-)	-	-	-	-	-	-	-	(2,281,704)
Treasury Liabilities due to SDR Allocation	-	-	-	-	-	-	-	2,533,695
Valuation Account	-	-	-	-	-	-	-	-
Interest and Income Accruals	63,077	79,714	56,236	3,864	2,057	-	-	139,814
Miscellaneous Receivables	-	-	-	414,726	-	-	-	483,483
Other Assets	-	2,902	-	2,510	-	-	-	57,525
<b>Total Assets</b>	<b>12,714,978</b>	<b>63,700,011</b>	<b>28,915,635</b>	<b>49,092,121</b>	<b>34,590,380</b>	<b>7,610</b>	<b>3,136,993</b>	<b>192,157,728</b>
<b>LIABILITIES</b>								
Currency in Circulation	38,340,278	-	-	-	-	-	-	38,340,278
Due to Treasury	18,469	45,701	-	-	-	-	-	330,883
Foreign Correspondents	1,193	-	-	-	-	-	-	1,193
Deposits	20,545,722	34,341,008	14,492,283	7,686,512	9,529,582	-	2,764,530	89,359,637
Liquidity Bills	-	-	-	-	-	-	-	-
Open Market Operations	-	39,331,936	8,000,000	-	-	-	-	47,331,936
Foreign Loans	-	-	-	-	-	-	-	13,862
Import Transfer Orders and Deposits	-	-	-	679,679	-	-	-	679,679
Notes and Remittances Payable	-	37,382	-	-	-	-	-	37,382
SDR Allocation	-	-	-	-	-	-	-	2,533,695
Share Capital	-	-	-	-	-	-	-	46,234
Legal Reserves	-	-	-	-	-	-	-	3,691,281
Provisions	-	-	-	-	-	-	-	5,010,104
Valuation Account	-	-	-	467,284	-	-	-	919,143
Interest and Expense Accruals	-	6,946	247,354	102,632	562,211	-	-	53,478
Miscellaneous Payables	9,200	8,412	-	8,412	-	-	-	464,386
Other Liabilities	-	296,942	146,229	19,505	-	-	-	1,710
Net profit for the year	-	-	-	-	-	-	-	2,736,709
<b>Total Liabilities</b>	<b>58,914,862</b>	<b>74,059,966</b>	<b>22,885,866</b>	<b>8,964,024</b>	<b>10,091,793</b>	<b>-</b>	<b>17,241,217</b>	<b>192,157,728</b>
<b>Net Liquidity Positions</b>	<b>(46,199,884)</b>	<b>(10,359,955)</b>	<b>6,029,769</b>	<b>40,128,097</b>	<b>24,498,587</b>	<b>7,610</b>	<b>(14,104,224)</b>	<b>-</b>

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**IV - SUPPLEMENTARY FINANCIAL STATEMENTS (Continued)**

Illustration of Assets and Liabilities according to their remaining maturities

PRIOR PERIOD (31 December 2008)	Demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
<b>ASSETS</b>								
Gold	5,016,931	-	-	-	-	-	-	5,016,931
Foreign Currency Reserves	4,791,987	3,999,853	3,229,533	14,070,155	80,849,496	178,650	265,168	107,384,842
Coins	59,451	-	-	-	-	-	-	59,451
Domestic Correspondents	-	213,234	-	-	-	-	-	213,234
Securities Portfolio	-	20,000,000	-	5,232,070	8,421,432	-	-	33,653,502
Domestic Loans	-	-	389	-	-	-	-	389
Open Market Operations	-	20,060,925	-	-	-	-	-	20,060,925
Foreign Loans	-	-	2,142	2,830	24,858	8,281	-	38,111
Equity Participations	23,559	-	-	-	-	-	-	23,559
Property and Equipment (Net)	-	-	-	-	-	-	-	-
Loans Under Legal Follow-up	-	-	-	-	-	-	286,178	286,178
Provisions for Loans Under Legal Follow-up (-)	-	-	-	-	-	-	2,284,171	2,284,171
Treasury Liabilities due to SDR Allocation	-	-	-	-	-	-	(2,284,171)	(2,284,171)
Valuation Account	-	-	-	-	-	-	264,067	264,067
Interest and Income Accruals	-	39,763	158	3,771	-	-	-	43,692
Miscellaneous Receivables	19,949	-	-	179,031	1,344	-	11,076	211,400
Other Assets	-	1,280	-	2,043	-	-	38,749	42,072
<b>Total Assets</b>	<b>9,911,877</b>	<b>44,315,055</b>	<b>3,232,222</b>	<b>19,489,900</b>	<b>89,297,130</b>	<b>186,931</b>	<b>865,238</b>	<b>167,298,353</b>
<b>LIABILITIES</b>								
Currency in Circulation	31,743,434	-	-	-	-	-	-	31,743,434
Due to Treasury	14,534	36,569	-	-	-	-	265,168	316,271
Foreign Correspondents	1,143	-	-	-	-	-	-	1,143
Deposits	13,378,326	39,781,557	14,951,258	7,722,438	10,904,033	-	3,698,179	90,435,791
Liquidity Bills	-	-	-	-	-	-	-	-
Open Market Operations	-	29,935,300	-	-	-	-	-	29,935,300
Foreign Loans	-	-	-	-	-	-	13,760	13,760
Import Transfer Orders and Deposits	-	-	-	776,822	-	-	-	776,822
Notes and Remittances Payable	-	29,571	-	-	-	-	-	29,571
SDR Allocation	-	-	-	-	-	-	-	-
Share Capital	-	-	-	-	-	-	-	-
Legal Reserves	-	-	-	-	-	-	264,067	264,067
Provisions	-	-	-	-	-	-	46,234	46,234
Valuation Account	-	-	-	-	-	-	3,037,218	3,037,218
Interest and Expense Accruals	-	25,760	622,649	118,208	702,095	-	-	1,468,712
Miscellaneous Payables	8,492	1,476	-	8,611	-	-	33,746	52,325
Other Liabilities	-	329,089	-	5,372	-	-	5,482	339,943
Net profit for the year	-	-	-	-	-	-	1,990,768	1,990,768
<b>Total Liabilities</b>	<b>45,145,929</b>	<b>70,139,322</b>	<b>15,573,907</b>	<b>8,971,305</b>	<b>11,606,128</b>	<b>-</b>	<b>15,861,762</b>	<b>167,298,353</b>
<b>Net Liquidity Positions</b>	<b>(35,234,052)</b>	<b>(25,824,267)</b>	<b>(12,341,685)</b>	<b>10,518,595</b>	<b>77,691,002</b>	<b>186,931</b>	<b>(14,996,524)</b>	<b>-</b>