



**ARAP TÜRK BANKASI A.Ş.**  
**and**  
**Its Subsidiary**  
**Consolidated Financial Statements**  
**As of and For the Year Ended**  
**31 December 2009**

*(Convenience Translation of Consolidated Financial Statements and  
Related Disclosures and Footnotes Originally Issued in Turkish)*

**With Independent Auditors' Report Thereon**

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

*This report contains 1 page of independent auditors'  
report and 72 pages of consolidated financial  
statements including footnotes.*

- I. Independent Auditors' Report
- II. Publicly Announced Consolidated Financial Report



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

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Arap Türk Bankası Anonim Şirketi:

We have audited the consolidated balance sheet of Arap Türk Bankası A.Ş. ("the Bank") and its subsidiary ("the Group") as of 31 December 2009 and the related consolidated statement of income, consolidated changes in shareholders' equity and consolidated cash flow for the year then ended together with the summary of significant accounting policies and other explanatory notes to the financial statements.

*Disclosure for the responsibility of the Bank's Board of Directors:*

The Bank's Board of Directors is responsible for establishment of internal control systems relevant to the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette no.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and the statements and guidance issued by the Banking Regulation and Supervision Agency (BRSA) on accounting and financial reporting principles.

*Disclosure for the Responsibility of the Authorized Audit Firm:*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the consolidated financial statements. The selection of the audit techniques made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into and assessing the appropriateness of the applied accounting policies. It has been obtained the reasonable and appropriate audit evidence which is basis for independent auditors' opinion explained below.

*Independent Auditors' Opinion:*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arap Türk Bankası AŞ and its subsidiary as of 31 December 2009 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 and 38 of (Turkish) Banking Law No 5411 and the statements and guidance published by the BRSA on accounting and financial reporting principles.

İstanbul,  
19 February 2010

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak  
*Engagement partner*

**Additional paragraph for convenience translation to English:**

As explained in Section 3.1, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.



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**ARAP TÜRK BANKASI A.Ş.**  
**CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2009**

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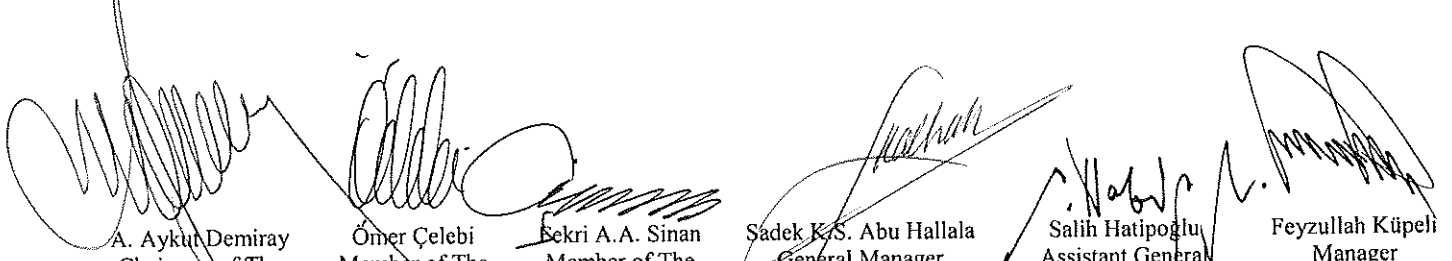
The consolidated financial report as of and for the year ended 31 December 2009 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be Announced to Public” by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- **Section One** GENERAL INFORMATION ABOUT THE PARENT BANK
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- **Section Five** DISCLOSURES AND FOOTNOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** OTHER DISCLOSURES AND FOOTNOTES
- **Section Seven** INDEPENDENT AUDITOR'S REPORT

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

	Subsidiaries	Associates	Jointly Controlled Companies
1	A&T Finansal Kiralama A.Ş.		

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira (TL) as of 31 December 2009 and independently audited and enclosed.

  
A. Aykut Demiray  
Chairman of The  
Board of Directors  
and Audit  
Committee  
Ömer Çelebi  
Member of The  
Board of  
Directors and  
Audit Committee  
Bekri A.A. Sinan  
Member of The  
Board of  
Directors and  
Audit Committee  
Sadek K.S. Abu Hallala  
General Manager  
Salih Hatipoğlu  
Assistant General  
Manager Responsible  
for Financial  
Reporting  
Feyzullah Küpeli  
Manager

Contact information of the personnel for addressing questions regarding this financial report:

Name/Title: Feyzullah Küpeli / Manager  
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<b><u>SECTION ONE</u></b>		
General Information		
I.	Parent Bank's date of establishment, beginning statute, its history including changes on its statute	3
II.	Parent Bank's share capital structure, shareholders directly or indirectly, alone or together holding the management and control of the bank, related changes within the year and information about bank's group	3
III.	Information about the parent Bank's chairman and members of board of directors, members of audit committee, general manager and associate general managers and their qualifications, related changes within the year and their shares at the bank	3
IV.	Information on people and entities who have qualified share in the parent Bank	4
V.	Information about the services and nature of activities of the parent Bank	4
VI.	Information about the subsidiary of the parent Bank	4
VII.	Other information	4
<b><u>SECTION TWO</u></b>		
Consolidated Financial Statements		
I.	Consolidated Balance Sheet (Statement of Financial Position)	6-7
II.	Consolidated Statements of Contingencies and Commitments	8
III.	Consolidated Statement of Income	9
IV.	Consolidated Statement of Recognized Income and Expense in Shareholders' Equity	10
V.	Consolidated Statement of Changes in Shareholders' Equity	11
VI.	Consolidated Statement of Cash Flow	12
VII.	Consolidated Statement of Profit Distribution	13
<b><u>SECTION THREE</u></b>		
Accounting Policies		
I.	Explanation for basis of presentation and footnotes	14
II.	Information on strategy for the use of financial instruments and foreign currency transactions	14
III.	Information on the parent Bank and its consolidated subsidiaries	15
IV.	Information on forward transactions, options and derivative instruments	15
V.	Information on interest income and expense	15
VI.	Information on fees and commission	15
VII.	Information on financial assets	16-17
VIII.	Information on impairment of financial assets	17
IX.	Information on the offsetting financial instruments	17
X.	Information on sale and repurchase agreements and lending of financial assets	17
XI.	Information on assets held for sale and discontinued operations	17
XII.	Information on goodwill and other intangible assets	17
XIII.	Information on tangible assets	18
XIV.	Information on leasing activities	18
XV.	Information on provisions, contingent liabilities and contingent assets	19
XVI.	Information on liabilities regarding employee rights	19
XVII.	Information on tax applications	19-20
XVIII.	Additional information on borrowings	20
XIX.	Information on share issuances	20
XX.	Information on bills of exchanges and acceptances	20
XXI.	Information on government incentives	20
XXII.	Profit reserves and profit distribution	21
XXIII.	Related parties	21
XXIV.	Cash and cash equivalents	21
<b><u>SECTION FOUR</u></b>		
Information Related to the Financial Position of the Consolidated Group		
I.	Information on consolidated capital adequacy ratio	22-25
II.	Information on consolidated credit risk	25-31
III.	Information on consolidated market risk	31-32
IV.	Information on operational risk	32
V.	Information on consolidated foreign currency exchange rate risk	33-35
VI.	Information on consolidated interest rate risk	35-38
VII.	Information on consolidated liquidity risk	39-40
VIII.	Information regarding the presentation of fair values of financial assets and liabilities	40-41
IX.	Activities carried out on behalf of and account of third parties, activities based on assurance	41
X.	Information on business segments	42
<b><u>SECTION FIVE</u></b>		
Information on Disclosures and Footnotes of Consolidated Financial Statements		
I.	Information on disclosures and footnotes of consolidated assets	43-55
II.	Information on disclosures and footnotes of consolidated liabilities	56-60
III.	Information on disclosures and footnotes of consolidated off-balance sheets	61-62
IV.	Information on disclosures and footnotes of consolidated income statements	63-66
V.	Information on disclosures and footnotes of changes in shareholders' equity	67
VI.	Information on disclosures and footnotes of consolidated cash flow statements	68
VII.	Information on the consolidated Group's risk group	69-70
VIII.	Domestic, foreign and off-shore branches or investments and foreign representative	70
<b><u>SECTION SIX</u></b>		
Other Information on Bank's Operations		
I.	Other Information on Bank's Operations	71
II.	Information on events after the balance sheet date	71
<b><u>SECTION SEVEN</u></b>		
Information on Independent Auditor's Report		
I.	Information on independent auditor's report	72
II.	Information and footnotes prepared by the independent auditor's report	72

**SECTION ONE**  
**GENERAL INFORMATION ABOUT THE PARENT BANK**

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

Arap Türk Bankası A.Ş. ("the Bank") has been established on 18 July 1976 as a joint stock entity in accordance with an agreement signed between the Republic of Turkey and the Libyan Arab Republic. The Parent Bank is administrated in conformity with the Articles of Association published in Official Gazette on 18 July 1976 and also as per the "Agreement for the Establishment of a Joint Bank between the Libyan Arab Republic and the Republic of Turkey" dated August 11, 1975. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by the Arab Shareholders and assigned by the Board.

**II. The Parent Bank's share capital structure, shareholders directly or indirectly, alone or together holding the management and control of the bank, related changes within the year and information about bank's group**

The Parent Bank is a foreign bank status incorporated in Turkey. The main shareholder is Libyan Foreign Bank incorporated in Libya, the other shareholders is Türkiye İş Bankası A.Ş., and T.C. Ziraat Bankası A.Ş. The main shareholder Libyan Foreign Bank has financial investments in various countries.

**III. Information about the Parent Bank's chairman and members of board of directors, members of audit committee, general manager and associate general managers and their qualifications, related changes within the year and their shares at the bank**

Name	Responsibility	Starting Date of Job	Education	Experience in Banking and Management
A. Aykut Demiray	Chairman of Board of Directors and Audit Committee	06.11.2002	University	29 years
Ömer Çelebi	Member of the Board and Audit Committee	14.04.2005	University	26 years
Atilla Çetiner	Member of the Board	19.09.2002	University	31 years
Khaled M.N. M Al Hajri	Member of the Board	03.05.2001	University	23 years
Fekri A.A.Sinan	Member of the Board and Audit Committee	13.04.2007	University	25 years
El Hadi Emgahid T.Abultife	Member of the Board	13.04.2007	University	20 years
Abdulfatah A.Enaami	Member of the Board	13.04.2007	University	15 years
Yusuf Dilaver	Auditor	30.03.2007	University	19 years
Zeynep Hansu Uçar	Auditor	25.03.2008	University	16 years
Sadek K.S. Abu Hallala	General Manager-Member of Board of Directors	23.05.2006	Üniversite	26 years
M. Nageb Hassan Mugber	Associate General Manager	15.09.2006	University	36 years
Salih Hatipoğlu	Associate General Manager	01.07.2008	University	11 years
Giuma Masaud Salem Kordi	Associate General Manager	01.07.2008	University	17 years
Özgür Erker	Associate General Manager	02.03.2009	University	12 years

As of March 2, 2009 Özgür Erker has been appointed as Associate General Manager.

As of April 6, 2009 İsmail Kazanç has been resigned from his Associate General Manager duty.

As of November 21, 2009 Khalifa Said Gana has been resigned from his Deputy Chairman of Board of Directors duty.

Members of the board, auditors and top level managers do not possess any share in the bank.

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

**IV. Information on people and entities who have qualified share in the Parent Bank**

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid Capital
Libyan Foreign Bank	149.687	62,37	149.687	-
T. İş Bankası A.Ş.	49.382	20,58	49.382	-
T.C. Ziraat Bankası A.Ş.	37.036	15,43	37.036	-

**V. Information about the services and nature of activities of the Parent Bank**

The Parent Bank was incorporated to mediate commercial activities between Turkey and North African countries. The Parent Bank is authorized to gather deposits and operates in corporate banking areas. The Parent Bank has three branches; two in İstanbul and one in Ankara. The Parent Bank has share participations in a subsidiary operating in financial leasing business.

**VI. Information about subsidiary of the Parent Bank**

A&T Finansal Kiralama A.Ş., has been established with the permission of T.C. Treasury and Foreign Trade Secretariats with the law numbered 3226, for leasing purpose both in Turkey and foreign countries and started operations with the announcement of its "Principal Agreement" in Turkey Trade Registry Gazette in 4 July 1997. Arap Turk Bankası A.Ş. has 99% of its shares and is the main shareholder of the Company. The leasing transactions of the Company include contraction equipments, machines and carriers and immovable.

The Company carries out its leasing activities mostly in one country (Turkey).

**VII. Other information**

All the amounts in financial report have been presented as "thousand Turkish Lira".

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

- I. Consolidated Balance Sheet (Statement of Financial Position)
- II. Consolidated Off Balance Sheet
- III. Consolidated Statement of Income
- IV. Consolidated Recognized Income and Expense In Shareholders' Equity
- V. Consolidated Statement of Changes in Shareholders' Equity
- VI. Consolidated Statement of Cash Flows
- VII. Consolidated Statement of Profit Distribution



Arap Türk Bankası A.Ş.  
Consolidated Balance Sheet (Statement of Financial Position)  
As of 31 December 2009

(Thousands of Turkish Lira)

ASSETS		Footnotes (5-1)	Audited			Audited		
			CURRENT PERIOD ( 31/12/2009)			PRIOR PERIOD ( 31/12/2008)		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	1,237	44,957	46,194	580	41,104	41,684
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(2)	147,288	61,531	208,819	111,934	61,784	173,718
2.1	Financial assets held for trading		147,288	61,531	208,819	111,934	61,784	173,718
2.1.1	Public sector debt securities		147,104	61,531	208,635	111,934	60,840	172,774
2.1.2	Securities representing a share in capital		-	-	-	-	-	-
2.1.3	Derivatives held for trading		184	-	184	-	944	944
2.1.4	Other marketable securities		-	-	-	-	-	-
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans granted		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	(3)	28,920	56,708	85,628	41,423	13,900	55,323
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	154	847	1,001	154	833	987
5.1	Securities representing a share in capital		154	847	1,001	154	833	987
5.2	Public sector debt securities		-	-	-	-	-	-
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS	(5)	202,854	146,863	349,717	140,258	185,263	325,521
6.1	Loans		202,854	146,863	349,717	140,258	185,263	325,521
6.1.1	Loans granted to the Bank's risk group		-	3,287	3,287	-	9,336	9,336
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		202,854	143,576	346,430	140,258	175,927	316,185
6.2	Loans under follow-up		5,891	-	5,891	5,906	-	5,906
6.3	Specific provisions (-)		5,891	-	5,891	5,906	-	5,906
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD TO MATURITY (Net)	(6)	114,880	134,635	249,515	35,297	117,482	182,779
8.1	Public sector debt securities		114,880	67,089	181,969	35,297	77,238	112,535
8.2	Other marketable securities		-	67,546	67,546	-	40,244	40,244
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Consolidated by equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments in associates		-	-	-	-	-	-
9.2.2	Non-financial investments in associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1	Financial subsidiaries		-	-	-	-	-	-
10.2	Non-financial subsidiaries		-	-	-	-	-	-
XI.	INVESTMENTS IN JOINT- VENTURES (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated by equity method		-	-	-	-	-	-
11.2	Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	9,275	44,117	53,392	9,160	61,136	70,296
12.1	Finance lease receivables		11,059	48,864	59,923	11,533	67,966	79,499
12.2	Operational leasing receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		1,784	4,747	6,531	2,373	6,830	9,203
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING	(11)	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	22,208	-	22,208	19,733	-	19,733
XV.	INTANGIBLE ASSETS (Net)	(13)	2,104	-	2,104	275	-	275
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		2,104	-	2,104	275	-	275
XVI.	INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSET	(15)	3,735	-	3,735	17,427	-	17,427
17.1	Current tax asset		-	-	-	12,168	-	12,168
17.2	Deferred tax asset		3,735	-	3,735	5,259	-	5,259
XVIII.	ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(16)	662	-	662	1,061	-	1,061
18.1	Held for sale purpose		662	-	662	1,061	-	1,061
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	3,178	1,168	4,346	4,357	693	5,050
	<b>TOTAL ASSETS</b>		<b>536,495</b>	<b>490,826</b>	<b>1,027,321</b>	<b>381,659</b>	<b>482,195</b>	<b>863,854</b>

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

Arap Türk Bankası A.Ş.  
Consolidated Balance Sheet (Statement of Financial Position)  
As of 31 December 2009

(Thousands of Turkish Lira)

LIABILITIES and SHAREHOLDERS' EQUITY	Footnotes (5-II)	Audited CURRENT PERIOD ( 31/12/2009)			Audited PRIOR PERIOD ( 31/12/2008)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. DEPOSITS</b>	(1)	12,408	166,510	178,918	3,192	94,622	97,814
1.1 Deposits held by the Bank's risk group		11	44,322	44,333	7	19,775	19,782
1.2 Other		12,397	122,188	134,585	3,185	74,847	78,032
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	79	-	79	-	18,156	18,156
<b>III. FUNDS BORROWED</b>	(3)	329	434,218	434,547	1,765	415,441	417,206
<b>IV. INTERBANK MONEY MARKET</b>		103,954	-	103,954	52,343	-	52,343
4.1 Interbank money market payables		-	-	-	-	-	-
4.2 İstanbul Stock Exchange money market payables		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		103,954	-	103,954	52,343	-	52,343
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		319	1,523	1,842	999	3,612	4,611
<b>VIII. OTHER EXTERNAL RESOURCES</b>	(4)	694	4,133	4,827	1,441	4,279	5,720
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5)	-	-	-	-	-	-
10.1 Finance leasing payables		-	-	-	-	-	-
10.2 Operational leasing payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance leasing expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING</b>	(6)	-	-	-	-	-	-
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(7)	10,106	185	10,291	7,846	179	8,025
12.1 General provisions		5,427	-	5,427	4,060	-	4,060
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserves for employee benefit		4,318	-	4,318	3,423	-	3,423
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		361	185	546	363	179	542
<b>XIII. TAX LIABILITY</b>	(8)	2,440	-	2,440	1,269	-	1,269
13.1 Current tax liability		2,440	-	2,440	1,199	-	1,199
13.2 Deferred tax liability		-	-	-	70	-	70
<b>XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS</b>	(9)	-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	(10)	290,423	-	290,423	258,710	-	258,710
16.1 Paid-in capital		240,000	-	240,000	240,000	-	240,000
16.2 Supplementary capital		9,096	-	9,096	9,096	-	9,096
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities Value Increase Fund		-	-	-	-	-	-
16.2.4 Revaluation surplus on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		9,096	-	9,096	9,096	-	9,096
16.3 Profit reserves		2,645	-	2,645	2,519	-	2,519
16.3.1 Legal reserves		2,498	-	2,498	2,372	-	2,372
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		147	-	147	147	-	147
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		38,682	-	38,682	7,095	-	7,095
16.4.1 Prior years income/loss		6,969	-	6,969	8,168	-	8,168
16.4.2 Current year income/loss		31,713	-	31,713	(1,073)	-	(1,073)
16.5 Minority interest		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		420,752	606,569	1,027,321	327,565	536,289	863,854

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

Arap Türk Bankası A.Ş.  
Consolidated Off Balance Sheet  
As of 31 December 2009

(Thousands of Turkish Lira)

	Footnotes (5-III)	Audited CURRENT PERIOD (31/12/2009)			Audited PRIOR PERIOD (31/12/2008)		
		TL	FC	TOTAL	TL	FC	TOTAL
		<b>A. OFF BALANCE SHEET COMMITMENTS</b>		96,150	1,394,592	1,490,742	306,647
<b>I. GUARANTEES AND WARRANTIES</b>	(1),(2)	1,391	1,168,563	1,169,954	914	722,024	722,938
I.1 Letters of guarantee		1,391	864,972	866,363	914	534,911	535,855
I.1.1 Guarantees subject to State Tender Law		54	86	140	58	84	142
I.1.2 Guarantees given for foreign trade operations		429	689,807	690,236	457	385,365	386,022
I.1.3 Other letters of guarantee		908	175,079	175,987	399	149,292	149,691
I.2 Bank acceptances		-	16,562	16,562	-	-	-
I.2.1 Import letter of acceptance		-	-	-	-	-	-
I.2.2 Other bank acceptances		-	16,562	16,562	-	-	-
I.3 Letters of credit		-	286,489	286,489	-	173,296	173,296
I.3.1 Documentary letters of credit		-	-	-	-	-	-
I.3.2 Other letters of credit		-	286,489	286,489	-	173,296	173,296
I.4 Prefinancing given as guarantee		-	-	-	-	-	-
I.5 Endorsements		-	-	-	-	-	-
I.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
I.5.2 Other endorsements		-	-	-	-	-	-
I.6 Securities issue purchase guarantees		-	-	-	-	-	-
I.7 Factoring guarantees		-	-	-	-	-	-
I.8 Other guarantees		-	540	540	-	13,787	13,787
I.9 Other warranties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)	7,429	138,698	146,127	6,093	34,469	40,562
II.1 Irrevocable commitments		6,663	138,464	145,127	4,301	32,848	37,149
II.1.1 Asset purchase and sales commitments		-	-	-	-	-	-
II.1.2 Deposit purchase and sales commitments		-	216	216	-	-	-
II.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
II.1.4 Loan granting commitments		-	29,361	29,361	-	32,848	32,848
II.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
II.1.6 Commitments for reserve deposit requirements		1,082	86,301	87,383	-	-	-
II.1.7 Payment commitments for checks		5,581	-	5,581	4,301	-	4,301
II.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
II.1.9 Commitments for credit card expenditure limits		-	-	-	-	-	-
II.1.10 Commitments for credit cards and banking services promotions		-	-	-	-	-	-
II.1.11 Receivables from short sale commitments		-	-	-	-	-	-
II.1.12 Payables for short sale commitments		-	-	-	-	-	-
II.1.13 Other irrevocable commitments		-	22,586	22,586	-	-	-
II.2 Revocable commitments		766	234	1,000	1,792	1,621	3,413
II.2.1 Revocable loan granting commitments		-	-	-	-	-	-
II.2.2 Other revocable commitments		766	234	1,000	1,792	1,621	3,413
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5)	87,330	87,331	174,661	299,640	409,043	708,683
III.1 Derivative financial instruments held for hedging		-	-	-	-	-	-
III.1.1 Fair value hedges		-	-	-	-	-	-
III.1.2 Cash flow hedges		-	-	-	-	-	-
III.1.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
III.2 Trading transactions		87,330	87,331	174,661	299,640	409,043	708,683
III.2.1 Forward foreign currency buy/sell transactions		-	-	-	21,390	22,940	44,330
III.2.1.1 Forward foreign currency transactions-buy		-	-	-	21,390	-	21,390
III.2.1.2 Forward foreign currency transactions-sell		-	-	-	-	22,940	22,940
III.2.2 Swap transactions related to foreign currency and interest rates		76,869	76,791	153,660	-	104,903	104,903
III.2.2.1 Foreign currency swap-buy		-	76,791	76,791	-	52,587	52,587
III.2.2.2 Foreign currency swap-sell		76,869	-	76,869	-	52,316	52,316
III.2.2.3 Interest rate swaps-buy		-	-	-	-	-	-
III.2.2.4 Interest rate swaps-sell		-	-	-	-	-	-
III.2.3 Foreign currency, interest rate and security options		-	-	-	278,250	281,200	559,450
III.2.3.1 Foreign currency options-buy		-	-	-	161,450	118,400	279,850
III.2.3.2 Foreign currency options-sell		-	-	-	116,800	162,800	279,600
III.2.3.3 Interest rate options-buy		-	-	-	-	-	-
III.2.3.4 Interest rate options-sell		-	-	-	-	-	-
III.2.3.5 Securities options-buy		-	-	-	-	-	-
III.2.3.6 Securities options-sell		-	-	-	-	-	-
III.2.4 Foreign currency futures		-	-	-	-	-	-
III.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
III.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
III.2.5 Interest rate futures		-	-	-	-	-	-
III.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
III.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
III.2.6 Other		10,461	10,540	21,001	-	-	-
<b>B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)</b>		136,746	311,567	448,313	12,646	213,356	226,002
<b>IV. ITEMS HELD IN CUSTODY</b>		122,831	29,244	152,075	10,598	603	11,201
IV.1 Assets under management		-	-	-	-	-	-
IV.2 Investment securities held in custody		89	-	89	3,256	-	3,256
IV.3 Checks received for collection		120,972	1,760	122,732	7,004	100	7,104
IV.4 Commercial notes received for collection		1,770	27,484	29,254	338	503	841
IV.5 Other assets received for collection		-	-	-	-	-	-
IV.6 Assets received for public offering		-	-	-	-	-	-
IV.7 Other items under custody		-	-	-	-	-	-
IV.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		13,915	282,323	296,238	2,048	212,753	214,801
V.1 Marketable securities		-	188,213	188,213	-	185,000	185,000
V.2 Guarantee notes		230	166	416	2,020	26,116	28,136
V.3 Commodity		-	-	-	-	-	-
V.4 Warranty		-	-	-	-	-	-
V.5 Immovables		13,637	89,994	103,631	-	-	-
V.6 Other pledged items		28	3,930	3,978	28	1,637	1,665
V.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET COMMITMENTS</b>		232,896	1,706,159	1,939,055	319,293	1,378,892	1,698,185

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

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Arap Türk Bankası A.Ş.

Consolidated Income Statement For The Year Ended 31 December 2009

(Thousands of Turkish Lira)

INCOME and EXPENSES		Footnotes (5-1V)	Audited	
			CURRENT PERIOD ( 01/01/2009-31/12/2009)	PRIOR PERIOD ( 01/01/2008-31/12/2008 )
I.	INTEREST INCOME	(1)	71,762	69,537
1.1	Interest on loans		26,485	23,909
1.2	Interest received from reserve deposits		40	273
1.3	Interest received from banks		3,291	6,965
1.4	Interest received from money market transactions		70	345
1.5	Interest received from marketable securities portfolio		35,632	30,802
1.5.1	Financial assets held for trading		21,739	18,588
1.5.2	Financial assets valued at fair value through profit or loss		-	788
1.5.3	Financial assets available for sale		-	-
1.5.4	Investments held to maturity		13,893	11,426
1.6	Finance lease income		5,993	6,765
1.7	Other interest income		251	478
II.	INTEREST EXPENSE	(2)	13,790	19,578
2.1	Interest on deposits		1,368	2,117
2.2	Interest on funds borrowed		5,950	12,581
2.3	Interest on money market transactions		6,472	4,880
2.4	Interest on securities issued		-	-
2.5	Other interest expense		-	-
III.	NET INTEREST INCOME/EXPENSE (I - II)		57,972	49,959
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		23,237	9,215
4.1	Fees and commissions received		23,758	9,584
4.1.1	Non-cash loans		9,547	2,961
4.1.2	Other		14,211	6,623
4.2	Fees and commissions paid		521	369
4.2.1	Non-cash loans		11	11
4.2.2	Other		510	358
V.	DIVIDEND INCOME	(3)	48	105
VI.	NET TRADING INCOME/EXPENSE	(4)	(10,606)	(44,258)
6.1.	Profit/losses on trading account securities		269	724
6.2.	Loss/Profit on derivative transactions		(1,968)	(49,050)
6.3.	Foreign exchange profit/losses		(8,907)	4,068
VII.	OTHER OPERATING INCOME	(5)	1,029	18,234
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		71,680	33,255
IX.	PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(6)	3,496	7,469
X.	OTHER OPERATING EXPENSES (-)	(7)	32,135	29,083
XI.	NET OPERATING INCOME/LOSS (VIII-IX-X)		36,049	(3,297)
XII.	INCOME RESULTED FROM MERGERS		-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	36,049	(3,297)
XVI.	PROVISION FOR TAXES FOR CONTINUING OPERATIONS (±)	(9)	(4,336)	2,224
16.1.	Current tax provision		(2,882)	-
16.2.	Deferred tax provision		(1,454)	2,224
XVII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	(10)	31,713	(1,073)
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1.	Income from assets held for sale		-	-
18.2.	Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3.	Other income from discontinued operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1.	Expense on assets held for sale		-	-
19.2.	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3.	Other expense from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1.	Current tax provision		-	-
21.2.	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT/LOSSES (XVII±XXII)	(11)	31,713	(1,073)
23.1	Group's profit/loss		31,713	(1,073)
23.2	Minority shares		-	-
	Earnings/Losses per share		0.00132	(0.00004)

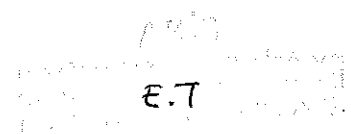
The accompanying notes are an integral part of these consolidated financial statements.

**Arap Türk Bankası A.Ş.**

**Statement of Recognized Income and Expense In Consolidated Shareholders' Equity For the Year Ended 31 December 2009**

(Thousands of Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		Audited	
		CURRENT PERIOD (01/01/2009-31/12/2009)	PREIOR PERIOD (01/01/2008-31/12/2008)
I.	MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER IAS	-	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	-	-
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	-	-
XI.	CURRENT PERIOD PROFIT/LOSSES	31.713	(1.073)
11.1	Net changes in fair value of securities (transferred to income statement)	-	-
11.2	Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
11.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
11.4	Other	31.713	(1.073)
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	31.713	(1.073)


  
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	Balance at the beginning of the period	Capital Reserve from Initial Adjustments to Policy (C)	Share Dividend	Share Cancellation Profit	Legal Reserve	Statutory Reserve	Intersubiliary Reserves	Other Reserves	Current Period Net Profit (Loss)	Prior Period Net Profit (Loss)	Securities Value Increase/Decrease	Reschedule Shares on Transferable Assets	House Shares of Equity Participation	Accumulated Revaluation Surplus on Assets Held for Sale and Assets of Determined Opportunity	Total Shareholders' Equity (except Minority Interest)	Minority Interest	Total Shareholders' Equity
I.	41,000	33,000			3,100	147			2,770	10,670					48,000		48,000
II.																	
III.	41,000	33,000			3,100	147			2,770	10,670					48,000		48,000
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Arap Türk Bankası A.Ş.

Consolidated Statement of Cash Flow  
For The Year Ended 31 December 2009

(Thousands of Turkish Lira)

	Footnotes (5-V3)	Audited	
		CURRENT PERIOD ( 31/12/2009)	PRIOR PERIOD ( 31/12/2008)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		32,895	(433)
1.1.1 Interests Received		65,407	52,174
1.1.2 Interest Paid		(14,645)	(19,161)
1.1.3 Dividend Received		48	105
1.1.4 Fees and Commissions Received		23,758	9,584
1.1.5 Other Income		1,029	18,106
1.1.6 Collections From Previously Written-off Loans and Other Receivables		101	105
1.1.7 Payments to Personnel and Service Suppliers		(30,671)	(18,769)
1.1.8 Taxes Paid		(368)	(2,249)
1.1.9 Others	(3)	(11,764)	(40,328)
1.2 Changes in Operating Assets and Liabilities		100,374	(69,529)
1.2.1 Net Decrease in Financial Assets Held For Trading		(21,396)	(94,500)
1.2.2 Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss		-	-
1.2.3 Net Decrease in Due From Banks and Other Financial Institutions		2,158	13,725
1.2.4 Net (Increase) in Loans		(28,028)	(191,161)
1.2.5 Net Decrease in Other Assets	(3)	19,367	(66,628)
1.2.6 Net Increase/(Decrease) in Bank Deposits		91,582	54,673
1.2.7 Net Increase (Decrease) in Other Deposits		41,135	6,032
1.2.8 Net Increase/ (Decrease) in Funds Borrowed		18,256	200,140
1.2.9 Net Increase/ (Decrease) in Matured Payables		-	-
1.2.10 Net Increase in Other Liabilities	(3)	(22,700)	8,190
I. Net Cash Flow From Banking Operations		133,269	(69,962)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II. Net Cash Flow From Investing Activities		(102,023)	(59,116)
2.1 Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible Assets		(5,678)	(1,289)
2.4 Sales of Tangible Assets		770	248
2.5 Cash Paid For Purchase of Financial Assets Available-For-Sale		-	-
2.6 Cash Obtained From Sale of Financial Assets Available-For-Sale		-	-
2.7 Cash Paid For Purchase of Investments Held-to-Maturity		(129,785)	(76,134)
2.8 Cash Obtained From Sale of Investments Held-to-Maturity		32,670	18,059
2.9 Others		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III. Net Cash Flows From Financing Activities		-	165,125
3.1 Cash Obtained From Funds Borrowed and Securities Issued		-	-
3.2 Cash Used For Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Equity Instruments Issued		-	165,125
3.4 Dividends Paid		-	-
3.5 Payments For Financial Leases		-	-
3.6 Others		-	-
IV. Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents		903	1,321
V. Net (Decrease)/Increase in Cash and Cash Equivalents		32,149	37,368
VI. Cash and Cash Equivalents at Beginning of Period	(1)	70,660	33,292
VII. Cash and Cash Equivalents at the End of Period	(1)	102,809	70,660

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

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**Arap Türk Bankası A.Ş**  
**Statement of Profit Distribution**  
**For The Year Ended At 31 December 2009**

(Thousands of Turkish Lira)

	Audited	
	CURRENT PERIOD ( 31/12/2009)	PREVIOUS PERIOD ( 31/12/2008)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	31,609	(1,352)
1.2 TAXES AND DUTIES PAYABLE	6,624	(4,062)
1.2.1 Corporate Tax (Income tax)	2,882	
1.2.2 Income withholding tax		
1.2.3 Other taxes and duties	3,742	(4,062)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>24,985</b>	<b>2,710</b>
1.3 PRIOR YEARS LOSSES (-)		
1.4 FIRST LEGAL RESERVES (-)	1,249	
1.5 OTHER STATUTORY RESERVES (-)		
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>23,736</b>	<b>2,710</b>
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 PERSONNEL (-)		
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 GENERAL RESERVES		
1.13 OTHER RESERVES		
1.14 SPECIAL FUNDS		
<b>II. DISTRIBUTION OF RESERVES</b>		
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 PERSONNEL (-)		
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)		
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0.00132	(0.00004)
3.2 TO OWNERS OF ORDINARY SHARES (%)	0.132	(0.004)
3.3 TO OWNERS OF PRIVILEGED SHARES		
3.4 TO OWNERS OF PRIVILEGED SHARES (%)		
<b>IV. DIVIDEND PER SHARE</b>		
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 (%)		

Note: Profit distribution is based on Parent Bank's unconsolidated financial statements

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

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### **SECTION THREE ACCOUNTING POLICIES**

#### **I. Explanations for basis of presentation and footnotes**

##### **Preparation of consolidated financial statements and related information and footnotes in compliance with the Turkish Accounting Standards and The Regulation on Accounting Applications for Banks and Safeguarding of 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 (collectively referred to as "Reporting Standards"). The Parent Bank maintains its books of account in Turkish Lira (TL).

Consolidated financial statements are prepared in Thousand Turkish Lira based on historical costs excluding financial assets and liabilities that are shown at their fair values.

##### **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 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 in accordance with the accounting principles generally accepted in such countries and IFRS.

#### **II. Information on strategy for the use of financial instruments and foreign currency transactions**

The Parent Bank's core business operation is banking activities including retail banking, corporate banking and security transactions (treasury transactions) together with international banking services. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Parent Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The activities done with foreign currency is recorded in accordance with TAS No:21 "Effects of Exchange Rate Changes". Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions for the years ended 31 December 2009 and 31 December 2008 are translated into TL over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly. At the balance sheet date, foreign currency assets and liability balances outstanding are translated into TL over the Bank's exchange rates prevailing as of the period end and the resulting exchange rate differences are accounted as foreign exchange gains and losses. The Parent Bank's related exchange rates at the balance sheet date end are as follows:

	<b>31 December 2009</b>	<b>31 December 2008</b>
US Dollars	1.5057 TL	1.4800 TL
Euro	2.1603 TL	2.0950 TL

### **III. Information on consolidated associates and subsidiaries**

The Parent Bank does not have any associate as of 31 December 2009 and 31 December 2008.

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements".

The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly.

The Parent Bank and its subsidiary A&T Finansal Kiralama A.Ş. that is included in consolidation are together referred to as "Group" in the disclosures and footnotes related to the consolidated financial statements.

#### **1. With respect to subsidiaries**

"Full Consolidation" method has been applied in consolidating the financial statements of the Bank with the financial statements of its subsidiary. In accordance with this method, the financial statements of the Parent Bank and its subsidiary are combined on a line-by-line basis by adding together the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

#### **The major principles applied in the consolidation of Subsidiaries**

**1.1** The carrying amount of the Parent Bank's net investment in the subsidiary and the Bank's portion of equity of the subsidiary are eliminated.

**1.2** All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 31 December 2009 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

### **IV. Information on forward transactions, options and derivative instruments**

The Group's financial derivatives are classified as "Held for Trading" in accordance with TAS 39.

Liabilities and receivables originated from derivative transactions are recorded as off-balance sheet items at their contractual values.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account "Fair values of financial assets through profit or loss" in "Trading Derivative Financial Instruments" and if the fair value difference is negative, it is disclosed under "Trading Derivative Financial Liabilities" Gains and losses arising from a change in fair value of trading derivatives after the remeasurement are accounted in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow model.

### **V. Information on interest income and expense**

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

### **VI. Information on fees and commission**

Fees and commission income and expenses for various banking services are recorded as income when collected, all other commission income and expense items are accounted on accrual basis.

## **VII. Information on Financial Assets**

The Group categorizes and records its financial assets as "Financial assets at fair value through profit or loss", "Financial assets available-for-sale", "loans and receivables" or "financial assets held to maturity".

### **a. Financial Assets at Fair Value through Profit or Loss:**

This category has two sub categories: "Financial assets for trading purposes" and those recorded as "Financial assets designated at fair value through profit or loss" at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer's margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are remeasured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

### **b. Financial Assets Available-for-Sale:**

Financial assets available for sale is financial assets other than those classified as "Loans and Receivables", "Financial Assets Held to Maturity" and "Financial assets at fair value through profit or loss".

Debt securities classified as financial assets available-for-sale are subsequently remeasured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is are reflected in the equity "Marketable securities value increase fund". When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

### **c. Loans and Receivables**

Loan and receivables are financial assets originated by the Group providing money, commodity and services to debtors. Loans and receivables originated by the Bank are initially carried at cost and subsequently recognized at the amortized cost method using the "internal rate of return". The duties paid, transaction expenditures and other similar expenses on assets received as collateral against such risks are considered as a part of transaction cost and charged to related expense accounts.

Based on the reviews and estimates of the Group management, loans that are identified as being impaired are reclassified as non-performing loans under follow up accounts. Thereby, specific allowances are made against the carrying amounts of these loans in accordance with the "Regulation on 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 in the Official Gazette No: 26333 dated 1 November 2006. Specific provisions are recognized in the year's consolidated income statement. If there is a collection made on loans that have already provisioned in the previous years, the recovery amount is accounted under income statement accounts "Other Operating Income" if the provision was made in the current year otherwise such collections are credited to account "Provision for Loan Losses or Other Receivables". Uncollectible receivables are written off after legal procedures are finalized.

**d. Financial Assets Held to Maturity:**

Held-to-maturity securities are financial assets that are not classified as "loans and receivables" with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using discounting method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the income statement.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

**VIII. Information on impairment of Financial Assets**

If the estimated recoverable amount of the financial asset, which is the present value of expected future cash flows of by using the "Effective interest (internal rate of return) rate method" or the fair value if exists, is lower than the carrying value the financial assets then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in the value of the impaired financial asset and the provision is charged to the expense accounts.

**IX. Information on offsetting financial instruments**

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

**X. Information on sale and repurchase agreements and lending of financial assets**

Repurchase (repo) and resale (reverse repo) agreements of financial assets are followed at the consolidated balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts. The interest expense accruals are calculated by means of effective interest method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (reverse repo) agreements are reflected under "Receivables from Reverse Repurchase Agreements". The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

The Parent Bank does not have any financial asset that is subject to lending.

**XI. Information on assets held for sale and discontinued operations**

The Parent Bank does not have any discontinued operations.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the "Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks" dated 1 November 2006 and published on the Official Gazette No.26333.

**XII. Information on goodwill and other intangible assets**

There is no goodwill in the accompanying consolidated financial statements related to the acquisition of a subsidiary.

Software classified as other intangible assets acquired before 1 January 2005 are accounted at restated costs for the effects of inflation in TL units until the end of 31 December 2004 and those acquired after 1 January 2005 are measured at cost less accumulated amortization. The useful life of software is determined as 5 years.

### **XIII. Information on tangible assets**

Tangible assets acquired before 1 January 2005 are reflected at their restated cost for the effects of inflation in TL units current until the end of 31 December 2004 less accumulated depreciation and the impairment losses ,if any, and those acquired after 1 January 2005 are measured at cost less accumulated depreciation and the impairment losses, if any.

The depreciation of tangible assets is computed using the straight-line method. The depreciation rates used approximate the rates of the useful lives of the tangible assets are as follows:

	%
Buildings	2
Motor Vehicles	20
Furniture, Fixture and Office Equipment	2 – 20

In case, the cost amount of the related tangible asset is lower than the "Net realizable value" the value of asset is decreased to its "Net realizable value" and the provision for impairment is reflect to the related expense accounts.

Gains and losses resulting from the sale of tangible assets is the difference between the sales amount and net book value and recorded into the account "Profit/Loss from Sale of Assets" to be accounted under the "Other Operating Income/Expense" in the financial statements.

Expenditures for maintenance and repairs that are routinely made on tangible assets are recognized as expense. Expenditures incurred in order to extend the capacity of the tangible assets or those that extend the useful life and service capacity of the assets are capitalized.

There are no restrictions such as pledges and mortgages on tangible assets or any purchase commitments.

There is no purchase commitments related to the tangible fixed assets.

There are no expected changes in the accounting estimates related with property and equipment, which could have a significant impact on the current and future periods.

### **XIV. Information on leasing activities**

Assets acquired under finance lease agreements are initially recognized at the "lower of the fair value of the leased asset or the present value of leasing payments". These leased assets are depreciated according to their useful lives and classified as tangible assets. In cases where leased assets are impaired provisions for impairment are recognized.

The obligations under financial leases arising from lease contracts are included in "Financial Lease Payables" in the balance sheet. Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Parent Bank does not provide financial leasing services as a "Lessor".

The gross amount of the lease payments including interest and capital payments of the financial leases done by the "leser" A&T Finansal Kiralama that is included in the consolidation is recorded in the financial lease receivables account.

The difference between the total lease payments and the cost of the related tangibles is recorded in the "unearned income" account. The interest income is accounted by computing a constant period income rate over the net investment amount of the leaser on the leased asset.

Transactions regarding operational leases are accounted on an accrual basis in accordance with the term of the related contracts.

**XV. Information on provisions, contingent liabilities and contingent assets**

Provisions and contingent liabilities are provided for in accordance with the Communiqué No:37 "Provisions, Contingent Liabilities and Contingent Assets" of Turkish Accounting Standards, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the consolidated financial statements in which the change occurs.

**XVI. Information on liabilities regarding employee rights**

Obligations related to employment termination and vacation rights are accounted in compliance with the "Turkish Accounting Standard on Employee Benefits" ("TAS 19"), in the accompanying consolidated financial statements.

In accordance with existing legislation in Turkey, the Group has to make certain lump-sum payments to employees whose employment is terminated due to retirement or reasons other than resignation or misconduct. The provision for severance pay is calculated and reflected on the consolidated financial statements by the net value of the possible future liability amount as of today considering the situations of retirement in compliance with the Turkish Labor Law, termination of employment after at least one year of service, leaving due to military obligations and mortality.

**XVII. Information on tax applications****Current tax:**

The Group is subject to tax laws and legislation effective in Turkey.

Between 24 April 2003 and 31 December 2005, investment incentives has been supplied at %40 of the value for the corporate tax calculation for fixed asset additions which are directly related to production of goods and services and have an economical life that worth at least 10,000 (2004 – 6,000 TL). Investment incentives which occur before 24 April 2003, if they can not be changed for the new application with the own will of the companies, will be subjected to stoppage with a rate of %19,8.

Corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Parent Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax.

The withholding tax rate on the dividend payments other than the ones paid to the non-resident 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 non-resident 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 prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. Tax losses cannot be carried back.

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 declarations and related accounting entries can be investigated by tax authorities 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.

**Deferred taxes:**

The Group calculates and accounts deferred tax assets and liabilities in accordance with the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

**Transfer Pricing:**

In Turkey, the transfer pricing provisions has 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 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm's length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

**XVIII. Additional information on borrowings**

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at "amortized cost" using the "effective interest rate" method.

The Group did not issue any stocks convertible into bonds.

The Group does not have any borrowing instruments issued by itself.

**XIX. Information on share issuances**

The Parent Bank has no share issuances.

**XX. Information on bills of exchanges and acceptances**

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as commitments in "Off-Balance Sheet" accounts.

There are no acceptances presented as liabilities against any assets.

**XXI. Information on government incentives**

As of 31 December 2009, A&T Finansal Kiralama A.Ş has 10,560,990 TL of unutilized investment incentive.

**XXII. Profit reserves and profit distribution**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement.

The Legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank's paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company's share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

**XXIII. Related parties**

For the purpose of accompanying consolidated financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with "Declaration of Related Party Standard" ("TAS 24").

**XXIV. Cash and cash equivalents**

In the cash flow statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalent" refers to money market placements, time deposits at banks, and investments in financial securities which has original maturity less than three months.



## **SECTION FOUR**

### **INFORMATION ON THE FINANCIAL POSITION OF THE GROUP**

#### **I. Information on consolidated capital adequacy ratio**

The Group's consolidated capital adequacy ratio is 31.26% as of 31 December 2009 (31 December 2008: 32.16%).

The risk measurement methods used in the determination of the consolidated capital adequacy ratio:

The Parent Bank's interest rate risk is calculated and analyzed in consideration with various dimensions within the scope of market risk management of the Risk Management Department.

The interest rate risk and currency risk are measured under the scope of the market risk calculated in accordance with the Standard Methods and is included in the capital adequacy ratio calculation.

Value at Operational Risk (VOR) is calculated in accordance with the "Basic Indicator Method" and is included in the capital adequacy ratio calculation.

The effect of changes in risk factors on the Parent Bank portfolio is calculated on a daily basis using the VaR (Value at Risk) method. The method is tested with a retrospective testing method.

For the analysis of the effect of interest fluctuations above the estimations on the Bank, stress test analyses are made on a monthly basis.

In addition, various scenario analyses are performed based on possible interest rate estimations and changing expectations of exchange rates.

The interest rate and exchange rate sensitivity of assets, liabilities and off-balance sheets is measured by sensitivity analysis on the level of maturity done on a monthly basis.

The Board of Directors has determined limits in order to restrain interest rate risk by means of the VaR results. Similarly, limits are determined for credit risk and capital adequacy ratio.

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

**Information on consolidated and unconsolidated capital adequacy standard ratio:**

Current Period	Weighted Risk													
	Parent Bank							Consolidated						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>														
<b>Balance Sheet items (Net)</b>	231.324	--	110.503	35.136	375.967	--	--	235.961	--	146.243	35.136	396.937	--	--
Cash	1.416	--	--	--	--	--	--	1.416	--	--	--	--	--	--
Matured Marketable Securities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Central Bank of Turkey	15.649	--	--	--	--	--	--	15.649	--	--	--	--	--	--
Domestic, Foreign Banks and Foreign Headquarter, Subsidiary	--	--	49.041	--	847	--	--	--	--	84.682	--	847	--	--
Interbank Money Market	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Reverse Repurchase Transactions	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Reserve Requirements	29.122	--	--	--	--	--	--	29.122	--	--	--	--	--	--
Loans	--	--	17.389	34.787	293.831	--	--	--	--	17.389	34.787	293.831	--	--
Loans under Follow-up (Net)	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Lease Receivables	--	--	--	--	--	--	--	--	--	--	--	52.893	--	--
Financial Assets Available for Sale	--	--	--	--	1.001	--	--	--	--	--	--	1.001	--	--
Investments Held to Maturity	180.997	--	43.955	--	22.885	--	--	180.997	--	43.955	--	22.885	--	--
Receivables from Term Sale of Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Miscellaneous Receivables	4	--	--	--	52	--	--	4	--	--	--	52	--	--
Interest and Income Accruals	991	--	118	349	4.946	--	--	991	--	217	349	5.445	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	32.753	--	--	--	--	--	--	--	--	--
Tangible Assets	--	--	--	--	19.590	--	--	--	--	--	--	19.713	--	--
Other Assets	3.145	--	--	--	62	--	--	7.782	--	--	--	270	--	--
<b>Off Balance Sheet Items</b>	20.205	--	484.682	12.754	265.264	--	--	20.205	--	484.682	12.754	265.765	--	--
Non Cash Loans and Commitments	20.205	--	481.609	12.754	265.264	--	--	20.205	--	481.609	12.754	265.765	--	--
Derivative Financial Instruments	--	--	3.073	--	--	--	--	--	--	3.073	--	--	--	--
Non Risk Weighted Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total Risk Weighted Assets</b>	251.529	--	595.185	47.890	641.231	--	--	256.166	--	630.925	47.890	662.702	--	--

**Summary information on consolidated and non-consolidated capital adequacy standard ratio:**

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk (I)	784.213	583.343	812.832	627.540
Value at Market Risk (II)	54.650	126.675	55.450	125.413
Value at Operational Risk (III)	53.325	52.428	59.686	59.390
Shareholders' Equity	282.029	259.924	290.104	261.231
Shareholders' Equity/(I+II+III)*100	31.61%	34.09%	31.26%	32.16%

**Information on Consolidated Shareholders' Equity:**

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	240.000	240.000
Nominal capital	240.000	240.000
Capital commitments (-)	--	--
Adjustment to Paid-in Capital	9.096	9.096
Share Premium	--	--
Share Cancellation profit	--	--
Legal Reserves	2.498	2.372
First legal reserve (Turkish Commercial Code 466/1)	2.498	2.372
Second legal reserve (Turkish Commercial Code 466/2)	--	--
Other legal reserve per special legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	147	147
Reserves allocated by the General Assembly	147	147
Retained earnings	--	--
Accumulated loss	--	--
Exchange rate differences on foreign currency capital	--	--
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	--	--
Profit	38.682	7.095
Current period profit/(loss)	31.713	(1.073)
Prior period profit	6.969	8.168
Provisions for possible risks up to 25% of Core Capital	--	--
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	--	--
Primary Subordinated Debt (up to 15% of Core Capital)	--	--
Loss excess of Reserves (-)	--	--
Current Period Loss	--	--
<b>Periods Loss</b>	--	--
Leasehold Improvements (-)	2.495	--
Prepaid Expenses (-)	485	372
Intangible Assets (-)	2.104	275
Deferred Tax Asset excess of 10% of Core Capital (-)	--	--
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	--	--
<b>Total Core Capital</b>	<b>285.339</b>	<b>258.063</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	5.427	4.060
45% of Revaluation Surplus on Movables	--	--
45% of Revaluation Surplus on Immovables	--	--
Bonus shares of Associates, Subsidiaries and Joint-Ventures	--	--
Primary Subordinated Debt excluding the Portion included in Core Capital	--	--
Secondary Subordinated Debt	--	--
45% of Securities Value Increase Fund	--	--
Associates and Subsidiaries	--	--
Investment Securities Available for Sale	--	--
Adjustment to Capital Reserves, Profit Reserves and prior years' P/L (excluding Legal Reserves, Statutory Reserves and Extraordinary Reserves)	--	--
<b>Supplementary Capital Total</b>	<b>5.427</b>	<b>4.060</b>
<b>TIER III CAPITAL</b>	--	--
<b>CAPITAL</b>	<b>290.766</b>	<b>262.123</b>

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

<b>DEDUCTIONS FROM CAPITAL</b>	<b>662</b>	<b>892</b>
Investments in Unconsolidated Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	--	--
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	--	--
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	--	--
Loans granted to Customers against the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but retained more than five years	662	892
Other	--	--
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>290.104</b>	<b>261.231</b>

**II. Information on consolidated credit risk****1 Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals:**

For credit risk analysis, cash and non-cash loans granted to a debtor or debtors' group is subject to a risk classification in proportion to the parent Bank's shareholders' equity. In addition the geographical regions and sectoral distribution is investigated periodically and distributions are revised according to the market conditions. The general and other periodical limits of a firm are renewed every year and the extending of loans throughout the day is made with the mentioned limits.

**Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis:**

Limit assignments, controls over loan granting process, marketing strategies, matters related to the daily operations and pay-back process are determined in the parent Bank's credit procedures. Issues related to the daily based transactions (especially extending of cash loans) are managed in coordination by credit and treasury departments.

**Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables:**

Loans and other receivables are being followed periodically as per the "Regulation On The Principals 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".

Financial statements of the debtors are examined as per the regulation, loan limits are being updated in parallel to the economic conditions under the authorization of the Credit Evaluation Committee and the Top Management. The parent Bank obtains sufficient guarantees for the loans and the other receivables. Firms that the parent Bank works with credit is composed of the top level firms of Turkey, therefore most of the collaterals taken are "firm signature or guarantee". Beside from this third party guarantees, furthermore mortgage, other bank guarantees, cash blockage, customer or personal checks are also obtained. The guarantees obtained are in parallel with the market conditions and other banks collateral conditions

For the management of credit risk the Bank's Credit Evaluation Committee performs the following:

- Determination of the credit risk management policies in coordination with other related departments,

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- Determination and review of concentrations on geographical and credit type basis,
- Contributing for development of rating and scoring systems,
- Submission of various analysis reports to the Board of Directors and top management in addition to the Credit Risk Management reports which comprises of the distribution of credit portfolio (debtors, sector, geographic region basis), credit quality (problematic loans, credit risk ratings) and concentrations

The Parent Bank Management has generated an internal rating system for the determination of firms' ratings and credit assessments. "Credit Rating" process is the analysis of client creditworthiness in accordance with the predetermined various "qualitative" (such as the position of the firm in its sector, the firm's competitiveness, customer and supplier portfolio, the certificates and documents issued by the independent institutions, organizational structure, relationship with the other financial institutions) and "quantitative" (such as current ratio, liquidity ratio, profitability and indebtedness) factors. Upon the conclusion of credit evaluation process the firms and loans are categorized as "Very good firm" (risk rating between 100%-85%), "Good firm" (risk rating between 84.99%-70%), "Satisfactory firm" (risk rating between 69.99%-60%), "Average firm" (risk rating between 59.99%-50%), "Weak firm" (risk rating between 49.99%-40%) "Very Weak firm" (risk rating between 39.99%-0%).

The distribution of the loans according to credit ratings is as follows:

Cash loans	31 December 2009	31 December 2008
Very good firm	%34.20	%40.84
Good firm	%38.51	%56.60
Satisfactory firm	%16.32	--
Average firm	%8.50	--
Fair Average firm	--	%2.51
Weak firm	%2.47	%0.05
Very weak firm	--	--
<b>Total loans</b>	<b>% 100</b>	<b>% 100</b>

The rating distribution above does not include retail loans and loans granted to banks.

The rating distribution of financial instruments is as follows:

Financial assets at fair value through Profit or Loss	Rating Agency	Government Bonds	Private sector bonds	Total
AAA	--	--	--	--
Between AA- AA+	--	--	--	--
Between A - A+	--	--	--	--
Ba2	Moody's	208.635	--	208.635
BB-	--	--	--	--
A- and less	--	--	--	--
Not rated	--	--	--	--
<b>Total</b>		<b>208.635</b>	<b>--</b>	<b>208.635</b>

Investments held to maturity	Rating Agency	Government Bonds	Private sector bonds	Total
AAA	--	--	--	--
Between AA- AA+	--	--	--	--
Between A - A+	--	--	--	--
A3	Moody's	--	7.828	7.828
Baa1	Moody's	--	10.327	10.327
Baa2	--	--	--	--
Ba2	Moody's	181.969	--	181.969
Ba3	--	--	--	--
BB-	--	--	--	--
A- and less	--	--	--	--
Not rated	--	--	49.391	49.391
<b>Total</b>		<b>181.969</b>	<b>67.546</b>	<b>249.515</b>

**2 Information on the control limits of the parent Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions.**

The Parent Bank evaluates and manages credit risks that are generated from forward transactions, options and similar contracts together with potential risks in the market.

**3 Information on whether the parent Group decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not.**

The parent bank tries to mitigate the total risk if it's exposed to huge amount of risk over the forward transactions and options.

**4 Information on whether the indemnified non-cash loans are evaluated as having the same risk weight with non-performing loans or not**

Indemnified non-cash loans are evaluated as having the same risk weight with cash loans which are collected upon maturity. These loans are classified according to their commitments and are recorded under the follow-up accounts.

**Information on whether the loans that are structured and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are taken for these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not**

The parent Bank does not have any structured or rescheduled loan. Loans that are structured and rescheduled are included in a new rating group as determined by bank's risk management system, other than the follow-up plan defined in the banking regulations. The parent Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk and periodical follow-up for these loans are performed.

**5 Evaluation of the significance of country specific risk if the parent Bank has foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities:**

The parent Bank has no banking activities abroad on the branch level. However in the loan giving processes to the foreign based firms the economic conditions of the country and the financial structure of the company in question is taken into consideration during evaluation of loans.

**Evaluation of the parent Bank's competitive credit risk being an active participant of the international banking transactions market**

The parent Bank is not an active participant in the International Banking Transactions Market and do not possess an important risk concentration.

**6 Group's**

**a) The share of the top 100 cash loan customers in total loan cash loans portfolio:**

The share of the top 100 cash loan customers comprises 99.99% of the total cash loans portfolio of the parent Bank.

**b) The share of the top 100 non-cash loan customers in total loan non-cash loans portfolio:**

The share of the top 100 non-cash loan customers comprises 99.98% of the total non-cash loans portfolio of the parent Bank.

**c) The share of the total cash and non-cash loan balance of the top 100 loan customers in total assets and off-balance sheet items:**

The parent Bank's total cash and non-cash loans from its top 100 loan customers comprise 68.76% of the total assets and off-balance sheet items.

**7 The general provision amount provided by the parent Bank for credit risk**

The general provision amount provided by parent Bank for the credit risk is TL 5.427 (31 December 2008: TL 4.060).

**Customer and Regional Concentration of Credit Risk is as follows :**

	Loans and Advances to customers		Loans and Advances to Banks and Other Financial Institutions		Marketable Securities*		Other Receivables**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Customer Concentration</b>	<b>349.717</b>	<b>325.521</b>	<b>85.628</b>	<b>55.323</b>	<b>459.335</b>	<b>327.484</b>	<b>1.548.424</b>	<b>1.544.752</b>
Private Sector	318.078	239.512	--	--	7.828	11.733	259.795	291.574
Public Sector	--	--	--	--	390.603	285.309	88.653	1.791
Banks	31.333	85.613	85.628	55.323	59.903	29.455	1.199.969	1.251.343
Individual Customers	306	396	--	--	--	--	7	44
Securities representing a share in Capital	--	--	--	--	1.001	987	--	--
<b>Regional Concentration</b>	<b>349.717</b>	<b>325.521</b>	<b>85.628</b>	<b>55.323</b>	<b>459.335</b>	<b>327.484</b>	<b>1.548.424</b>	<b>1.544.752</b>
Domestic	325.082	304.912	48.978	53.078	398.542	285.463	1.063.945	558.981
European Union countries	--	--	1.717	1.268	52.118	29.455	111.741	717.520
OECD Countries***	--	--	38	78	--	--	1.869	147
Off-shore regions	--	--	--	--	7.828	11.733	--	--
USA, Canada	--	--	125	328	--	--	--	968
Other Countries	24.635	20.609	34.770	571	847	833	370.869	267.136

\* Includes financial assets at fair value through profit or loss, financial assets available-for-sale and investments held-to-maturity

\*\* Includes transactions defined as receivables as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above

\*\*\* OECD countries other than EU countries, USA and Canada

**Geographical concentration:**

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	904.292	217.917	837.988	--	31.713
European Union Countries	53.835	19.724	12.356	--	--
OECD Countries*	38	6	1.869	--	--
Off-Shore Banking Regions	7.828	--	--	--	--
USA, Canada	125	894	--	--	--
Other Countries	61.203	498.357	317.741	--	--
Associates, subsidiaries and joint-ventures	--	--	--	--	--
Unallocated Assets/Liabilities**	--	--	--	--	--
<b>Total</b>	<b>1.027.321</b>	<b>736.898</b>	<b>1.169.954</b>	<b>--</b>	<b>31.713</b>

Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	775.348	130.301	505.727	--	(1.073)
European Union Countries	29.779	58.037	8.184	--	--
OECD Countries*	78	4	147	--	--
Off-Shore Banking Regions	11.733	--	--	--	--
USA, Canada	328	1.393	--	--	--
Other Countries	46.588	415.409	208.880	--	--
Associates, subsidiaries and joint-ventures	--	--	--	--	--
Unallocated Assets/Liabilities**	--	--	--	--	--
<b>Total</b>	<b>863.854</b>	<b>605.144</b>	<b>722.938</b>	<b>--</b>	<b>(1.073)</b>

\* OECD Countries excluding European countries, USA and Canada

\*\* Assets and liabilities that can not be allocated in a consistent manner



**Sectoral concentrations for cash loans:**

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	--	0.00	--	0.00	--	0.00	--	0.00
Farming and Raising Livestock	--	0.00	--	0.00	--	0.00	--	0.00
Forestry	--	0.00	--	0.00	--	0.00	--	0.00
Fishing	--	0.00	--	0.00	--	0.00	--	0.00
<b>Manufacturing</b>	--	0.00	15.169	10.33	--	0.00	5.921	3.20
Mining	--	0.00	15.169	10,33	--	0.00	5.921	3.20
Production	--	0.00	--	0.00	--	0.00	--	0.00
Electric, gas and water	--	0.00	--	0.00	--	0.00	--	0.00
<b>Construction</b>	26.348	12.99	43.882	29.88	17.178	12.25	34.167	18.44
<b>Services</b>	176.198	86.86	87.812	59.79	122.674	87.46	145.175	78.36
Wholesale and retail trade	24.898	12.27	47.407	32.28	19.459	13.87	58.080	31.35
Hotel, food and beverage Services	--	0.00	--	0.00	--	0.00	--	0.00
Transportation and Telecommunication	--	0.00	--	0.00	--	0.00	--	0.00
Financial institutions	151.300	74.59	40.405	27.51	103.215	73.59	87.095	47.01
Real estate and renting Services	--	0.00	--	0.00	--	0.00	--	0.00
"Self-employment" type services	--	0.00	--	0.00	--	0.00	--	0.00
Education services	--	0.00	--	0.00	--	0.00	--	0.00
Health and social services	--	0.00	--	0.00	--	0.00	--	0.00
<b>Other</b>	308	0.15	--	0.00	406	0.29	--	0.00
<b>Total</b>	202.854	100.00	146.863	100.00	140.258	100.00	185.263	100.00

**The distribution of Standard Cash Loans and Non-cash Loans of the parent Bank according to their collateral structure:**

Cash Loans	31 December 2009	31 December 2008
<b>Secured loans</b>	<b>347.110</b>	<b>319.526</b>
Secured by cash collateral	-	-
Guaranties issued by financial institutions	-	-
Secured by Customer Cheque&act	93.917	56.418
Personal guarantees	200.824	218.356
Secured by mortgages	34.099	29.792
Secured by export LC	18.270	14.960
<b>Secured loans</b>	<b>347.110</b>	<b>319.526</b>
FX differences on the principals of FX indexed loans	(1.103)	(862)
Accrued interest	3.710	6.857
<b>Total Cash Loans</b>	<b>349.717</b>	<b>325.521</b>
<b>Non-Cash Loans</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
<b>Secured loans</b>	<b>883.591</b>	<b>535.854</b>
Secured by cash collateral	5.303	4.173
Guaranties issued by financial institutions	685.979	355.476
Secured by Customer Cheque&act	3	62
Personal guarantees	166.797	166.329
Secured by mortgages	25.509	9.814
Secured by export LC	-	--
<b>Non-secured Non-cash Loans</b>	<b>286.363</b>	<b>187.084</b>
<b>Total Non-cash Loans</b>	<b>1.169.954</b>	<b>722.938</b>

**III. Information on Consolidated Market Risk**

**Whether the Parent Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk:**

The Parent Bank's market risk is calculated on a monthly basis using the "Standard Method". Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

In addition, the effect of the changes in risk factors on Bank portfolio is calculated using VaR on a daily basis. With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Parent Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors has determined limits at the level of risk factors in order to restrain the market risk. The ratio of the Market Risk / Equity rate can be maximum 100% (+ 10% exception) and for limiting daily VAR results, the amount under daily risk / equity rate can be maximum 3% (+1% exception).

**a) Information related to consolidated market risk**

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	465
(II) Capital Obligation against Specific Risks - Standard Method	--
(III) Capital Obligation against Currency Risk - Standard Method	3.971
(IV) Capital Obligation against Stocks Risks - Standard Method	--
(V) Capital Obligation against Exchange Risks - Standard Method	--
(VI) Capital Obligation against Market Risks of Options - Standard Method	--
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	--
<b>(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)</b>	<b>4.436</b>
<b>(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))</b>	<b>55.450</b>

**b) Information related to market risk calculated by the month ends of the current period**

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	14.628	29.050	5.813	25.856	32.300	13.975
Common Share Risk	--	--	--	--	--	--
Currency Risk	76.294	103.225	49.638	66.394	142.325	8.713
Commodity Risk	--	--	--	--	--	--
Exchange Risk	--	--	--	--	--	--
Options Risk	63	125	--	394	1.000	--
<b>Total Value at Risk</b>	<b>90.985</b>	<b>132.400</b>	<b>55.451</b>	<b>92.644</b>	<b>175.625</b>	<b>22.688</b>

**IV. Information related to value at operational risk**

“Basic Indicator Method” is used to calculate Group’s operational risk. Amount subject to operational risk is calculated according to “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratio of Banks” that published at 1 November 2006 official gazette numbered 26333 and according to the 4th section “Computation of the Value at Operational Risk” which became valid at 1 June 2007 using the parent Bank’s the last three years; 2008, 2007 and 2006 year end gross revenues.

	31 December 2008	31 December 2007	31 December 2006
1. Net Interest Incomes	49.959	20.333	20.585
2. Net Fee and Commissions Income	9.215	6.570	6.293
3. Dividend Income	105	137	51
4. Trading Gain/ Loss (Net)	(44.258)	1.201	2.799
5. Other operating income	18.234	1.565	3.347
6. Gain/(Loss) on Securities Available-for-Sale and Held-to-Maturity	--	11	--
7. Extraordinary Incomes (Gain on sale of immovables and Gain on Sale Associate Subsidiary shares included also)	--	351	275
8. Insurance Claim Collections	2	--	--
9. Basic Indicator-Gross Income (1+2+3+4+5-6-7-8)	32.253	29.444	32.800
10. Basic Indicator – Capital Obligation ( 9 x 15%)	4.988	4.417	4.920
11. Basic Indicator- Average Cap. Risk Lib.	4.775		
12. Basic Indicator -Amount subject to Operational Risk (11*12,5)	59.686		

**V. Information on consolidated foreign currency risk**

**1. Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily:**

The Group complies with net general position-shareholder's equity limits. The Group has the possibility to borrow a significant amount of foreign currency. Within the context of the market risk management work of the Risk Management Department, the Parent Bank's exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. Using the VaR method, the effect of the changes in risk factors is calculated on a daily basis. The method is tested in a retrospective manner. To test the effect of the exchange rate fluctuations on the Bank monthly based stress test analysis are performed. In addition, by classifying the changes in risk factors different scenario analysis are performed based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

**2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using hedging derivatives:**

The Group does not have any financial derivatives used for hedging.

**3. Foreign exchange risk management policy:**

Transactions are being hedged according to the Central Bank of Turkey's basket of currencies instantly. Manageable and measurable risks are taken in the scope of the regulatory limits.

**4. Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Parent Bank are as follows:**

USD Foreign Exchange Buying Rate as of balance sheet date	TL 1,5057
EUR Foreign Exchange Buying Rate as of balance sheet date	TL 2,1603

Date	US Dollars	EUR
25 December 2009	1.5070 TL	2.1680 TL
28 December 2009	1.5052 TL	2.1702 TL
29 December 2009	1.5065 TL	2.1686 TL
30 December 2009	1.5026 TL	2.1680 TL
31 December 2009	1.5057 TL	2.1603 TL

**5. The basic arithmetical average of the Parent Bank's foreign exchange bid rate for the last thirty days:**

The basic arithmetical average of the Bank's foreign exchange bid rate for December 2009 is TL 1,4984 for USD and TL 2,0965 for EUR.

**Information on Group's Currency Risk:**

<b>Current Period</b>	<b>EUR</b>	<b>US Dollars</b>	<b>JPY</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	532	44.385	--	40	44.957
Banks	53.734	2.088	3	883	56.708
Financial Assets at Fair Value through Profit or Loss	6.086	55.445	--	--	61.531
Interbank Money Market Placements	--	--	--	--	--
Investment Securities Available-for-Sale	--	847	--	--	847
Loans (*)	24.550	154.635	--	--	179.185
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	6.307	128.328	--	--	134.635
Financial Derivatives (Assets)	--	--	--	--	--
Tangible Assets	--	--	--	--	--
Intangible Assets	--	--	--	--	--
Other Assets	35.516	9.764	--	5	45.285
<b>Total Assets</b>	<b>126.725</b>	<b>395.492</b>	<b>3</b>	<b>928</b>	<b>523.148</b>
<b>Liabilities</b>					
Bank Deposits	35.081	49.107	--	1	84.189
Foreign Currency Deposits	47.687	33.799	--	835	82.321
Money Market Borrowings	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	42.180	392.038	--	--	434.218
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	460	1.061	--	2	1.523
Financial Derivatives (Liabilities)	--	--	--	--	--
Other Liabilities	2.353	1.643	--	322	4.318
<b>Total Liabilities</b>	<b>127.761</b>	<b>477.648</b>	<b>--</b>	<b>1.160</b>	<b>606.569</b>
<b>Net Balance Sheet Position</b>	<b>(1.036)</b>	<b>(82.156)</b>	<b>3</b>	<b>(232)</b>	<b>(83.421)</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>66.251</b>	<b>--</b>	<b>--</b>	<b>66.251</b>
Financial Derivatives (Assets)	--	76.791	--	--	76.791
Financial Derivatives (Liabilities)	--	(10.540)	--	--	(10.540)
Non-Cash Loans	579.293	372.662	--	216.608	1.168.563
<b>Prior Period</b>					
Total Assets	126.913	390.102	2	351	517.368
Total Liabilities	172.748	363.069	--	472	536.289
Balance Sheet Position, net	(45.835)	27.033	2	(121)	(18.921)
Off-Balance Sheet Position, net	52.587	(30.856)	--	--	21.731
Financial Derivatives (Assets)	52.587	162.800	--	--	215.387
Financial Derivatives (Liabilities)	--	(193.656)	--	--	(193.656)
Non-cash Loans	468.154	174.972	--	78.898	722.024

(\*) Loan balance includes foreign currency indexed loans amounting to TL 32.322 (31 December 2008: TL 35.153) as of 31 December 2009.

**Exposed currency risk:**

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 December 2009 and 31 December 2008 are presented in the table below. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation;

	31 December 2009		31 December 2008	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	(1.591)	(1.591)	(2.480)	(2.480)
Euro	(104)	(104)	4.425	4.425
Other Currencies	(23)	(23)	12	12
<b>Total</b>	<b>(1.718)</b>	<b>(1.718)</b>	<b>1.957</b>	<b>1.957</b>

(\*) The effect on shareholders' equity also includes profit/loss effects.

Assuming 10% appreciation;

	31 December 2009		31 December 2008	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	1.591	1.591	2.480	2.480
Euro	104	104	(4.425)	(4.425)
Other Currencies	23	23	(12)	(12)
<b>Total</b>	<b>1.718</b>	<b>1.718</b>	<b>(1.957)</b>	<b>(1.957)</b>

(\*) The effect on shareholders' equity also includes profit/loss effects.

**VI. Information on Consolidated Interest Rate Risk**

**1. Interest rate sensitivity of the assets, liabilities and off-balance sheet items:**

Within the context of the market risk management of the Risk Management Department, the Bank's interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Parent Bank monthly based stress test analysis are performed.

In addition, by classifying the changes in risk factors different scenario analysis are performed based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

**2. The expected effects of the fluctuations of market interest rates on the Parent Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates:**

The Board of Directors has determined limits for the amount exposed to market risk/ shareholder's equity, to be maximum 100% (+10 % exception) to follow interest rate risk, exchange rate risk and equity price risk.

**3. The precautions taken for the interest rate risk the Parent Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods:**

Although the increase in interest rates have a limited negative effect on the Parent Bank's financial position the Parent Bank's equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

The table below shows the effects of changes in interest rates on the consolidated financial statements of the Group. The sensitivity of the income statement is the effect of possible changes in the interest rates on the net interest income of floating rate financial assets and liabilities and the

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

financial assets at fair value through profit or loss. The other variables, especially exchange rates, are assumed to be fixed in this analysis.

31 December 2009	Profit / Loss		Shareholders' Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial Assets at Fair Value Through Profit Loss	(392)	389	(392)	389
Investment Securities Available for Sale	--	--	--	--
Financial Assets with Floating Interest Rates	141	(143)	141	(143)
Financial Liabilities with Floating Interest Rate	--	--	--	--
<b>Total, net</b>	<b>(251)</b>	<b>246</b>	<b>(251)</b>	<b>246</b>

31 December 2008	Profit / Loss		Shareholders' Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial Assets at Fair Value Through Profit Loss	(1.494)	1.539	(1.494)	1.539
Investment Securities Available for Sale	--	--	--	--
Financial Assets with Floating Interest Rates	945	(738)	945	(738)
Financial Liabilities with Floating Interest Rate	--	--	--	--
<b>Total, net</b>	<b>(549)</b>	<b>801</b>	<b>(549)</b>	<b>801</b>

(\*) The effect on shareholders' equity also includes the effect of increase or decrease in interest rates on the profit/loss.

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

Current Period	Up to 1 Month	1 – 3 Months	3 – 12 Months	1-5 Years	5 Year and Over	Non- Interest Bearing(*)	Total
<b>Assets</b>							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	44.778	--	--	--	--	1.416	46.194
Banks	66.152	18.841	--	13	--	622	85.628
Financial assets at Fair Value Through Profit or Loss	65.837	59.321	83.661	--	--	--	208.819
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial Assets Available-for-Sale	--	--	--	--	--	1.001	1.001
Loans	149.142	139.056	53.785	7.734	--	--	349.717
Investment Securities Held-to-Maturity	20.777	104.490	60.931	17.547	45.770	--	249.515
Other assets(*)	6.634	4.824	17.997	25.001	--	31.991	86.447
<b>Total assets</b>	<b>353.320</b>	<b>326.532</b>	<b>216.374</b>	<b>50.295</b>	<b>45.770</b>	<b>35.030</b>	<b>1.027.321</b>
<b>Liabilities</b>							
Bank Deposits	86.689	--	--	--	--	--	86.689
Other Deposits	20.978	8.358	2.789	21	--	60.083	92.229
Money Market Borrowings	103.954	--	--	--	--	--	103.954
Miscellaneous payables	--	--	--	--	--	1.843	1.843
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed From Other Financial Institutions	114.256	280.877	39.414	--	--	--	434.547
Other Liabilities(**)	461	--	--	--	--	307.598	308.059
<b>Total liabilities</b>	<b>326.338</b>	<b>289.235</b>	<b>42.203</b>	<b>21</b>	<b>--</b>	<b>369.524</b>	<b>1.027.321</b>
Long Position in the Balance Sheet	26.982	37.297	174.171	50.274	45.770	--	334.494
Short Position in the Balance Sheet	--	--	--	--	--	(334.494)	(334.494)
Long Position in the Off-balance Sheet	87.252	--	--	--	--	--	87.252
Short Position in the Off-balance Sheet	(87.409)	--	--	--	--	--	(87.409)
<b>Total Position</b>	<b>26.825</b>	<b>37.297</b>	<b>174.171</b>	<b>50.274</b>	<b>45.770</b>	<b>(334.494)</b>	<b>(157)</b>

(\*) Other Assets: Non-Interest Bearing column TL 31.999 is composed of tangible assets amounting to TL 22.208, intangible assets amounting to TL 2.104, Tax assets amounting to TL 3.735, assets held for resale amounting to TL 662, miscellaneous receivables amounting to TL 53 and Other Assets amounting to TL 3.229.

(\*\*) Other Liabilities: Non-Interest Bearing Column TL 307.598 is composed of Shareholders' Equity amounting to TL 290.423, Provisions amounting to TL 10.291, Tax, Duty and Premium Payable amounting to TL 2.440 and Other Foreign Resources amounting to TL 4.444.

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

Prior Period	Up to 1 Month	1-3 Months	3 – 12 Months	1-5 Years	5 Year and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	39.954	--	--	--	--	1.730	41.684
Banks	42.951	12.161	--	--	12	199	55.323
Financial assets at Fair Value Through Profit or Loss	2.661	41.205	22.744	14.932	92.176	--	173.718
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial assets Available-for-Sale	--	--	--	--	--	987	987
Loans	140.346	139.452	45.533	190	--	--	325.521
Investment Securities Held-to-Maturity	315	50.878	32.531	14.317	54.738	--	152.779
Other assets(*)	5.510	4.830	21.469	36.764	--	45.269	113.842
<b>Total assets</b>	<b>231.737</b>	<b>248.526</b>	<b>122.277</b>	<b>66.203</b>	<b>146.926</b>	<b>48.185</b>	<b>863.854</b>
<b>Liabilities</b>							
Bank Deposits	46.902	--	--	--	--	--	46.902
Other Deposits	6.571	4.525	2.360	--	--	37.456	50.912
Money Market Borrowings	52.343	--	--	--	--	--	52.343
Miscellaneous Payables	--	--	--	--	--	4.611	4.611
Marketable Securities issued	--	--	--	--	--	--	--
Funds Borrowed From Other Financial Institutions	145.801	251.714	19.691	--	--	--	417.206
Other liabilities(**)	2.469	3.065	12.937	--	--	273.409	291.880
<b>Total Liabilities</b>	<b>254.086</b>	<b>259.304</b>	<b>34.988</b>	<b>--</b>	<b>--</b>	<b>315.476</b>	<b>863.854</b>
Balance Sheet Long Position	--	--	87.289	66.203	146.926	--	300,418
Balance Sheet Short Position	(22.349)	(10,778)	--	--	--	(267.291)	(300,418)
Off Balance Sheet Long Position	--	--	600	--	--	--	600
Off Balance Sheet Short Position	(728)	(1,400)	--	--	--	--	(2,128)
<b>Total Position</b>	<b>(23,077)</b>	<b>(12,178)</b>	<b>87,889</b>	<b>66,203</b>	<b>146,926</b>	<b>(267,291)</b>	<b>(1,528)</b>

(\*) Other Assets: Non-Interest Bearing TL 45.269 column is composed of Tangible Assets amounting to TL 19.733, Intangible Assets amounting to TL 275, Deferred Tax Assets amounting to TL 17.427, Assets Held for Resale amounting to TL 1.061, Miscellaneous Receivables amounting to TL 211 and Other Assets amounting to TL 6.562.

(\*\*)Other Liabilities: Non-Interest Bearing Column TL 273.409 is composed of Shareholders' Equity amounting to TL 258.710, Provisions amounting to TL 8.025, Tax, Duty and Premium Payable amounting to TL 1.269 and Other Foreign Resources amounting to TL 5.405.



**4. Average interest rates applied to monetary financial instruments: %**

	EUR	USD	JPY	TL
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey	--	--	--	5.20
Banks	0.33	1.31	--	10.03
Financial Assets at Fair Value Through Profit or Loss	4.15	6.03	--	22.48
Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--
Loans	6.47	5.23	--	8.53
Investment Securities Held-to-Maturity	6.04	6.44	--	8.85
Financial Lease Receivables	9.34	7.77	--	15.78
<b>Liabilities</b>				
Interbank Deposits	0.49	0.29	--	6.80
Other Deposits	1.88	1.76	--	8.44
Money Market Borrowings	--	--	--	6.71
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed From Other Financial Institutions	2.71	0.63	--	10.24

	EUR	USD	JPY	TL
<b>Prior Period</b>				
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey,	--	--	--	12.00
Banks	1.26	2.04	--	18.38
Financial Assets at Fair Value through Profit or Loss	7.24	5.08	--	21.60
Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--
Loans	6.30	5.50	--	21.67
Investment Securities Held-to-Maturity	5.50	7.14	--	20.36
Financial Lease Receivables	8.24	8.39	--	21.49
<b>Liabilities</b>				
Interbank Deposits	1.00	0.15	--	--
Other Deposits	2.11	2.21	--	15.59
Money Market Borrowings	--	--	--	13.63
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed From Other Financial Institutions	4.66	2.11	--	17.14

## VII. Information on Consolidated Liquidity Risk

### 1. Restrictions on fund sources established by the board of directors for the purpose of meeting urgent liquidity demand and making payments for matured debts

The Parent Bank's liquidity risk has been analyzed within the context of risk management operations. Within this context the Parent Bank's liquidity risk has been analyzed by common ratio analysis and liquidity position analysis based on payment terms. The periodic reporting requirement to BRSA is being performed in accordance with the regulation regarding liquidity adequacy measurement.

### 2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured:

The main reason of liquidity risk is the existence of long term assets versus short term funds borrowed from abroad. On the other hand, these short term funds have the capability of being renewed. The Parent Bank has strong fund sources besides there is no restriction on fund sources for the purpose of meeting urgent liquidity demand and making payments for matured debts. As a result of this, the Parent Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk in the future for the Parent Bank.

### 3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized:

Shareholder's Equity has an important portion in the funding resources. The Parent Bank is also capable of funding itself through domestic money markets and funding resources provided by its main shareholder.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 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 liquidity ratios of the Parent Bank in 2009 are as follows:

Current Period	Primary Maturity Split (Weekly)		Secondary Maturity Split (Monthly)	
	FC	FC+TL	FC	FC+TL
Average	199	202	108	142
Highest (%)	312	306	181	208
Lowest (%)	95	131	81	103

### 4. The Group's Cash Flow and Resources:

31 December 2009	Book Value	Gross nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over
Banks Deposits	86.689	86.694	38.429	48.265	--	--	--	--
Other Deposits	92.229	92.298	60.083	26.902	3.634	1.679	--	--
Due from other financial institutions	434.547	434.843	--	89.525	287.421	23.076	34.821	--
Money Market Borrowings	103.954	104.030	--	104.030	--	--	--	--
<b>Total</b>	<b>717.419</b>	<b>717.865</b>	<b>98.512</b>	<b>268.722</b>	<b>291.055</b>	<b>24.755</b>	<b>34.821</b>	<b>--</b>

31 December 2008	Book Value	Gross nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over
Banks Deposits	46.902	46.903	45.003	1.900	--	--	--	--
Other Deposits	50.912	50.967	37.456	6.598	4.543	2.370	--	--
Due from other financial institutions	417.206	418.023	--	137.461	225.299	24.449	30.814	--
Money Market Borrowings	52.343	52.364	--	52.364	--	--	--	--
<b>Total</b>	<b>567.363</b>	<b>568.257</b>	<b>82.459</b>	<b>198.323</b>	<b>229.842</b>	<b>26.819</b>	<b>30.814</b>	<b>--</b>

**Presentation of assets and liabilities based on their outstanding maturities:**

Current Period	Demand	Up to 1 Month	1-3 Months	3 – 12 Months	1-5 Years	5 Year and Over	Unallocated	Total
<b>Assets</b>								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	2.326	43.868	--	--	--	--	--	46.194
Banks	3.402	63.372	18.841	--	13	--	--	85.628
Financial Assets at Fair Value through Profit or Loss	--	61.034	18.511	124.471	4.803	--	--	208.819
Money Market Placements	--	--	--	--	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--	--	--	1.001	1.001
Loans	--	134.933	76.886	77.021	60.877	--	--	349.717
Investment Securities held-to-Maturity	--	5.720	56.260	84.897	42.834	59.804	--	249.515
Other Assets(*)	798	6.579	4.298	17.557	25.967	--	31.248	86.447
<b>Total Assets</b>	<b>6.526</b>	<b>315.506</b>	<b>174.796</b>	<b>303.946</b>	<b>134.494</b>	<b>59.804</b>	<b>32.249</b>	<b>1.027.321</b>
<b>Liabilities</b>								
Interbank Deposits	38.429	48.260	--	--	--	--	--	86.689
Other Deposits	60.083	20.978	8.358	2.789	21	--	--	92.229
Funds Provided from Other Financial Institutions	--	112.190	264.555	22.980	34.822	--	--	434.547
Money Market Borrowings	--	103.954	--	--	--	--	--	103.954
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	--	17	--	--	--	--	1.826	1.843
Other Liabilities(**)	--	6.168	--	--	--	--	301.891	308.059
<b>Total Liabilities</b>	<b>98.512</b>	<b>291.567</b>	<b>272.913</b>	<b>25.769</b>	<b>34.843</b>	<b>--</b>	<b>303.717</b>	<b>1.027.321</b>
<b>Liquidity Gap</b>	<b>(91.986)</b>	<b>23.939</b>	<b>(98.117)</b>	<b>278.177</b>	<b>99.651</b>	<b>59.804</b>	<b>(271.468)</b>	<b>--</b>
<b>Prior Period</b>								
Total Assets	6.911	189.131	77.234	195.233	130.007	225.708	39.630	863.854
Total Liabilities	82.459	206.116	232.392	39.742	30.814	--	272.331	863.854
<b>Net Liquidity Gap</b>	<b>( 75.548)</b>	<b>(16.985)</b>	<b>( 155.158)</b>	<b>155.491</b>	<b>99.193</b>	<b>225.708</b>	<b>( 232.701)</b>	<b>--</b>

(\*)Other assets amount TL 31.248 at the unallocated part consists of Tangible Assets amounting TL 22.208, Intangible Assets amounting to TL 2.104, Office Supply Inventory amounting to TL 111, Deferred Tax Asset amounting to TL 3.735, Asset Held For Sale amounting to TL 662, miscellaneous receivables of TL 53 and Other assets amounting to TL 2.375.

(\*\*)Other liabilities amount TL 301.891 at the unallocated part consists of Shareholders' Equity amounting to TL 290.422, Provisions amounting to TL 10.291 and Other Liabilities TL 1.178.

**VIII. Information on fair values of financial assets and liabilities**

The fair value of the held to maturity financial assets; in case of situations where market price or fair value can not be determined; is calculated over the quoted market prices of other investment securities that are of the same interest, maturity and similar in other clauses.

The estimated fair value of the demand deposit represents the amount to be paid at the moment of demand. Placements of changing rates and the fair value of the overnight deposit equal to their book values. The fair value of the fixed yield deposit is calculated over the cash flow discounted using the market interest rates applied on similar borrowing and other payables.

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on 1. in Section Three*

The estimated fair value of the loans and financial lease receivables is calculated over the cash flow discounted using the market interest rates applied on the constant interest loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

In the table below; fair values and book values of some of the financial assets and liabilities are presented. The book value of the assets and liabilities is the total of the cost and accumulated interest accruals.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>739.253</b>	<b>602.855</b>	<b>739.187</b>	<b>600.985</b>
Banks	85.628	55.323	85.628	55.323
Financial assets available-for-sale	1.001	987	1.001	987
Investment securities held-to-maturity	249.515	152.779	249.515	151.153
Loans	349.717	325.521	349.717	325.484
Leasing receivables	53.392	68.245	53.326	68.038
<b>Financial Liabilities</b>	<b>719.261</b>	<b>571.974</b>	<b>719.261</b>	<b>571.974</b>
Interbank deposits	86.689	46.902	86.689	46.902
Other Deposits	92.229	50.912	92.229	50.912
Funds provided from other financial institutions	434.547	417.206	434.547	417.206
Money market borrowings	103.954	52.343	103.954	52.343
Marketable securities issued	--	--	--	--
Miscellaneous Payables	1.842	4.611	1.842	4.611

**IX. Activities carried out on behalf of and account of third parties, activities based on assurance****1. Information on whether Bank carries out trading, custody, consulting, management services for third parties:**

The Bank carries out trading of government bonds and treasury bills and repurchase agreements on others' behalf and account. Apart from such services; the Bank does not carry out any other trading, custody, management and consulting services on behalf and account of others.

**2. Information on fiduciary transactions with other financial institutions or direct financial services given within the context of fiduciary transactions to other financial institutions and possible affects of such transactions on Bank's financial situation:**

The Bank does not have transactions based on assurance.

**X. Information on Business Segments:**

Information on operating segments as of 31 December 2009 are presented in the table below

	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
<b>31 December 2009</b>						
Interest income	58	25.727	36.501	9.476	--	71.762
Unallocated income/expenses (Net)	--	--	--	(5.036)	(30.677)	(35.713)
Operating Income	58	25.727	36.501	4.440	(30.677)	36.049
Tax expense	--	--	--	--	--	(4.336)
Net Profit for the year	--	--	--	--	--	31.713
Segment assets	306	349.411	531.060	94.971	--	975.748
Unallocated assets	--	--	--	--	51.573	51.573
Total assets	306	349.411	531.060	94.971	51.573	1.027.321
Segment Liabilities	18.516	73.928	572.327	54.000	--	718.771
Unallocated Liabilities	--	--	--	--	18.127	18.127
Equity	--	--	--	--	290.423	290.423
Total Liabilities	18.516	73.928	572.327	54.000	308.550	1.027.321

	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
<b>31 December 2008</b>						
Interest income	65	44.779	13.619	11.074	--	69.537
Unallocated income/expenses (Net)	--	--	--	(6.719)	(66.115)	(72.834)
Operating Income	65	44.779	13.619	4.355	(66.115)	(3.297)
Tax expense	--	--	--	--	--	2.224
Net Profit for the year	--	--	--	--	--	(1.073)
Segment assets	342	325.179	380.867	98.332	--	804.720
Unallocated assets	--	--	--	--	59.134	59.134
Total assets	342	325.179	380.867	98.332	59.134	863.854
Segment Liabilities	18.880	32.218	471.796	62.811	--	585.705
Unallocated Liabilities	--	--	--	--	19.439	19.439
Equity	--	--	--	--	258.710	258.710
Total Liabilities	18.880	32.218	471.796	62.811	278.149	863.854

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**SECTION FIVE**  
**INFORMATION ON DISCLOSURES AND FOOTNOTES OF**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS**

**1. Information on cash equivalents and Central Bank of Turkey:**

**Information on cash equivalents:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	320	1.096	143	1.587
Central Bank of Turkey	917	43.861	437	39.517
Other	--	--	--	--
<b>Total</b>	<b>1.237</b>	<b>44.957</b>	<b>580</b>	<b>41.104</b>

**Information related to the account of Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	917	--	437	--
Unrestricted Time Deposits	--	14.739	--	13.254
Restricted Time Deposits	--	--	--	--
Reserve Deposits	--	29.122	--	26.263
<b>Total</b>	<b>917</b>	<b>43.861</b>	<b>437</b>	<b>39.517</b>

**Information on Reserve Deposits:**

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 5% and 9%, respectively as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey. As of 31 December 2009 interest rates applied for reserve requirements by the Central Bank of Turkey are 5.20% for TL deposits.

**2. Additional information on financial assets at fair value through profit/loss**

a) Among financial assets at fair value through profit or loss as of 31 December 2009; TL 112.903 is subjected to repurchase transactions (31 December 2008: TL 59.438), and TL 72.212 is provided as collateral /blocked. (31 December 2008: TL 60.858)

b) Positive differences on trading derivative instruments

Trading derivative instruments	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	184	--	--	276
Futures	--	--	--	--
Options	--	--	--	668
Other	--	--	--	--
<b>Total</b>	<b>184</b>	<b>--</b>	<b>--</b>	<b>944</b>

**3. Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	224	48.754	20.470	9.703
Foreign banks	--	2.713	--	2.245
Foreign head offices and branches	28.696	5.241	20.953	1.952
<b>Total</b>	<b>28.920</b>	<b>56.708</b>	<b>41.423</b>	<b>13.900</b>

**3.1 Information on foreign bank accounts:**

	Free Amount		Restricted Amount	
	Current period	Prior period	Current period	Prior period
European Union Countries	1.717	1.268	--	--
USA, Canada	112	316	13	2
OECD Countries (*)	38	78	--	--
Off-Shore Banking Regions	--	--	--	--
Other	833	571	--	10
<b>Total</b>	<b>2.700</b>	<b>2.233</b>	<b>13</b>	<b>12</b>

\* OECD countries except EU Countries, Canada and USA

**4. Information on available for sale financial assets:**

**4.1 Major types of available for sale financial assets**

Available for sale financial assets are comprised of equity shares that are not active in the stock market.

**4.2 Information on available for sale financial assets**

	Current period	Prior period
<b>Debt Securities</b>	--	--
Quoted in stock exchange	--	--
Not quoted in stock exchange	--	--
<b>Share Certificates</b>	<b>1.001</b>	<b>987</b>
Quoted in stock exchange	--	--
Not quoted in stock exchange	1.001	987
<b>Impairment Provision (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>1.001</b>	<b>987</b>

**5. Information on Loans:**

**5.1 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
<b>Direct Loans Granted to Shareholders</b>	--	13.238	52	15.077
Corporate Shareholders	--	13.238	52	15.077
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>	<b>3.287</b>	<b>70.797</b>	<b>9.284</b>	<b>98.472</b>
<b>Loans Granted to the Group's Personnel</b>	<b>296</b>	<b>7</b>	<b>393</b>	<b>7</b>
<b>Total</b>	<b>3.583</b>	<b>84.042</b>	<b>9.729</b>	<b>113.556</b>

**5.2 Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled**

<b>Cash Loans</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>
<b>Non-Specialized Loans</b>	<b>348.126</b>	--	<b>1.506</b>	<b>85</b>
Discount notes	24.269	--	--	--
Export loans	73.669	--	--	--
Import loans	--	--	--	--
Loans given to financial sector	161.071	--	--	--
International loans	4.859	--	--	--
Consumer loans	306	--	--	--
Credit cards	--	--	--	--
Precious metals loans	--	--	--	--
Other	83.952	--	1.506	85
<b>Specialized Loans</b>	--	--	--	--
<b>Other Receivables</b>	--	--	--	--
<b>Total</b>	<b>348.126</b>	--	<b>1.506</b>	<b>85</b>

**5.3 Cash loans according to their maturity structure**

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<i>Loans and Other Receivables</i>	<i>Restructured or rescheduled</i>	<i>Loans and Other Receivables</i>	<i>Restructured or rescheduled</i>
<b>Short Term Loans and Other Receivables</b>	<b>212.944</b>	--	--	<b>85</b>
Non-specialized loans	212.944	--	--	85
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
<b>Medium and long-term loans and Other Receivables</b>	<b>135.182</b>	--	<b>1.506</b>	--
Non-specialized loans	135.182	--	1.506	--
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
<b>Total</b>	<b>348.126</b>	--	<b>1.506</b>	<b>85</b>



**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**Consolidated Financial Report as of and for the year ended 31 December 2009  
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See Note on I. in Section Three***5.4 Information on consumer loans, credit cards and loans given to employees:**

	Short Term	Medium and Long Term	Total
<b>Consumer Loans-TL</b>	<b>7</b>	<b>4</b>	<b>11</b>
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	7	4	11
<b>Consumer Loans-Indexed to FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Individual Credit Cards-FC</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Personnel Loans- TL</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Personnel Loans- Indexed to FC</b>	<b>16</b>	<b>279</b>	<b>295</b>
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	16	279	295
<b>Personnel Loans-FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards-TL</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Personnel Credit Cards-YP</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Deposits with Credit Limit-TL (Individual)</b>	--	--	--
<b>Deposits with Credit Limit-FC (Individual)</b>	--	--	--
<b>Total</b>	<b>23</b>	<b>283</b>	<b>306</b>

**5.5 Information on installment corporate loans and corporate credit cards**

None.

**5.6 Allocation of loans by customers**

	Current Period	Prior Period
Public	--	--
Private	349.717	325.521
<b>Total</b>	<b>349.717</b>	<b>325.521</b>

**5.7 Allocation of domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	319.083	304.912
Foreign Loans	30.634	20.609
<b>Total</b>	<b>349.717</b>	<b>325.521</b>

**5.8 Loans granted to subsidiaries and associates**

There is no loan granted to subsidiaries and investments.

**5.9 Specific provisions for loans**

Specific provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	--	--
Loans and Receivables with Doubtful Collectibility	--	--
Uncollectible Loans and Receivables	5.891	5.906
<b>Total</b>	<b>5.891</b>	<b>5.906</b>

**5.10 Information on non-performing loans (Net)**

**5.10.1 Information related to non-performing loans**

	III. Group: <i>Loans and receivables with limited collectibles</i>	IV. Group: <i>Loans and receivables with doubtful collectibles</i>	V. Group <i>Uncollectible loans and receivables</i>
Current Period			
(Gross Amounts before Specific Provisions)	--	--	2.029
Restructured Loans and Other Receivables	--	--	2.029
Redemptions and Other Receivables	--	--	--
Previous Period			
(Gross Amounts before Specific Provisions)	--	--	2.030
Restructured Loans and Other Receivables	--	--	2.030
Redemptions and Other Receivables	--	--	--

For the Redemptions and Restructured Loans, which are stated as non-performing loans, TL 2.029 is reserved as provision.

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**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
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**5.10.2 Information on movement of total non-performing loans**

	III. Group	IV. Group	V. Group
	<i>Loans and receivables with limited collectibility</i>	<i>Loans and receivables with doubtful collectibility</i>	<i>Uncollectible loans and receivables</i>
<b>Balances at the Beginning of Period</b>	--	--	5.906
Additions (+)	--	--	--
Transfers from other categories of non performing loans (+)	--	--	--
Transfers to other categories of non performing loans (-)	--	--	--
Collections (-)	--	--	2
Write-offs (-)	--	--	13
Corporate and commercial loans	--	--	13
Retail loans	--	--	--
Credit cards	--	--	--
Others	--	--	--
<b>Balances at the End of the Period</b>	--	--	<b>5.891</b>
Specific provisions (-)	--	--	5.891
<b>Net Balance on Balance Sheet</b>	--	--	--

**5.10.3 Information on foreign currency non-performing loans**

There are non-performing loan receivables in foreign currency amounting to TL 2.029 which is followed in TL accounts.

**5.11 Main points of liquidation policy for uncollectible loans and receivables**

Information on gross and net loans under follow-up according to the borrowers:

	III. Group:	IV. Group:	V. Group
	<i>Loans and receivables with limited collectibility</i>	<i>Loans and receivables with doubtful collectibility</i>	<i>Non-performing loans and receivables</i>
<b>Current Year (Net)</b>	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.791
Specific provisions (-)	--	--	5.791
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other loans and receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.806
Specific provisions (-)	--	--	5.806
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other loans and receivables (Net)	--	--	--

\*Foreign bank

**5.12 Collection policy on loans determined as loss and other receivables:**

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

**5.13 Information on write-off from assets:**

Loans under legal follow up are classified according to the 'Principles related to Determination of Loans and Other Receivables and The Procedures of Provision Allocated for Loans and other Receivables'. The Bank allocates fund according to these policies. This loans are tried to be collected by the lead of Loans Monitoring-Follow up Department and Legal Services and Advisory Department. Other related departments also take place in collection process. If the mentioned loans are not able to be collected under any circumstances, Legal Services and Advisory Department's opinion is presented to the top management and according to the approval, the amount is written-off from assets.

**6. Information on held to maturity financial assets:**

**6.1 Information on repurchase transaction related to investment securities and provided as collateral/blocked for guarantee held to maturity (net):**

There are repurchase transactions amounting to TL 14.634 related to investment securities held to maturity. As of 31 December 2009 there is no collateral/blocked for guarantee (31 December 2008: TL 35.297).

**6.2 Government securities held-to-maturity**

	Current Period	Prior Period
Government bonds	79.730	35.297
Treasury Bonds	30.185	--
Other Public Bonds	72.054	77.238
<b>Total</b>	<b>181.969</b>	<b>112.535</b>

**6.3 Investments held-to-maturity**

	Current Period	Prior Period
<b>Debt Instruments</b>	<b>254.464</b>	<b>158.329</b>
Quoted at stock exchange	110.401	35.297
Not-quoted at stock exchange	144.063	123.032
<b>Impairment Loss Provision (-)</b>	<b>(4.949)</b>	<b>(5.550)</b>
<b>Total</b>	<b>294.515</b>	<b>152.779</b>

**6.4 Movement of investments held-to-maturity**

	Current Period	Prior Period
<b>Balances at the Beginning of the Period</b>	<b>152.779</b>	<b>58.890</b>
Foreign currency gains / losses on monetary assets	1.484	17.834
Purchases during the Period	129.785	97.362
Disposals through sales and redemptions (*)	(32.670)	(18.059)
Impairment loss provision (-) (**)	(1.863)	(3.248)
<b>Period End Balance</b>	<b>249.515</b>	<b>152.779</b>

(\*) In the current period redemption amounting to TL 32.670 has been realized from the portfolio. In the prior period redemption amounting to TL 18.059 has been realized from the portfolio.

(\*\*) Represents provisions allocated for impairment in the current year.

**7. Information on Associates**

The Group does not have an associate as of 31 December 2009 and 31 December 2008.

**8. Information on subsidiaries (Net):**

**8.1 Information on consolidated subsidiaries**

The Parent Bank does not have a subsidiary that is not included in consolidation.

*Summary information on consolidated subsidiaries*

	Description	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	A&T Finansal Kiralama A.Ş	İSTANBUL	99.98	99.98

Important financial statements of the subsidiary:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
1	94.971	40.970	143	9.476	-	6.728	245	32.753

(\*) As fair value; the amounts that are reflected on the financial statements that is calculated by the deduction of impairment (if any) from acquisition cost.

**8.2 Movement related to subsidiaries:**

	Current Period	Prior Period
Balance at the Beginning of the Period	27.954	26.454
Movements during the Period	4.799	1.500
Purchases	--	--
Bonus Shares Received	4.799	1.500
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	--	--
Impairment Provision (+)	--	--
Balance at the End of the Period	32.753	27.954
Capital Commitments	--	--
Share Percentage at the end of Period (%)	99.98	99.98

**8.2.1 Valuation methods of investments in subsidiaries**

The method used in the accounting of subsidiaries is explained in Section Three.

**8.2.2 Sectoral Information on the subsidiaries and amounts related to these**

Affiliates	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	32.753	27.954
Finance Companies	--	--
Other Affiliates	--	--

**8.2.3 Quoted Subsidiaries**

The Parent Bank does not have any subsidiary that is quoted.

**8.2.4 Subsidiaries sold in the current year**

None.

**8.2.5 Subsidiaries acquired in the current year.**

None.

**9. Information on jointly controlled subsidiaries**

The Parent Bank does not have a joint venture.

**10. Information on financial lease receivables (Net):**

**10.1 Maturity analysis of financial lease receivables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	30.841	27.177	36.934	31.997
Between 1-4 years	29.082	26.215	42.565	38.299
Over 4 years	--	--	--	--
<b>Total</b>	<b>59.923</b>	<b>53.392</b>	<b>79.499</b>	<b>70.296</b>

**10.2 Information on net financial lease investments**

	Current Period	Prior Period
Gross Financial Lease Investment	59.923	79.499
Unearned Financial Lease income (-)	(6.531)	(9.203)
Cancelled Leasing Amounts	--	--
<b>Net Investment on Leases</b>	<b>53.392</b>	<b>70.296</b>

There is a provision amounting to TL 735 for doubtful financial lease receivables in net financial lease investment.

The movement of doubtful receivables is as follows:

	Current Period	Prior Period
Opening Balance	834	747
Provisions	--	87
Collections	99	--
<b>Ending Balance</b>	<b>735</b>	<b>834</b>

**11. Information on financial derivatives for hedging:**

The Group does not have any financial derivatives for hedging.

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
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**12. Information on tangible assets:**

**Current Period**

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
<b>Balance at the End of the Prior Period: 31 December 2008</b>					
<i>Cost</i>	27.303	4.694	888	3.155	36.040
<i>Accumulated Depreciation (-)</i>	9.056	3.908	736	2.607	16.307
<b>Net Book Value</b>	<b>18.247</b>	<b>786</b>	<b>152</b>	<b>548</b>	<b>19.733</b>
<b>Balance at the End of the Current Period: 31 December 2009</b>					
<i>Net Book Value at the Beginning of the Current Period</i>					
	27.303	4.694	888	3.155	36.040
<i>Additions</i>	--	--	411	3.235	3.646
<i>Disposals (-)</i>	--	(6)	--	(376)	(382)
<i>Impairment(-)</i>	--	--	--	--	--
<b>Cost at the End of the Current Period</b>	<b>27.303</b>	<b>4.688</b>	<b>1.299</b>	<b>6.014</b>	<b>39.304</b>
<i>Depreciation Expense (-)</i>	649	175	82	265	1.171
<i>Depreciation of Disposals</i>	--	(6)	--	(376)	(382)
<b>Accumulated Depreciation at the End of the Current Period (-)</b>	<b>9.705</b>	<b>4.077</b>	<b>818</b>	<b>2.496</b>	<b>17.096</b>
<b>Net Book Value at the End of the Current Period: 31 December 2009</b>	<b>17.598</b>	<b>611</b>	<b>481</b>	<b>3.518</b>	<b>22.208</b>

**Prior Period**

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
<b>Balance at the End of the Prior Period: 31 December 2007</b>					
<i>Cost</i>	27.303	3.933	1.033	2.903	35.172
<i>Accumulated Depreciation (-)</i>	8.406	3.802	865	2.400	15.473
<b>Net Book Value</b>	<b>18.897</b>	<b>131</b>	<b>168</b>	<b>503</b>	<b>19.699</b>
<b>Balance at the End of the Period: 31 December 2008</b>					
<i>Net Book Value at the Beginning of the Current Period</i>					
	27.303	3.933	1.033	2.903	35.172
<i>Additions</i>	--	761	47	300	1.108
<i>Disposals (-)</i>	--	--	(192)	(48)	(240)
<i>Impairment(-)</i>	--	--	--	--	--
<b>Cost at the End of the Period</b>	<b>27.303</b>	<b>4.694</b>	<b>888</b>	<b>3.155</b>	<b>36.040</b>
<i>Depreciation Expense (-)</i>	650	106	63	255	1.074
<i>Depreciation of Disposals</i>	--	--	(192)	(48)	(240)
<b>Accumulated Depreciation at the End of the Current Period (-)</b>	<b>9.056</b>	<b>3.908</b>	<b>736</b>	<b>2.607</b>	<b>16.307</b>
<b>Net Book Value at the End of the Current Period: 31 December 2008</b>	<b>18.247</b>	<b>786</b>	<b>152</b>	<b>548</b>	<b>19.733</b>

**13. Information on intangible assets:**

**Current Period**

	Other	Total
<b>Balance at the End of the Prior Period- 31 December 2008</b>		
<i>Cost</i>	2.785	2.785
<i>Accumulated Depreciation (-)</i>	(2.510)	(2.510)
<b>Net Book Value</b>	<b>275</b>	<b>275</b>
<b>Balance at the End of the Current Period- 31 December 2008</b>		
<i>Net Book Value at the Beginning of the Current Period</i>	2.785	2.785
<i>Additions</i>	2.087	2.087
<i>Disposals (-)</i>	1	1
<i>Impairment(-)</i>	-	-
<b>Cost at the End of the Current Period</b>	<b>4.871</b>	<b>4.781</b>
<i>Depreciation expense and depreciation expense of disposal(-)</i>	(257)	(257)
<b>Accumulated Depreciation at the End of the Current Period (-)</b>	<b>(2.767)</b>	<b>(2.767)</b>
<b>Net Book Value at the End of the Current Period-31 December 2009</b>	<b>2.104</b>	<b>2.104</b>

**Prior Period**

	Other	Total
<b>Balance at the End of the Prior Period- 31 December 2007</b>		
<i>Cost</i>	2.636	2.636
<i>Accumulated Depreciation (-)</i>	(2.380)	(2.380)
<b>Net Book Value</b>	<b>256</b>	<b>256</b>
<b>Balance at the End of the Current Period- 31 December 2008</b>		
<i>Net Book Value at the Beginning of the Current Period</i>	2.636	2.636
<i>Additions</i>	160	160
<i>Disposals (-)</i>	11	11
<i>Impairment(-)</i>	-	-
<b>Cost at the End of the Current Period</b>	<b>2.785</b>	<b>2.785</b>
<i>Depreciation expense and depreciation expense of disposals(-)</i>	(130)	(130)
<b>Accumulated Depreciation at the End of the Current Period (-)</b>	<b>(2.510)</b>	<b>(2.510)</b>
<b>Net Book Value at the End of the Current Period- 31 December 2008</b>	<b>275</b>	<b>275</b>



**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I in Section Three*

**14. Information on investment property :**

The Group does not have any investment property.

**15. Information on tax asset:**

The parent Bank has reconciled with the Tax Administration for the ongoing legal lawsuits filed relating to the corporate tax returns between 2001-2005 with respect to the law regarding 'Regarding the collection of receivables of public institutions on a reconciliation basis' published on 27 February 2008 in the official gazette numbered 26800 with the 5736 code number. Therefore, as a result of the corrections made on the corporate tax returns for the years 2001-2005, tax refund from the tax administration is finalized as TL 17,395. Related amount is recorded under 'Other Operating Income' in the current period. As of 31 December 2009 there is no tax receivable taking place under current tax asset after the deduction of taxable amount.

The Group has calculated TL 3.735 deferred tax asset as of 31 December 2009 (31 December 2008: TL 5.259), the aforementioned amount resulted from the temporary differences and investment incentives that are subject to tax and unused investment incentives as of the balance sheet date.

As of 31 December 2009 and 2008 the presentation of tax deductible or temporary differences subject to tax and the related deferred tax asset or liability as follows:

	Current Period 31 December 2009		Prior Period 31 December 2008	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Unused investment incentives	10.561	2.112	--	--
Provisions regarding employee rights	4.104	821	3.154	631
Tax losses	--	--	1.903	381
Marketable Securities Valuation difference	3.150	630	2.274	455
Depreciation difference of tangible and intangible assets with the tax base	--	--	169	34
Other Provisions	117	23	118	24
Other	3.300	660	1.541	308
Financial Derivatives	--	--	17.213	3.441
<b>Deferred Tax asset</b>	<b>21.232</b>	<b>4.246</b>	<b>26.372</b>	<b>5.274</b>
Depreciation	(1.963)	(393)	--	--
Other	(591)	(118)	(78)	(15)
<b>Deferred tax liability</b>	<b>(2.554)</b>	<b>(511)</b>	<b>(78)</b>	<b>(15)</b>
<b>Net Deferred tax asset</b>	<b>18.678</b>	<b>3.735</b>	<b>26.294</b>	<b>5.259</b>

**16. Information on tangibles held for sale:**

	Current Period 31 December 2009	Prior Period 31 December 2008
Cost	1.118	1.195
Accumulated Depreciation	(57)	(77)
<b>Net Book Value</b>	<b>1.061</b>	<b>1.118</b>
Opening Balance	1.061	1.118
Acquired	--	--
Sold (-) net	(327)	--
Provisions (-)	(38)	--
Depreciation Expense (-)	(34)	(57)
<b>Ending Net Book Value</b>	<b>662</b>	<b>1.061</b>

**17. Information on other assets:**

As of 31 December 2009 other assets is TL 4.346 (31 December 2008: TL 5.050) and does not exceed 10% of total assets of consolidated balance sheet excluding consolidated off balance sheet commitments.

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES**

**1. Information on maturity profile of deposits:**

**Current Period**

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Cumulative Demand	Total
Saving Deposits	536	--	518	3.730	182	19	119	--	5.104
Foreign Currency Deposits	54.852	--	2.528	18.859	3.676	877	1.529	--	82.321
Residents in Turkey	24.347	--	2.528	11.958	2.160	168	148	--	41.309
Residents Abroad	30.505	--	--	6.901	1.516	709	1.381	--	41.012
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	1.149	--	9	--	100	--	--	--	1.258
Other Ins. Deposits	3.546	--	--	--	--	--	--	--	3.546
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	38.429	--	48.260	--	--	--	--	--	86.689
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	--	--	48.260	--	--	--	--	--	48.260
Foreign Banks	38.429	--	--	--	--	--	--	--	38.429
Special Financial Institutions	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>98.512</b>	<b>--</b>	<b>51.315</b>	<b>22.589</b>	<b>3.958</b>	<b>896</b>	<b>1.648</b>	<b>--</b>	<b>178.918</b>

**Prior Period**

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Cumulative Demand	Total
Saving Deposits	288	--	821	651	17	28	--	--	1.805
Foreign Currency Deposits	35.936	--	2.024	5.503	1.196	3.079	--	--	47.738
Residents in Turkey	13.625	--	1.429	4.039	466	512	--	--	20.071
Residents Abroad	22.311	--	595	1.464	730	2.567	--	--	27.667
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	437	--	44	93	--	--	--	--	574
Other Ins. Deposits	795	--	--	--	--	--	--	--	795
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	45.003	--	1.899	--	--	--	--	--	46.902
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	--	--	1.899	--	--	--	--	--	1.899
Foreign Banks	45.003	--	--	--	--	--	--	--	45.003
Special Financial Institutions	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>82.459</b>	<b>--</b>	<b>4.788</b>	<b>6.247</b>	<b>1.213</b>	<b>3.107</b>	<b>--</b>	<b>--</b>	<b>97.814</b>

**1.1 Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit**

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.889	1.501	2.215	304
Foreign Currency Saving Deposits	8.590	7.572	12.359	9.912
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
<b>Total</b>	<b>11.479</b>	<b>9.073</b>	<b>14.574</b>	<b>10.216</b>

**1.2 Saving deposits not covered by deposit insurance**

1.2.1 The Parent Bank does not have off-shore and foreign branches.

1.2.2 The Parent Bank does not have special current and participation deposits of individuals that are not covered under the guarantee of deposit insurance fund.

Amounts out of Insurance:

*Deposits of Natural Person out of Insurance:*

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	--	--
Deposits and Other Accounts held by Shareholders and their Relatives	--	--
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	451	251
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	--	--
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	--	--

**2. Information on financial derivatives through profit or loss:**

Financial Derivatives Through Profit or Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	--	--	--	--
Futures Transactions	--	--	--	--
Options	--	--	--	18.156
Other	79	--	--	--
<b>Total</b>	<b>79</b>	<b>--</b>	<b>--</b>	<b>18.156</b>

**3. Information on funds borrowed:**

**3.1 Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank	--	--	--	--
From Domestic Banks and Institutions	329	4.954	1.765	15.092
From Foreign Banks, Institutions and Funds	--	429.264	--	400.349
<b>Total</b>	<b>329</b>	<b>434.218</b>	<b>1.765</b>	<b>415.441</b>

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

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Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

**3.2 Presentation of funds borrowed based on maturity profile:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	329	394.880	1.765	382.647
Medium and Long-Term	--	39.338	--	32.794
<b>Total</b>	<b>329</b>	<b>434.218</b>	<b>1.765</b>	<b>415.441</b>

**3.3 Additional information on concentration of the Group's liabilities**

As of 31 December 2009, 17.42% (31 December 2008: 11.32%) and 42.30 % (31 December 2008: 48.29%) of the Group's liabilities comprised of deposits and funds borrowed respectively.

**4. Information on other foreign resources:**

The other foreign resources account of the consolidated balance sheet is TL 4.827 (31 December 2008: TL 5.720); and this amount does not exceed 10% of the total consolidated balance sheet.

**5. Information on financial lease obligations:**

In the financial lease contracts the installments are determined by considering the market interest rates, cost of the leasing asset and maturity of the financing. There are no significant obligations imposed on the Group as a result of the lease agreements.

**6. Information on liabilities aroused from financial derivative transactions for hedging purposes:**

The Group does not have financial derivative instruments for hedging purposes.

**7. Information on provisions:****7.1 Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	3.166	2.709
Provisions for Loans and Receivables in Group II	28	--
Provisions for Non-Cash Loans	2.233	1.351
Other	--	--
<b>Total</b>	<b>5.427</b>	<b>4.060</b>

**7.2 Provisions for currency exchange gain/loss on foreign currency indexed loans:**

	Current Period	Prior Period
Foreign Exchange Provisions for Foreign Currency Indexed Loans	1.103	862

(\*) Foreign exchange differences of foreign currency indexed loans are netted off with loans.

**7.3 Information on other provisions**

The Parent Bank has allocated TL 116 for the on-going law suits as of the balance sheet date and (31 December 2008: TL 118) TL 430 for the non cash loans (31 December 2008: TL 424).

**8. Information on tax payables:****8.1 Information on corporate tax liability:**

As of 31 December 2009, the amount of corporate tax payable balance after prepaid tax netted off is TL 1.361 (31 December 2008: none).

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I. in Section Three*

**8.1.1 Information on tax payables**

	Current Period	Prior Period
Corporate Tax	1.361	--
Banking Insurance Transaction Tax (BITT)	127	331
Taxation of Securities	19	34
Value Added Taxes Payable	108	71
Corporate Taxes Payable	30	12
Foreign Exchange Legislation Tax	--	--
Property tax	9	1
Other	469	520
<b>Total</b>	<b>2.123</b>	<b>969</b>

**8.1.2 Information on premiums**

	Current Period	Prior Period
Social Security Premiums- Employee	121	89
Social Security Premiums- Employer	169	123
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee share	9	6
Unemployment Insurance- Employer share	18	12
Other	--	--
<b>Total</b>	<b>317</b>	<b>230</b>

**8.2 Information on deferred tax liability**

The net value of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset amounting to TL 3.735. Detailed information on net deferred tax asset is presented in footnote I-15 in Section Five.

**9. Information on liabilities for assets held for sale:**

None.

**10. Information on Shareholders' Equity:****10.1 Presentation of Paid-in Capital:**

	Current Period	Prior Period
Common Stock	240.000	240.000
Preferred Stock	--	--

**10.2 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**

Registered share capital system is not implemented in the Parent Bank.

**10.3 Information on share capital increases and their sources; other information on any increase in capital shares during the current period**

There is no capital increase during the current period.

**10.4 Information on share increases from capital reserves**

In the current period, there is no addition from capital reserves.

**10.5 Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments**

The Group does not have any capital commitments in the current year.

**10.6 The impacts of the foresights, which are prophesied according to Bank's prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders' equity**

None.

**10.7 Information on the privileges given to stocks representing the capital**

According to the master agreement, the registered capital can be increased or decreased once or several times. Such an increase may be accomplished through the transfer from reserves into the capital account and the issuance of "bonus" shares in consequence thereof.

Each shareholder shall have the right to subscribe for a proportion of new shares corresponding to the number of shares held and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders.

These preferential rights may only be assigned by approval of the Board of Directors upon the favorable vote of 4/5 of the members present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares will be allocated by the Board of Directors.

The Parent Bank may not, directly or indirectly, finance the acquisition of its own shares.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

**10.8 Information on marketable securities value increase fund:**

The Group does not have marketable securities value increase fund.

**10.9 Information on legal reserves:**

In the current period there is TL 126 transferred to legal reserves from retained earnings. (31 December 2008: TL 216).

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**III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS**

**1. Information on contingent liabilities in the off-balance sheets:**

**1.1 Type and amount of irrevocable commitments**

The Group has TL 145.127 (31 December 2008: TL 37.149) as irrevocable commitments.

**1.2 Type and amount of possible losses from off-balance sheet items:**

As of 31 December 2009, the Group has allocated the provision amounting to TL 430 over total non-cash loans (31 December 2008: TL 424).

**1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral:**

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 303.591 (31 December 2008: TL 187.083).

**1.2.2 Final guarantees, temporary guarantees, commitments and similar transactions**

The total amount of the Group's guarantee letters is TL 866.363 (31 December 2008: TL 535.855).

**2. Total amount of Non-cash loans:**

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	11.744	8.584
Less Than or Equal to One Year with Original Maturity	--	--
More Than One Year with Original Maturity	11.744	8.584
Other Non-Cash Loans	1.158.210	714.354
<b>Total</b>	<b>1.169.954</b>	<b>722.938</b>

**3. Information on Sectoral risk concentrations of non-cash loans:**

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	--	0.00	--	0.00	--	0.00	--	0.00
Farming and Raising livestock	--	0.00	--	0.00	--	0.00	--	0.00
Forestry	--	0.00	--	0.00	--	0.00	--	0.00
Fishing	--	0.00	--	0.00	--	0.00	--	0.00
<b>Manufacturing</b>	--	0.00	--	0.00	--	0.00	--	0.00
Mining	--	0.00	--	0.00	--	0.00	--	0.00
Production	--	0.00	--	0.00	--	0.00	--	0.00
Electric, gas and water	--	0.00	--	0.00	--	0.00	--	0.00
<b>Construction</b>	55	3.95	161.548	13.82	57	6.24	143.907	19.93
<b>Services</b>	1.293	92.96	1.007.015	86.18	807	88.29	578.117	80.07
Wholesale and Retail Trade	636	45.72	34.823	2.98	655	71.66	35.709	4.95
Hotel, Food and Beverage Services	--	0.00	--	0.00	--	0.00	--	0.00
Transportation and Telecommunication	--	0.00	--	0.00	--	0.00	--	0.00
Financial Institutions	657	47.23	972.192	83.20	152	16.63	542.408	75.12
Real Estate and Renting Services	--	0.00	--	0.00	--	0.00	--	0.00
Self-Employment Services	--	0.00	--	0.00	--	0.00	--	0.00
Education Services	--	0.00	--	0.00	--	0.00	--	0.00
Health and Social Services	--	0.00	--	0.00	--	0.00	--	0.00
<b>Other</b>	43	3.09	--	0.00	50	5.47	--	0.00
<b>Total</b>	<b>1.391</b>	<b>100.00</b>	<b>1.168.563</b>	<b>100.00</b>	<b>914</b>	<b>100.00</b>	<b>722.024</b>	<b>100.00</b>



**4. Information on non-cash loans classified as I and II group loans:**

	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	1.391	864.972	--	--
Bank acceptances	--	16.562	--	--
Letters of credit	--	286.489	--	--
Endorsements	--	--	--	--
Underwriting commitments	--	--	--	--
Factoring commitments	--	--	--	--
Other commitments and contingencies	--	540	--	--
<b>Non-Cash Loans</b>	<b>1.391</b>	<b>1.168.563</b>	<b>--</b>	<b>--</b>

**5. Information on derivative transactions:**

	Current Period 31 December 2009	Prior Period 31 December 2008
<b>Trading Derivatives</b>		
Foreign Currency Related Derivative Transactions (I)	153.660	708.683
Currency Forward	--	44.330
Currency Swaps	153.660	104.903
Currency Futures	--	--
Currency Option	--	559.450
Interest Rate Related Derivative Transactions (II)	--	--
Interest Rate Forwards	--	--
Interest Rate Swaps	--	--
Interest Rate Options	--	--
Interest Rate Futures	--	--
Other Trading Derivatives (III)	21.001	--
<b>A.Total Trading Derivatives (I+II+III)</b>	<b>174.661</b>	<b>--</b>
<b>Hedging Derivatives</b>		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Hedges for Foreign Currency Investments	--	--
<b>B.Total Hedging Derivatives</b>	<b>--</b>	<b>--</b>
<b>Total Derivative Transactions (A+B)</b>	<b>174.661</b>	<b>708.683</b>

**6. Contingent assets and liabilities:**

The Group does not have any contingent assets or liabilities.

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on 1 .in Section Three*

**IV. INFORMATION AND FOOTNOTES RELATED TO THE CONSOLIDATED INCOME STATEMENT****1. Information on interest income:****1.1 Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short- Term Loans	15.181	6.046	18.120	3.794
Medium and Long- Term Loans	1.680	3.553	54	1.831
Interest Received From Non Performing Loans	25	--	110	--
Premiums Received From Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>16.886</b>	<b>9.599</b>	<b>18.284</b>	<b>5.625</b>

**1.2 Information on interest income received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	--	--	--	83
From Domestic Banks	115	30	2.054	57
From Foreign Banks	--	181	42	919
From Foreign Headquarter and Branches	2.920	45	3.741	69
<b>Total</b>	<b>3.035</b>	<b>256</b>	<b>5.837</b>	<b>1.128</b>

**1.3 Information on interest income from securities**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Trading Financial Assets	19.319	2.420	15.317	3.271
From Financial Assets Through Profit or Loss	--	--	--	788
From Investments Available for Sale	--	--	--	--
From Investments Held to Maturity	4.969	8.924	5.484	5.942
<b>Total</b>	<b>24.288</b>	<b>11.344</b>	<b>20.801</b>	<b>10.001</b>

**1.4 Information on interest income received from associates and subsidiaries**

None.

**2. Interest Expense:****2.1 Information on interest paid for funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>134</b>	<b>5.816</b>	<b>116</b>	<b>12.465</b>
Central Bank	--	--	--	--
Domestic Banks	134	8	116	27
Foreign Banks	--	4.390	--	11.652
Foreign Headquarter and Branches	--	1.418	--	786
Other Institutions	--	--	--	--
<b>Total</b>	<b>134</b>	<b>5.816</b>	<b>116</b>	<b>12.465</b>

**2.2 Information on interest expense paid to associates and subsidiaries**

None.

**2.3 Information on interest expenses paid to issued stocks**

None.

**2.4 Maturity structure of the interest expense on deposits**

Account Name	Time Deposits						Cumulative Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over		
<b>TL</b>								
Bank Deposits	--	347	--	--	--	--	--	347
Saving Deposits	--	59	348	8	2	4	--	421
Public Sector Deposits	--	--	--	--	--	--	--	--
Commercial Deposits	--	24	6	5	--	--	--	35
Other Deposits "7 Days Notice Deposits"	--	--	--	--	--	--	--	--
<b>Total TL</b>	<b>--</b>	<b>430</b>	<b>354</b>	<b>13</b>	<b>2</b>	<b>4</b>	<b>--</b>	<b>803</b>
<b>FC</b>								
FC Deposits	--	101	144	55	33	33	--	366
Bank Deposits "7 Days Notice Deposits"	117	82	--	--	--	--	--	199
Precious Metal Deposits	--	--	--	--	--	--	--	--
<b>Total FC</b>	<b>117</b>	<b>183</b>	<b>144</b>	<b>55</b>	<b>33</b>	<b>33</b>	<b>--</b>	<b>565</b>
<b>Total</b>	<b>117</b>	<b>613</b>	<b>498</b>	<b>68</b>	<b>35</b>	<b>37</b>	<b>--</b>	<b>1.368</b>

**3. Information on dividend income:**

	Current Period	Prior Period
Trading Financial Assets	--	--
Financial Assets through profit or loss	--	--
Financial Assets available for sale	48	105
Other	--	--
<b>Total</b>	<b>48</b>	<b>105</b>

**4. Information on trading gain/loss:**

	Current Period	Prior Period
<b>Gain</b>	<b>490.672</b>	<b>924.624</b>
Gain on money market transactions	269	724
Derivative and financial transactions	17.985	60.219
Gain on exchange transactions	472.418	863.681
<b>Loss (-)</b>	<b>(501.278)</b>	<b>(968.882)</b>
Loss from money market transactions	--	--
Derivative and financial transactions	(19.953)	(109.269)
Loss from exchange transactions	(481.325)	(859.613)
<b>Net Trading Gain/Loss</b>	<b>(10.606)</b>	<b>(44.258)</b>

**ARAP TÜRK BANKASI A.Ş. AND ITS SUBSIDIARY**

Consolidated Financial Report as of and for the year ended 31 December 2009  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Consolidated  
Financial Report Originally Issued in Turkish  
See Note on I .in Section Three*

**5. Information on income from other operations:**

	Current Period	Prior Period
Reversal of Provisions of Prior Year	109	128
Communication Income	621	352
Profits from sale of Assets	94	139
Other	205	17.615
<b>Total</b>	<b>1.029</b>	<b>18.234</b>

(\*) TL 17.395 of a total of TL 17.615 in other account balance in the prior period consists of tax income from tax administration.

**6. Information on impairment of loans and other receivables:**

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables	--	17
<i>Loans and receivables in group III</i>	--	--
<i>Loans and receivables in group IV</i>	--	--
<i>Loans and receivables in group V</i>	--	17
<i>Doubtful Receivables</i>	--	--
General Provision Expenses	1.367	2.801
Provision for Possible Losses	--	--
Foreign Exchange Losses on Foreign Currency Indexed Loans	--	--
Impairment Losses on Securities	228	1.254
<i>Financial assets through profit or loss</i>	228	1.254
<i>Investment securities available-for-sale</i>	--	--
Other Impairment Losses	1.863	3.248
<i>Subsidiaries</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment securities held-to-maturity</i>	1.863	3.248
Other	38	149
<b>Total</b>	<b>3.496</b>	<b>7.469</b>

**7. Information on other operating expense:**

	Current Period	Prior Period
Personnel Expenses	20.282	18.184
Employee Termination Benefits Expense	995	619
Tangible Fixed Asset Impairment Expense	--	--
Intangible Fixed Asset Impairment Expense	--	--
Amortization Expenses of Tangible Assets	1.171	1.074
Intangible Fixed Asset Impairment Expense	--	--
Goodwill Impairment Expense	--	--
Amortization Expenses of Intangible Assets	259	130
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	--	--
Disposable Fixed Asset Impairment Expense	--	--
Amortization Expense of Assets Held for Resale	34	57
Impairment Expense related to Fixed Assets held for sale and discontinued operations	--	--
Assets Impairment Expense	--	--
Other Operating Expenses	6.927	4.089
<i>Operating Lease Expenses</i>	523	200
<i>Maintenance Expenses</i>	214	145
<i>Advertisement Expenses</i>	1.487	166
<i>Other Expenses</i>	4.703	3.578
Losses from sales of Assets	--	--
Other	2.467	4.930
<b>Total</b>	<b>32.135</b>	<b>29.083</b>

**8. Information on profit/loss before taxes including profit/loss from discontinued operations**

The income before tax from continuing operations is TL 36.049 (31 December 2008: TL 3.297 loss)

**9. Information on tax provision:**

**9.1 Current period taxation benefit or charge and deferred tax benefit or charge:**

For the year ended 31 December 2009 taxation charge is TL 2.882 (31 December 2008: none) and deferred tax expense is TL 1.454 (31 December 2008: TL 2.224 deferred tax income).

**9.2 Deferred tax expense arising from origination or reversal of temporary differences**

The Group has TL 1.073 (31 December 2008: TL 2.200 deferred tax income) as deferred tax expense arising from temporary differences.

**9.3 Deferred tax expense/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.**

The Bank has TL 1.454 as deferred tax expense represented in the income statement within the context of temporary difference and tax deductions and exemptions (31 December 2008: TL 2.224 as deferred tax income).

**10. Information on net profit or loss of the period including profit/loss from continuing and discontinued operations:**

Net current period profit from continued operations is TL 31.713 (31 December 2008: TL 1.073 loss).

**11. Information on net profit or loss of the period:**

**11.1 Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current year performance:**

None.

**11.2 Information on the profit or loss affect of a change in an estimation related to financial statements and future period affect of the change in this estimation.**

There is no change in accounting estimation related to consolidated financial statements.

**11.3 Profit/loss regarding minority rights:**

There is no profit/loss regarding minority rights in the accompanying consolidated financial statements since the Parent Bank owns 99.98% of the consolidated subsidiary.

**12. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.**

There is no other accounts which exceed the 10% of the consolidated income statement other than other operating income and other operating loss that are explained above.

**V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY**

**1. Changes due to revaluation of financial assets available-for-sale:**

None.

**2. Confirmation on exchange rate differences between beginning and ending**

None.

**3. Increases due to cash flow hedges:**

None.

**4. Information on dividend:**

**4.1 *Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statement***

None.

**4.2 *Net profit per share proposed to be distributed after the balance sheet date***

None.

**5. Amounts transferred to retained earnings:**

None.

**6. Information on issuance of common stock:**

**6.1 *Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital***

None.

**7. Information on other capital increment accounts at the equity movement table:**

**Information on inflation restatement differences of shareholders equity accounts:**

In BRSA's Circular on 28 April 2005 and in accordance with the decision dated 21 April 2005 and numbered 1623, it was stated that as of January 2005, the majority of the criteria's confirming the existence of a hyperinflationary economy are not valid anymore. Accordingly, the inflation accounting had been ceased beginning from 1 January 2005.

Inflation restatement of paid in capital amounting TL 9.096 (31 December 2008: TL 9.096) which was recorded in the account of "Paid in capital Inflation Restatement" account until 31 December 2005 is transferred to "Other Capital Reserves" account.

**VI. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED CASH FLOW STATEMENT**

**1. Information on cash and cash equivalent assets:**

**1.1 Balances that form the cash and cash equivalent assets, and the accounting policy used in the formation of these balances**

In the cash flow statements, "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalent" refers to money market placements of original maturity less than three months and time deposits at banks, and investments in financial securities.

**1.1.1. Information on cash and cash equivalents at the beginning of the period:**

	Current Period 31 December 2009	Prior Period 31 December 2008
Cash	1.730	1.001
Interbank money market placements	--	--
Financial assets at fair value through profit or loss (net)	--	--
Banks and other financial institutions	68.930	32.291
<b>Cash equivalents</b>	<b>70.660</b>	<b>33.292</b>

**1.1.2. Information on cash and cash equivalents at the end of the period**

	Current Period 31 December 2009	Prior Period 31 December 2008
Cash	1.416	1.730
Interbank money market placements	--	--
Financial assets at fair value through profit or loss (net)	--	--
Banks and other financial institutions	101.393	68.930
<b>Cash equivalents</b>	<b>102.809</b>	<b>70.660</b>

**2. Information on unrestricted cash and cash equivalents that is in the possession of the Group however not in the restricted usage due to legal limitations and other reasons:**

The Group has TL 13 (31 December 2008: TL 12) restricted cash and cash equivalents that is in the possession of the Group due to legal limitations and other reasons.

**3. Information on the effect on cash and cash equivalent assets due to changes in other accounts in the cash flow statement and exchange rates:**

The TL (-) 11.665 (31 December 2008: TL (-) 40.328) in the "Other" account that is under the "Operational Profit Before Operations of Banking on Assets and Liabilities" account is comprised of other operating income excluding collections from non performing loans, other operating expense excluding personnel expenses and exchange gain/loss.

The "Net increase/decrease in other assets" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL (-) 19.367 (31 December 2008: (-) TL 66.628 is composed of changes in tax assets and other assets.

The "Net increase/decrease in other debts" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL (-) 22.700 (31 December 2008: TL 8.190) is composed of changes in miscellaneous debts, other foreign resources and tax, duty, fees and premiums payable.

**VII. INFORMATION ON THE GROUP'S RISK**

**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:**

**1.1 Information on the loans of the Group's risk**

**Current Period:**

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Group's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	--	--	9.336	113.549	--	--
Balance at the End of the Period	--	--	3.287	84.035	--	--
<b>Interest and Commission Income Received</b>	--	--	--	--	--	--

(\*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

Non-cash loans given to Parent Bank's direct and indirect shareholders, are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

**Prior Period:**

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Group's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	--	--	12.593	81.407	--	--
Balance at the end of the Period	--	--	9.336	113.549	--	--
<b>Interest and Commission Income Received</b>	--	--	--	--	--	--

(\*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

**1.2 Information on deposits of the Group's risk group**

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Group's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	--	--	19.589	7.748	193	128
Balance at the End of the Period	--	--	44.235	19.589	98	193
<b>Interest Expense of Deposits</b>	--	--	147	414	--	--

(\*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.



**1.3. Information on forward transactions, options and other contracts related to Group's risk group:**

Group's Risk Group (*)	Associates and related parties		Group's Direct and Indirect Shareholders		Individuals and Corporations included in the Bank's risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Transactions with Fair Value Difference Reflected on Profit/Loss Statement					
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	(272)	2.131	--	--
Hedging Purpose Transactions						
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	--	--	--

(\*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

**1.4. Information on benefits provided for top level management:**

For the year ended 31 December 2009, TL 2.663 (31 December 2008: TL 2.521) has been paid to the top level management of the Group as a fringe benefit.

**VIII. DOMESTIC, FOREIGN AND OFF SHORE BRANCHES or INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES**

	Number of branches	Number of employees			
Domestic Branch	6	230			
			Country		
Foreign representative office	--	--	--		
			--		
Foreign Branch	--	--	--	Total assets	Legal capital
	--	--	--	--	--
	--	--	--	--	--
Off shore Branches	--	--	--	--	--

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**SECTION SIX  
OTHER INFORMATION ON GROUP'S OPERATIONS**

**I. OTHER INFORMATION ON GROUP'S OPERATIONS**

None.

**II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE**

With the 2. article of 5479 numbered act which is "Income tax law, Public Receivable Law, Special Consuming Law and Change in the Tax methodology law, and 19. article of income tax numbered as 19, and related issue which was organized in that, titled as "Investment Incentive Exception in the Commercial and Agricultural Earnings" are abolished as of 01.01.2006.

Temporary 69. article which is added to the income tax law and law of numbered 5479 with its 3. article has become effective. In the scope of this article, it is observed that investment incentive exception which exist as of 31.12.2005 and which could not be reduced for the year 2005, can only be reduced from 2006, 2007 and 2008 earnings. According to this law, investment incentive exception amount that cannot be utilized as a result of inadequacy of earning is limited with the earnings of the year 2008. Amounts that is not discounted from earnings of the year 2008 cannot be made discount subject in following years.

Supreme Court cancelled 2006, 2007 and 2008 expressions in the temporary 69. article of Income Tax Law's investment incentive on October 15, 2009. This cancellation will come into force with publishment of this judgement in Official Gazette.

Cancellation decision regarding to the time restriction in investment incentive comes into force in 27456 numbered Official Gazette on January 8, 2010.

"The Law for the Amendments to the Law on the Procedure for the Collection of Public Receivables and Certain Laws" was accepted by the Planning and Budget Commission Of the Turkish Parliament at the meeting held on 20 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 calender year; branches operating in the municipalities which have population up to 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.

E.7

**SECTION SEVEN  
INFORMATION ON AUDITORS' REPORT**

**I. INFORMATION ON AUDITORS' REPORT**

The consolidated financial statements as of and the for the year ended 31 December 2009 has been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (a member firm of KPMG International) and the independent auditor's report dated 19 February 2010 is presented in the introduction of this report.

**II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR**

None.