

Yapı ve Kredi Bankası A.Ş.

**Publicly announced consolidated financial
statements and related disclosures at March 31,
2010 together with independent auditor's review
report**

(Convenience translation of publicly announced consolidated financial
statements and review report originally issued in Turkish, See Note I. of
Section three)

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I. of Section three)

To the Board of Directors of Yapı ve Kredi Bankası A.Ş.

We have reviewed the accompanying consolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at March 31, 2010 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Group's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. and its consolidated subsidiaries at March 31, 2010 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

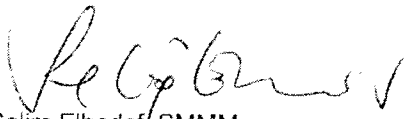
The consolidated financial statements of the Group as of and for the three months period ended March 31, 2009 and as of and for the year ended December 31, 2009 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their report dated May 13, 2009 stated that nothing has come to their attention that causes them to believe that the consolidated financial statements of the Group as of and for the three months ended March 31, 2009 do not give a true and fair view of the financial position, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles, and in their report dated March 2, 2010 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended December 31, 2009.

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note 1 of Section three)

Additional paragraph for convenience translation:

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

A handwritten signature in black ink, appearing to read 'Selim Elhade'.

Selim Elhade, SMMM
Partner

Istanbul, May 12, 2010

(Convenience translation of publicly announced consolidated financial statements and review report originally issued in Turkish, see note I. of section three)

**The consolidated interim financial report of
Yapı ve Kredi Bankası A.Ş. as of March 31, 2010**

Yapı ve Kredi Bankası A.Ş.
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The consolidated financial report includes the following sections in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" as sanctioned by the Banking Regulation and Supervision Agency.

- **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 group
- **Section five** - Explanations and notes related to consolidated financial statements
- **Section six** - Other explanations
- **Section seven** - Independent auditor's review report

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this reporting package are as follows.

Subsidiaries	Associates
1. Yapı Kredi Sigorta A.Ş.	1. Banque de Commerce et de Placements S.A.
2. Yapı Kredi Emeklilik A.Ş.	
3. Yapı Kredi Finansal Kiralama A.O.	
4. Yapı Kredi Faktoring A.Ş.	
5. Yapı Kredi Yatırım Menkul Değerler A.Ş.	
6. Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş.	
7. Yapı Kredi Portföy Yönetimi A.Ş.	
8. Yapı Kredi Holding B.V.	
9. Yapı Kredi Bank Nederland N.V.	
10. Yapı Kredi Bank Moscow	
11. Stichting Custody Services YKB	
12. Yapı Kredi Bank Azerbaijan CJSC	
13. Yapı Kredi Invest LLC	

Additionally, although ,Yapı Kredi Diversified Payment Rights Finance Company, the "Special Purpose Entity", is not a subsidiary of the Bank , as our Bank has a control of 100% it has been included in the consolidation.

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish Lira** have been prepared and presented based on the accounting books of the Bank in accordance with Regulation on the Principles and Procedures Regarding Banks' Accounting and Safeguarding of Documents., Turkish Accounting Standards, Turkish Financial Reporting Standards, and relating appendices and interpretations on these, and have been reviewed.

Tayfun BAYAZIT
Chairman of the
Board of Directors

H. Faik AÇIKALIN
Chief
Executive Officer

Marco CRAVARIO
Chief Financial Officer

M. Gökmen UÇAR
Head of Financial
Reporting and Accounting

Federico GHIZZONI
President of Audit Committee

Vittorio G. M. OGLIENGO
Member of Audit Committee

Füsün Akkal BOZOK
Member of Audit Committee

Contact information of the personnel in charge for addressing questions about this financial report:

Name-Surname / Title : Serkan Savaş / Head of Consolidation
Telephone Number : 0212 339 63 22
Fax Number : 0212 339 61 05

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements at March 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section one

General information about the Group

I. History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status, if any:

Yapı ve Kredi Bankası A.Ş. ("the Bank", "Yapı Kredi" or "the Parent Bank"), was established and started operations on September 9, 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

II. Explanation about the Parent Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:

The Parent Bank's publicly traded shares are traded on the Istanbul Stock Exchange ("ISE") since 1987 and the representatives of these shares, Global Depository Receipts, are quoted in London Stock Exchange. As of March 31, 2010, 18,20% of the shares of the Bank are publicly traded (December 31, 2009 - 18,20%). The remaining 81,80% is owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCI") and Koç Group.

KFS was established on March 16, 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. On October 22, 2002, Koç Group established a strategic partnership with UCI over KFS.

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from ISE and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks.

In 2006 and 2007, with the acquisition of Yapı Kredi and its subsidiaries, KFS Group launched structural reorganisation and the following subsidiaries were legally merged:

Merging entities		Merger date	Merged entity
Yapı Kredi	Koçbank	2 October 2006	Yapı Kredi
Yapı Kredi Finansal Kiralama A.O. ("Yapı Kredi Leasing")	Koç Leasing	25 December 2006	Yapı Kredi Leasing
Yapı Kredi Faktoring A.Ş. ("Yapı Kredi Faktoring")	Koç Faktoring	29 December 2006	Yapı Kredi Faktoring
Yapı Kredi Portföy Yönetimi A.Ş. ("Yapı Kredi Portföy")	Koç Portföy	29 December 2006	Yapı Kredi Portföy
Yapı Kredi Yatırım Menkul Değerler A.Ş. ("Yapı Kredi Menkul")	Koç Yatırım	12 January 2007	Yapı Kredi Menkul
Yapı Kredi Nederland N.V. ("Yapı Kredi NV")	Koçbank	2 July 2007	Yapı Kredi NV
	Nederland N.V.		

After the merger and the share transfer procedures in 2007 and the capital increase by TL 920 million in 2008, KFS owns 81,80% of the shares of the Parent Bank.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements at March 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

General information about the Group (continued)

III. Explanation regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:

As of March 31, 2010, the Parent Bank's Board of Directors, Members of the Audit Committee and General Manager and Assistant General Managers are as follows:

Board of Directors Members:

Name	Responsibility
Tayfun BAYAZIT	Chairman
Federico GHIZZONI	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Alessandro M. DECIO	Deputy Chief Executive Officer
Ahmet F. ASHABOĞLU	Member
Fusun Akkal BOZOK	Member
Carlo VIVALDI	Member
Vittorio G. M. OGLIENGO	Member
O. Turgay DURAK	Member
Stephan WINKELMEIER	Member

General Manager and Assistant General Managers:

Name	Responsibility
H. Faik AÇIKALIN	General Manager
Alessandro M. DECIO	Deputy General Manager
Mehmet Güray ALPKAYA	Corporate and Commercial Sales Management
Marco CRAVARIO	Financial Planning and Administration Management
Yakup DOĞAN	Alternative Distribution Channels
Mehmet Murat ERMERT	Corporate Communication Management
Massimiliano FOSSATI	Risk Management
Mert GÜVENEN	Corporate and Commercial Banking Management
Süleyman Cihangir KAVUNCU	Human Resources Management
Erhan ÖZÇELİK	Private Banking and Asset Management
Mehmet Erkan ÖZDEMİR	Compliance Officer
Muzaffer ÖZTÜRK	Retail Sales Management
Stefano PERAZZINI	Internal Audit
Yüksel RİZELİ	Information Systems and Operation Management
Luca RUBAGA	Organisation and Logistics Management
Cemal Aybars SANAL	Legal Activities Management
Zeynep Nazan SOMER	Retail Banking Management
Feza TAN	Corporate and Commercial Credit Management
Selim Hakkı TEZEL	Consumer and SME Credit Management
Mert YAZICIOĞLU	Treasury Management

Audit Committee Members:

Name	Responsibility
Federico GHIZZONI	Chairman
Fusun Akkal BOZOK	Member
Vittorio G. M. OGLIENGO	Member

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements at March 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

General information about the Group (continued)

Statutory auditors:

Name	Responsibility
Abdullah GEÇER	Auditor
Adil G. ÖZTOPRAK	Auditor

The shares of the above individuals in the Bank are insignificant.

IV. Information on individual and corporate shareholders having control shares of the Parent Bank:

Name/Commercial title	Share amounts (nominal)	Share percentage	Paid-in capital (nominal)	Unpaid portion
Koç Finansal Hizmetler A.Ş.	3.555.712.396,07	81,80%	3.555.712.396,07	-

V. Summary information on the parent bank's activities and services types:

The Parent Bank's activities summarized from the section 5 of the articles of association are as follows:

The Parent Bank's purpose and subject matter in accordance with the Banking Law, regulations and existing laws include:

- The execution of all banking activities
- The execution of all economic and financial activities which are allowed by the regulation
- The execution of representation, attorney and agency activities related to the subjects written above
- The purchase and sale of share certificates, bonds and all the capital market instruments, as part of Capital Market Law and regulations

In case of necessity for performing activities which are useful and required but that are not specified in the articles of association, a Board of Directors' proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the approvals required by law.

As of March 31, 2010, the Parent Bank has 837 branches operating in Turkey and 1 branch in off-shore region (December 31, 2009 - 837 branches operating in Turkey, 1 branch in off-shore region). As of March 31, 2010, the Parent Bank has 14.420 employees (December 31, 2009 - 14.333 employees). The Parent Bank together with its consolidated subsidiaries is referred to as the "Group" in these consolidated financial statements. As of March 31, 2010 the Group has 16.812 employees (December 31, 2009 - 16.713 employees).

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated financial statements at March 31, 2010 and December 31, 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section two Consolidated financial statements

I. Consolidated balance sheet

		(31/03/2010)			(31/12/2009)		
Assets	Note (Section five)	TL	FC	Total	TL	FC	Total
I. Cash and balances with Central Bank	I-a	1.488.574	2.309.361	3.797.935	1.784.273	2.445.062	4.229.335
II. Financial assets at fair value through profit or (loss) (net)	I-b	669.213	148.968	818.181	802.452	181.175	983.627
2.1 Trading financial assets		669.213	148.968	818.181	802.452	181.175	983.627
2.1.1 Government debt securities		218.652	105.003	323.655	164.476	109.402	273.878
2.1.2 Share certificates		26.512	-	26.512	38.963	-	38.963
2.1.3 Derivative financial assets held for trading		367.113	43.783	410.896	546.121	71.583	617.704
2.1.4 Other marketable securities		56.936	182	57.118	52.892	190	53.082
2.2 Financial assets designated at fair value through profit/(loss)		-	-	-	-	-	-
2.2.1 Government debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. Banks	I-c	434.570	1.510.456	1.945.026	545.079	1.849.569	2.394.648
IV. Money markets		1.138.986	-	1.138.986	1.581.459	-	1.581.459
4.1 Interbank money market placements		1.075.194	-	1.075.194	1.500.271	-	1.500.271
4.2 Receivables from Istanbul Stock Exchange Money Market		25.110	-	25.110	30.015	-	30.015
4.3 Receivables from reverse repurchase agreements		38.682	-	38.682	51.173	-	51.173
V. Financial assets available-for-sale (net)	I-d	1.548.635	1.094.638	2.643.273	934.109	1.089.706	2.023.815
5.1 Share certificates		19.021	2.149	21.170	18.978	2.193	21.171
5.2 Government debt securities		1.442.195	1.031.825	2.474.020	867.008	1.018.499	1.885.507
5.3 Other marketable securities		87.419	60.664	148.083	48.123	69.014	117.137
VI. Loans and receivables	I-e	27.669.529	15.307.834	42.977.363	24.960.975	14.309.544	39.270.519
6.1 Loans and receivables		27.188.550	15.297.436	42.485.986	24.564.156	14.298.626	38.862.782
6.1.1 Loans to Bank's risk group		807.668	338.142	1.145.810	414.041	181.577	595.618
6.1.2 Government debt securities		-	-	-	-	-	-
6.1.3 Other		26.380.882	14.959.294	41.340.176	24.150.115	14.117.049	38.267.164
6.2 Loans under follow-up		2.141.931	52.342	2.194.273	2.569.983	52.675	2.622.658
6.3 Specific provisions (-)		(1.660.952)	(41.944)	(1.702.896)	(2.173.164)	(41.757)	(2.214.921)
VII. Factoring receivables		865.129	383.563	1.248.692	1.027.290	404.041	1.431.331
VIII. Held-to-maturity investments (net)	I-f	5.348.106	7.387.621	12.735.727	6.056.097	7.262.622	13.318.719
8.1 Government debt securities		5.348.106	7.387.621	12.735.727	6.056.097	7.262.622	13.318.719
8.2 Other marketable securities		-	-	-	-	-	-
IX. Investments in associates (net)	I-g	3.940	56.248	60.188	3.940	58.939	62.879
9.1 Accounted based on equity method		-	56.248	56.248	-	58.939	58.939
9.2 Unconsolidated		3.940	-	3.940	3.940	-	3.940
9.2.1 Investments in financial associates		3.940	-	3.940	3.940	-	3.940
9.2.2 Investments in non-financial associates		-	-	-	-	-	-
X. Subsidiaries (net)	I-h	26.890	-	26.890	26.890	-	26.890
10.1 Unconsolidated financial subsidiaries		24.590	-	24.590	24.590	-	24.590
10.2 Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI. Joint ventures (net)		-	-	-	-	-	-
11.1 Accounted based on equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial joint ventures		-	-	-	-	-	-
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. Lease receivables		380.633	1.639.602	2.020.235	398.762	1.766.448	2.165.210
12.1 Financial lease receivables		468.418	1.931.990	2.400.408	493.872	2.104.050	2.597.922
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		(87.785)	(292.388)	(380.173)	(95.110)	(317.602)	(412.712)
XIII. Derivative financial assets held for hedging	I-i	135.832	1.774	137.606	127.678	953	128.631
13.1 Fair value hedge		135.832	802	136.634	127.678	953	128.631
13.2 Cash flow hedge		-	972	972	-	-	-
13.3 Foreign net investment hedge		-	-	-	-	-	-
XIV. Property and equipment (net)		1.098.595	16.882	1.115.477	1.130.617	16.930	1.147.547
XV. Intangible assets (net)	I-j	1.196.427	598	1.197.025	1.194.538	111	1.194.649
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		216.934	598	217.532	215.045	111	215.156
XVI. Investment property (net)		-	-	-	-	-	-
XVII. Tax asset		383.515	1.095	384.610	307.991	3.366	311.357
17.1 Current tax asset		-	165	165	-	236	236
17.2 Deferred tax asset		383.515	930	384.445	307.991	3.130	311.121
XVIII. Assets held for resale and related to discontinued operations (net)	I-k	89.572	-	89.572	88.680	-	88.680
18.1 Held for sale		89.572	-	89.572	88.680	-	88.680
18.2 Related to discontinued operations		-	-	-	-	-	-
XIX. Other assets	I-l	873.281	804.129	1.677.410	836.513	518.675	1.355.188
Total assets		43.351.427	30.662.769	74.014.196	41.807.343	29.927.141	71.734.484

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated financial statements at March 31, 2010 and December 31, 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

I. Consolidated balance sheet

		(31/03/2010)			(31/12/2009)		
Liabilities	Note (Section five)	TL	FC	Total	TL	FC	Total
I. Deposits	II-a	24.753.205	20.149.348	44.902.553	23.232.276	20.142.609	43.374.885
1.1 Deposits of Bank's risk group		1.327.655	1.674.335	3.001.990	1.617.242	2.648.296	4.265.538
1.2 Other		23.425.550	18.475.013	41.900.563	21.615.034	17.494.313	39.109.347
II. Derivative financial liabilities held for trading	II-b	314.840	50.893	365.733	212.628	55.889	268.515
III. Funds borrowed	II-c	1.314.410	4.746.853	6.060.263	1.417.155	4.943.071	6.360.226
IV. Money markets		190.856	1.449.976	1.640.832	130.100	1.155.467	1.285.567
4.1 Funds from interbank money market		-	21.990	21.990	-	46.886	46.886
4.2 Funds from Istanbul Stock Exchange Money Market		69.943	-	69.943	-	-	-
4.3 Funds provided under repurchase agreements		120.913	1.427.986	1.548.899	130.100	1.108.581	1.238.681
V. Marketable securities issued (net)	II-d	-	1.540.007	1.540.007	-	1.744.478	1,744,478
5.1 Bills		-	568	568	-	718	718
5.2 Asset backed securities		-	1.539.439	1.539.439	-	1.743.760	1,743,760
5.3 Bonds		-	-	-	-	-	-
VI. Funds		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. Miscellaneous payables		2.860.852	500.004	3.360.856	2.828.474	417.351	3.245.825
VIII. Other liabilities	II-e	539.488	390.574	930.062	509.530	397.055	906.585
IX. Factoring payables		-	-	-	-	-	-
X. Lease payables (net)		1	353	354	1	112	113
10.1 Financial lease payables	II-f	1	353	354	1	113	114
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred lease expenses (-)		-	-	-	-	(1)	(1)
XI. Derivative financial liabilities held for hedging	II-g	380.587	27.142	407.729	357.513	100	357.613
11.1 Fair value hedge		380.587	1.314	381.901	357.513	100	357.613
11.2 Cash flow hedge		-	25.828	25.828	-	-	-
11.3 Foreign net investment hedge		-	-	-	-	-	-
XII. Provisions	II-h	2.563.403	728.993	3.292.396	2.541.836	731.445	3.273.281
12.1 General loan loss provision		595.936	359.816	955.752	557.129	352.501	909.630
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		169.285	2.149	171.434	164.049	2.150	166.199
12.4 Insurance technical provisions (net)		580.667	299.617	880.284	546.356	320.448	866.804
12.5 Other provisions		1.217.515	67.411	1.284.926	1.274.302	56.346	1.330.648
XIII. Tax liability	II-i	381.524	3.556	385.080	204.945	2.288	207.233
13.1 Current tax liability		381.524	3.083	384.607	204.444	653	205.097
13.2 Deferred tax liability		-	473	473	501	1.635	2.136
XIV. Liabilities for assets held for sale and related to discontinued operations (net)		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
XV. Subordinated loans	II-j	-	2.113.742	2.113.742	-	2.224.023	2.224.023
XVI. Shareholders' equity	II-k	9.044.094	(29.505)	9.014.589	8.499.057	(12.917)	8.486.140
16.1 Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital reserves		723.483	(29.505)	693.978	722.973	(12.917)	710.056
16.2.1 Share premium		543.881	-	543.881	543.881	-	543.881
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities valuation differences	II-l	61.623	59.778	141.401	102.824	56.577	161.401
16.2.4 Property and equipment revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		17.857	(89.283)	(71.426)	14.299	(71.494)	(57.195)
16.2.9 Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		80.122	-	80.122	61.969	-	61.969
16.3 Profit reserves		3.202.502	-	3.202.502	1.865.878	-	1.865.878
16.3.1 Legal reserves		163.959	-	163.959	96.220	-	96.220
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		3.038.543	-	3.038.543	1.769.658	-	1.769.658
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Income or (loss)		713.133	-	713.133	1.505.894	-	1.505.894
16.4.1 Prior years' income or (loss)		151.117	-	151.117	(37.054)	-	(37.054)
16.4.2 Current year income or (loss)		562.016	-	562.016	1.542.948	-	1.542.948
16.5 Minority interest	II-m	57.925	-	57.925	57.261	-	57.261
Total liabilities and shareholders' equity		42.343.260	31.670.936	74.014.196	39.933.513	31.800.971	71.734.484

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated financial statements at March 31, 2010 and December 31, 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

II. Consolidated off-balance sheet commitments

		(31/03/2010)			(31/12/2009)			
		Note (Section five)	TL	FC	Total	TL	FC	Total
A	Off-balance sheet commitments (I-II+III)							
I.	Guarantees and warranties							
1.1	Letters of guarantee	III-a-2, 3	41.744.766	46.951.745	88.696.511	33.280.612	40.993.912	74.274.524
1.1.1	Guarantees subject to state lender law		6.935.043	11.530.936	18.465.979	6.256.478	10.328.577	16.586.055
1.1.2	Guarantees given for foreign trade operations		6.917.051	7.685.250	14.602.301	6.251.627	7.045.114	13.296.741
1.1.3	Other letters of guarantee		491.140	528.122	1.019.268	476.948	441.239	918.187
1.2	Bank acceptances		746.727	8.796.673	7.543.400	683.494	6.342.845	7.028.339
1.2.1	Import letter of acceptance		5.679.178	360.455	6.039.633	5.091.185	281.030	5.352.215
1.2.2	Other bank acceptances		-	176.750	176.750	-	151.669	151.669
1.3	Letters of credit		-	176.750	176.750	-	151.669	151.669
1.3.1	Documentary letters of credit		15.044	3.257.451	3.272.495	1.410	2.736.825	2.738.235
1.3.2	Other letters of credit		15.044	3.222.801	3.237.845	1.410	2.709.285	2.710.695
1.4	Prefinancing given as guarantee		-	34.650	34.650	-	27.540	27.540
1.5	Endorsements		143	2.029	2.172	143	2.008	2.151
1.5.1	Endorsements to the central bank of the republic of turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Securities issue purchase guarantees		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	-	-	-	-	-
1.9	Other warranties		1.775	211.815	213.590	2.368	197.374	199.772
II.	Commitments		1.030	197.641	198.671	900	198.587	197.487
2.1	Irrevocable commitments	III-a-1	19.226.674	3.515.883	22.742.557	16.411.945	3.043.563	19.455.508
2.1.1	Asset purchase and sale commitments		19.226.674	3.515.883	22.742.557	16.411.945	3.043.563	19.455.508
2.1.2	Deposit purchase and sales commitments		490	1.156.989	1.157.479	-	517.280	517.280
2.1.3	Share capital commitments to associates and subsidiaries		10.828	545	11.373	5.419	-	5.419
2.1.4	Loan granting commitments		2.000	-	2.000	2.000	-	2.000
2.1.5	Securities issue brokerage commitments		3.010.955	354.166	3.365.121	2.093.259	422.894	3.116.153
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheques		1.340.993	1.980.898	3.331.891	1.209.483	2.088.453	3.297.936
2.1.8	Tax and fund liabilities from export commitments		3.484.852	-	3.484.852	1.498.823	-	1.498.823
2.1.9	Commitments for credit card limits		38.119	-	38.119	38.261	-	38.251
2.1.10	Commitments for credit cards and banking services promotions		11.234.334	1.241	11.235.575	10.952.962	1.306	10.954.268
2.1.11	Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12	Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		-	-	-	-	-	-
2.2	Revocable commitments		104.103	12.044	116.147	41.738	13.630	55.388
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	Derivative financial instruments		15.583.849	31.904.926	47.488.775	10.612.189	27.620.772	38.232.961
3.1	Derivative financial instruments for hedging purposes		1.957.152	8.483.045	9.440.197	1.957.152	2.011.741	3.968.893
3.1.1	Transactions for fair value hedge		1.957.152	2.032.845	3.989.997	1.957.152	2.011.741	3.968.893
3.1.2	Transactions for cash flow hedge		-	4.450.200	4.450.200	-	-	-
3.1.3	Transactions for foreign net investment hedge		-	-	-	-	-	-
3.2	Held for trading transactions		13.625.897	25.421.881	39.047.778	8.655.037	25.609.031	34.264.068
3.2.1	Forward foreign currency buy/sell transactions		2.294.915	2.329.766	4.624.681	1.763.364	2.312.832	4.076.196
3.2.1.1	Forward foreign currency transactions-buy		847.397	1.749.816	2.597.213	854.121	1.182.108	2.036.229
3.2.1.2	Forward foreign currency transactions-sell		1.447.518	1.179.950	2.627.468	909.243	1.130.724	2.039.967
3.2.2	Swap transactions related to foreign currency and interest rates		7.102.825	17.981.313	25.084.138	5.428.414	16.078.075	23.506.489
3.2.2.1	Foreign currency swap-buy		5.193.544	4.355.042	9.548.586	3.654.273	3.507.729	7.162.002
3.2.2.2	Foreign currency swap-sell		378.855	8.806.770	9.185.625	306.425	6.346.921	6.653.346
3.2.2.3	Interest rate swap-buy		179.648	2.947.100	3.126.748	185.113	4.546.368	4.731.486
3.2.2.4	Interest rate swap-sell		1.353.778	1.752.401	3.146.179	1.282.598	3.577.067	4.859.655
3.2.3	Foreign currency, interest rate and securities options		4.237.736	4.575.988	8.813.724	1.463.259	4.693.069	6.156.328
3.2.3.1	Foreign currency options-buy		1.729.852	2.108.423	3.838.275	530.200	1.432.885	1.963.085
3.2.3.2	Foreign currency options-sell		1.817.436	2.031.785	3.849.221	653.793	1.321.654	1.975.447
3.2.3.3	Interest rate options-buy		187.028	-	187.028	16.194	890.800	906.994
3.2.3.4	Interest rate options-sell		-	148.154	148.154	-	890.800	890.994
3.2.3.5	Securities options-buy		246.710	144.803	391.513	129.092	84.465	217.557
3.2.3.6	Securities options-sell		246.710	144.803	391.513	117.798	98.465	206.251
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		421	14.834	15.255	-	525.055	525.055
B.	Custody and pledges received (IV+V+VI)		80.099.716	18.344.916	98.444.632	75.768.203	17.589.193	93.357.396
IV.	Items held in custody		49.850.837	3.783.768	53.634.605	48.319.294	3.836.594	52.155.888
4.1	Customer fund and portfolio balances		11.583	107	11.690	5.337	107	5.444
4.2	Investment securities held in custody		43.143.640	3.506.486	46.650.126	41.884.639	3.337.576	45.202.215
4.3	Checks received for collection		5.441.900	29.545	5.471.445	4.993.085	98.960	5.093.045
4.4	Commercial notes received for collection		1.253.540	216.795	1.470.335	1.458.124	237.168	1.695.290
4.5	Other assets received for collection		-	20.869	20.869	-	21.786	21.786
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		-	-	-	-	-	-
4.8	Custodians		94	-	94	99	-	99
V.	Pledges received		29.479.678	13.997.152	43.476.830	26.504.251	13.446.313	39.950.564
5.1	Marketable securities		183.082	165	183.247	199.083	163	199.246
5.2	Guarantee notes		244.769	396.596	725.364	393.643	355.528	859.171
5.3	Commodity		11.179	-	11.179	11.329	-	11.329
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		-	-	-	-	-	-
5.6	Other pledged items		29.164.812	9.831.957	39.996.769	17.764.131	9.292.461	27.056.592
5.7	Pledged items-depository		8.775.777	3.781.726	12.557.503	8.346.066	3.705.462	12.051.527
5.8	Other		-	2.798	2.798	-	2.699	2.699
VI.	Accepted independent guarantees and warranties		769.101	563.975	1.333.077	844.658	506.286	1.350.944
Total off-balance sheet commitments (A+B)			121.844.482	85.296.661	207.141.143	109.048.815	63.683.105	167.731.920

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated financial statements at March 31, 2010 and 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

III. Consolidated income statement

Income and expense items		Note (Section five)	01/01-31/03/2010	01/01-31/03/2009
I.	Interest income	IV-a	1.603.256	2.134.968
1.1	Interest on loans	IV-a-1	1.103.090	1.485.637
1.2	Interest received from reserve deposits		16.806	41.937
1.3	Interest received from banks	IV-a-2	12.125	24.614
1.4	Interest received from money market transactions		15.684	13.626
1.5	Interest received from marketable securities portfolio	IV-a-3	378.018	462.432
1.5.1	Trading financial assets		3.863	7.678
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		48.372	34.871
1.5.4	Held to maturity investments		323.783	419.883
1.6	Financial lease income		52.472	70.331
1.7	Other interest income		27.061	36.391
II.	Interest expense	IV-b	(608.804)	(1.179.572)
2.1	Interest on deposits	IV-b-3	(506.525)	(980.415)
2.2	Interest on funds borrowed	IV-b-1	(88.418)	(154.651)
2.3	Interest expense on money market transactions		(7.584)	(27.138)
2.4	Interest on securities issued		(6.050)	(16.969)
2.5	Other interest expenses		(227)	(399)
III.	Net interest income (I + II)		994.452	955.396
IV.	Net fees and commissions income		400.734	348.764
4.1	Fees and commissions received		467.940	437.754
4.1.1	Non-cash loans		55.509	48.830
4.1.2	Other		412.431	388.924
4.2	Fees and commissions paid		(67.206)	(88.990)
4.2.1	Non-cash loans		(80)	(66)
4.2.2	Other		(67.126)	(88.924)
V.	Dividend income		231	1.218
VI.	Trading gain/(loss) (net)	IV-c	(21.310)	182.598
6.1	Trading gains/(losses) on securities		16.904	71.345
6.2	Derivative financial transactions gains/(losses)	IV-d	(358.179)	(23.020)
6.3	Foreign exchange gains/(losses)		319.965	134.273
VII.	Other operating income	IV-e	198.099	56.421
VIII.	Total operating income (III+IV+V+VI+VII)		1.572.206	1.544.397
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(167.552)	(336.787)
X.	Other operating expenses (-)	IV-g	(689.715)	(594.273)
XI.	Net operating income/(loss) (VIII-IX-X)		714.939	613.337
XII.	Excess amount recorded as income after merger		-	-
XIII.	Income/(loss) from investments accounted based on equity method		1.283	877
XIV.	Income/(loss) on net monetary position		-	-
XV.	Profit/(loss) before taxes from continuing operations (XI+XII+XIII+XIV)		716.222	614.214
XVI.	Tax provisions for continuing operations (±)	IV-h	(152.722)	(142.953)
16.1	Current tax provision	IV-i	(223.494)	(137.472)
16.2	Deferred tax provision		70.772	(5.481)
XVII.	Net profit/loss from continuing operations (XV±XVI)		563.500	471.261
XVIII.	Income from discontinued operations		-	-
18.1	Income from non-current assets held for resale		-	-
18.2	Profit from sales of associates, subsidiaries and joint ventures		-	-
18.3	Other income from discontinued operations		-	-
XIX.	Expenses from discontinued operations (-)		-	-
19.1	Expenses for non-current assets held for resale		-	-
19.2	Loss from sales of associates, subsidiaries and joint ventures		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	Profit/losses before taxes from discontinued operations (XVIII-XIX)		-	-
XXI.	Tax provision for discontinued operations (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	Net profit/loss from discontinued operations (XX±XXI)		-	-
XXIII.	Net profit/loss (XVII+XXII)	IV-j	563.500	471.261
23.1	Group's profit/loss		562.016	469.961
23.2	Minority interest profit/losses (-)	IV-i	1.484	1.300
	Earnings/(loss) per share (in TL full)		0,0013	0.0011

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

SE

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated financial statements at March 31, 2010 and 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

IV. Consolidated statement of income and expense items accounted under shareholders' equity

Income and expense items accounted under shareholders' equity		(31/03/2010)	(31/03/2009)
I.	Transfers to marketable securities valuation differences from financial assets available for sale	(3.432)	(421)
II.	Property and equipment revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Currency translation differences for foreign currency transactions	(17.352)	19.722
V.	Profit/loss on cash flow hedges (effective part of the fair value changes)	(37.879)	-
VI.	Profit/loss on foreign net investment hedges(effective part of the fair value changes)	20.090	(14.356)
VII.	Effects of changes in accounting policy and adjustment of errors	-	-
VIII.	Other income and expense items accounted under shareholders' equity according to TAS	-	-
IX.	Deferred tax on valuation differences	4.215	1.933
X.	Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	(34.358)	6.878
XI.	Current year profit/loss	563.500	471.261
11.1	Net change in fair value of marketable securities (recycled to profit-loss)	1.360	1.742
11.2	Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	-	-
11.3	Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4	Other	562.140	469.519
XII.	Total profit/loss related to the current period (X-XI)	529.142	478.139

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

SE

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated statement of changes in shareholders' equity at March 31, 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Consolidated statement of changes in shareholders' equity

March 31, 2009	Note (Section a five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves*	Status reserves	Extraordinary reserves*	Other reserves	Current period net income/ loss	Prior period net income/ loss	Marketable securities increase fund	Property and equipment intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total equity except minority interest	Minority shareholders' interest	Total equity
I. Period opening balance		4,347,051	-	543,881	-	44,089	-	822,644	18,513	1,261,395	(255,848)	88,818	-	-	(54,842)	-	6,815,701	47,980	6,863,681
II. Changes in accounting policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I. New balance (initial)		4,347,051	-	543,881	-	44,089	-	822,644	18,513	1,261,395	(255,848)	88,818	-	-	(54,842)	-	6,815,701	47,980	6,863,681
III. Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1 Increase/decrease due to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(1,600)	-	-	-	-	(1,600)	241	(1,359)
IV. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(11,485)	-	(11,485)	-	(11,485)
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(11,485)	-	(11,485)	-	(11,485)
V. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	19,722	-	-	-	-	19,722	-	19,722
X. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid in-capital intialiation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current year income or loss		-	-	-	-	-	-	-	-	489,951	-	-	-	-	-	-	489,951	1,300	491,251
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	1,261,395	-	-	-	-	-	-	(1,438)	(1,438)
18.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(1,261,395)	1,261,395	-	-	-	-	-	-	-	-
Period end balance (I+II+III+...+XVIII+XIX)		4,347,051	-	543,881	-	44,089	-	822,644	18,513	489,951	1,005,537	106,940	-	-	(86,327)	-	7,292,290	48,083	7,340,373
(*) Total legal reserves and extraordinary reserves of the consolidated subsidiaries amounting to TL 212,379 and TL 1,020,238, respectively, and the share of the Parent Bank in such reserves have been presented under Prior Period Net Income / (Loss).																			

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated statement of changes in shareholders' equity at March 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Consolidated statement of changes in shareholders' equity

31 March 2010	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation	Legal reserves	Status reserves	Extraordinary reserves	Other reserves	Current period net income/ (loss)	Prior period net income/ (loss)	Marketable securities valuation difference	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Asset held for resale/ discontinued operations revaluation fund	Total equity except minority interest	Minority interest	Total shareholders' equity
I. Prior period-end balance		4,347,051	-	543,881	-	96,220	-	1,769,658	61,969	1,542,948	(37,054)	161,401	-	-	(57,195)	-	8,428,879	57,261	8,486,140
II. Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease due to the merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(2,648)	-	-	-	-	(2,648)	(127)	(2,775)
V. Hedging transactions funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXII. Current year income or loss		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXIV. Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXV. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXVII. Total		4,347,051	-	543,881	-	161,959	-	3,038,543	80,122	562,016	151,117	141,401	-	-	(71,426)	-	8,956,664	57,925	9,014,589

(*) Total legal reserves and extraordinary reserves of the consolidated subsidiaries amounting to TL 388,714 and TL 3,367,865, respectively, and the share of the Parent Bank in such reserves have been presented under Prior Period Net Income / (Loss).

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Consolidated statement of cash flows at March 31, 2010 and 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

VI. Consolidated statement of cash flows

		Note (Section five)	(31/03/2010)	(31/03/2009)
A.	Cash flows from banking operations			
1.1	Operating profit before changes in operating assets and liabilities		1.265.837	(107.694)
1.1.1	Interest received		1.799.890	2.363.373
1.1.2	Interest paid		(612.710)	(1.286.990)
1.1.3	Dividend received		231	1.218
1.1.4	Fees and commissions received		468.174	437.856
1.1.5	Other income		101.838	52.927
1.1.6	Collections from previously written-off loans and other receivables		396.272	232.736
1.1.7	Payments to personnel and service suppliers		(621.111)	(589.631)
1.1.8	Taxes paid		(124.833)	(58.443)
1.1.9	Other	V-c	(141.914)	(1.260.740)
1.2	Changes in operating assets and liabilities		(2.275.831)	1.758.597
1.2.1	Net (increase) / decrease in trading securities		(62.425)	1.761
1.2.2	Net (increase) / decrease in fair value through profit/loss financial assets		-	-
1.2.3	Net decrease / (increase) in banks		(188.911)	1.542.923
1.2.4	Net decrease / (increase) in loans		(3.318.137)	(562.101)
1.2.5	Net (increase) / decrease in other assets		(323.043)	78.978
1.2.6	Net increase / (decrease) in bank deposits		824.969	836.963
1.2.7	Net (decrease) / increase in other deposits		1.065.506	130.571
1.2.8	Net (decrease) / increase in funds borrowed		(414.298)	(289.151)
1.2.9	Net (decrease) / increase in payables		-	-
1.2.10	Net increase in other liabilities	V-c	138.508	18.653
I.	Net cash flows from banking operations		(1.009.994)	1.650.903
B.	Cash flows from investing activities			
II.	Net cash flows from investing activities		(279.661)	(171.825)
2.1	Cash paid for acquisition of investments in associates and subsidiaries and joint ventures		-	-
2.2	Cash obtained from disposal of investments in associates and subsidiaries and joint ventures		-	-
2.3	Purchases of property and equipment		(19.740)	(28.366)
2.4	Disposals of property and equipment		6.604	12.112
2.5	Purchase of investments available-for-sale		(3.063.607)	(1.558.320)
2.6	Sale of investments available-for-sale		2.406.092	1.419.018
2.7	Purchase of investment securities		(509.240)	(141.064)
2.8	Sale of investment securities		900.230	124.795
2.9	Other		-	-
C.	Cash flows from financing activities			
III.	Net cash flows from financing activities		(155.612)	(1.640)
3.1	Cash obtained from funds borrowed and securities issued		-	-
3.2	Cash used for repayment of funds borrowed and securities issued		(155.160)	-
3.3	Issued capital instruments		-	-
3.4	Dividends paid		(693)	(1.438)
3.5	Payments for finance leases		241	(202)
3.6	Other		-	-
IV.	Effect of change in foreign exchange rates on cash and cash equivalents	V-c	(66.355)	284.945
V.	Net increase in cash and cash equivalents (i+ii+iii+iv)		(1.511.622)	1.762.383
VI.	Cash and cash equivalents at beginning of the period	V-a	5.047.843	4.188.682
VII.	Cash and cash equivalents at end of the period	V-a	3.536.221	5.951.065

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section three

Explanations on accounting policies

I. Basis of presentation:

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code and Turkish tax legislation. The consolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated November 1, 2006 by the BRSA which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the Turkish Accounting Standards Board ("TASB") and other decrees, notes, explanations related to the accounting and financial reporting principles published by the BRSA. The format and the details of the publicly announced consolidated financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" published in the Official Gazette No. 26430 dated February 10, 2007.

The financial statements of subsidiaries operating abroad have been prepared in accordance with legislations and regulations of the country in which they are operating, however in order to provide fair presentation according to TAS, necessary adjustments and reclassifications are reflected to those financial statements.

The consolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until December 31, 2004, except for the trading and available for sale financial assets, trading and hedging derivative financial assets and financial liabilities carried at fair value. Besides, the carrying values of financial assets carried at amortised cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities on the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of interim financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied at financial statements for the year ended December 31, 2009. TAS/TFRS changes (TFRS 2 (Change) "Share-based Payment" Group Cash Settled Share Based Payments, TFRS 3 (Change) "Business Combinations" and TAS 27 (Change) "Consolidated and Separate Financial Statements", TAS 39 (Change) "Financial Instruments: Recognition and Measurement" Eligible Hedged Items, TFRIC 17 "Distribution of Non-cash Assets to Shareholders" and Improvement to TFRS (Published in 2009) effective from January 1, 2010, do not have an effect on the Group's accounting policies, financial position or performance. Those accounting policies and valuation principles are explained in Notes II. to XXIX. below.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

Additional paragraph for convenience translation into English:

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

II. Explanations on strategy of using financial instruments and foreign currency transactions:

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Group is deposits. The Group can also sustain a lengthened liability structure by using long-term foreign currency borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is followed within the determined levels by the Board of Directors, by considering the limits specified by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank exchange rates prevailing at the balance sheet date and are recognised in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency subsidiaries and foreign currency non-performing loans. Since the foreign currency investments and unconsolidated subsidiaries are considered as non-monetary items, they are translated with the exchange rates at the transaction date and therefore no foreign exchange differences are realised. Foreign currency non-performing loans are translated with the exchange rates at the date of transfer to non-performing loan accounts.

The Group hedges part of the currency translation risk of net investments in foreign operations through currency borrowings. The effective portion of the foreign exchange difference of these financial liabilities is recognised in "Hedging Funds" in equity.

III. Information on consolidation principles:

a. Consolidation principles applied:

The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqué related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated November 8, 2006 and the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27").

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

1. Consolidation principles of subsidiaries:

Subsidiaries (including special purpose entity), in which the Group has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies, have been fully consolidated.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method by considering the results of their activities and the size of their assets and shareholders' equity taking into account the materiality principle. Financial statements of the related subsidiaries are included in the consolidated financial statements from the date control is transferred to the Group and they are taken out of consolidation scope when control no longer exists. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In accordance with the full consolidation method, balance sheet, income statement and off balance sheet items of the subsidiaries have been consolidated line by line with the balance sheet, income statement and off balance sheet of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains and losses and balances resulting from the transactions among the entities included in consolidation have been eliminated. In the consolidated balance sheet and income statement, minority interest has been presented separately from the shares of the Group shareholders.

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Incorporation (City/ Country)	Main activities	Effective rates March 31, 2010	Direct and indirect rates March 31, 2010
Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	Insurance	93,94	93,94
Yapı Kredi Emeklilik A.Ş.	Istanbul/Turkey	Insurance	93,94	100,00
Yapı Kredi Leasing	Istanbul/Turkey	Leasing	98,85	98,85
Yapı Kredi Faktoring	Istanbul/Turkey	Factoring	99,96	99,96
Yapı Kredi Menkul	Istanbul/Turkey	Investment Management	99,98	99,98
Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	Portfolio Management	56,06	56,07
Yapı Kredi Portföy	Istanbul/Turkey	Portfolio Management	99,95	99,97
Yapı Kredi Bank Holding B.V.	Amsterdam/Netherlands	Financial Holding	100,00	100,00
Yapı Kredi N.V.	Amsterdam/Netherlands	Banking	100,00	100,00
Yapı Kredi Bank Moscow	Moscow/Russia	Banking	100,00	100,00
Yapı Kredi Azerbaijan	Baku/Azerbaijan	Banking	100,00	100,00
Stichting Custody Services YKB	Amsterdam/Netherlands	Custody Services	100,00	100,00
Yapı Kredi Invest LLC	Baku/Azerbaijan	Portfolio Management	100,00	100,00
Yapı Kredi Diversified Payment Rights Finance Company (1)	George Town/ Cayman Islands	Special Purpose Company		

(1) It is a special purpose entity established for securitization transactions and is included in the consolidation although it is not a subsidiary of the Bank.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

2. Consolidation principles of associates:

The associate is an entity in which the Parent Bank participates in its capital and has significant influence on it although the Parent Bank has no capital or management control, whose main operation is banking and which operates according to special legislation with permission and license and is established abroad. The related associate is consolidated with equity method in accordance with materiality principle.

Significant influence refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, unless proved otherwise, it is assumed that the Parent Bank has significant influence on that associate.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changes in the participated associate's shareholders' equity during the period attributable to the portion of the investor and the deduction of the dividend received from the associate from the revised value of the associate amount.

The associates included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	(City/ Country)	Main activities	Effective rates March 31, 2010	Direct and indirect rates March 31, 2009
Banque de Commerce et de Placements S.A. Geneva/ Switzerland	Geneva/ Switzerland	Banking	30,67	30,67

3. Consolidation principles of joint ventures: None.

4. Principles applied during share transfer, merger and acquisition:

It is explained in more detail in Note VI. of Section Five.

5. Transactions with minority shareholders:

The Group applies a policy of treating transactions with minority interests as transactions within the Group. The difference between the acquisition cost and net asset acquired is recognised under equity. Disposals from minority interests are also considered as equity transactions and result in changes in the equity of the Group.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

b. Presentation of unconsolidated subsidiaries and associates in consolidated financial statements:

Turkish Lira denominated unconsolidated associates and subsidiaries are accounted for at cost value, less any impairment, in accordance with "Turkish Accounting Standards for Consolidated and Separate Financial Statements" ("TAS 27") in the consolidated financial statements.

Foreign currency denominated unconsolidated associates and subsidiaries are booked at their original foreign currency costs translated into Turkish Lira using the exchange rate prevailing at the transaction date less impairment, if any.

When the cost of associates and subsidiaries is higher than the net realizable value, the carrying amount is reduced to the net realizable or fair value considering whether the value decrease is temporary or permanent and the ratio of the value decrease.

IV. Explanations on forward and options contracts and derivative instruments:

The Group's derivative transactions mostly include foreign currency money and, interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently re-measured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Group documents the relationship between hedge instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Group regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

Changes in the fair value of derivative instruments subject to fair value hedges are recognised under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities. If the underlying hedge does not conform to the hedge accounting requirements, the adjustments made to the carrying value (amortised cost) of the hedged item, are discounted within the time to maturity and recognised under the profit and loss accounts.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

The Parent Bank hedges its cash flow risk arising from foreign currency variable interest rate liabilities by using interest rate swaps. The effective portion of the fair value changes of the hedging instruments within this context are recorded in "Hedging funds" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization or sale of the hedging instrument, or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit and loss accounts as these cash flows of the hedged item are realized.

Certain derivative transactions, even though they provide effective economic hedges under the Group's risk management policy, do not qualify for hedge accounting under the specific rules in "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")" and are therefore treated as "financial assets at fair value through profit or loss".

"Financial assets at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Financial Assets at Fair Value Through Profit or Loss" in "derivative financial assets held for trading" and if the fair value difference is negative, it is disclosed under "derivative financial liabilities held for trading". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Options in the Bank's portfolio are valued on a daily basis. Parameters vary according to the type of option (barrier/digital etc.).

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to TAS 39; in case, (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another derivative instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

V. Explanations on interest income and expense:

Interest income and expenses are recognised in the income statement on accrual basis by using the effective interest method. The Group ceases accruing interest income on non-performing loans and, any interest income accruals from such receivables are reversed and no income is accounted until the collection is made according to the related regulation.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

VI. Explanations on fee and commission income and expense:

All fees and commission income/expenses are recognized on an accrual basis, certain commission income and fees from various banking services are recorded as income at the time of realization. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted using the effective interest method. Contract-based fees or fees received in return for services like the purchase and sale of assets on behalf of a third party are recognized as income at the time of collection.

VII. Explanations on financial assets:

The Group classifies and accounts its financial assets as "fair value through profit or loss", "available-for-sale", "loans and receivables" or "held-to-maturity". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Group management, taking into consideration the purpose of holding the investment. Regular purchases and sales of financial assets are recorded based on settlement date. Settlement date of a financial asset is the date that the asset is received or delivered by the Group. Settlement date accounting requires; (a) accounting for the financial asset when the asset is received and (b) accounting of disposal of the financial asset and recording the related profit and loss when the asset is delivered. The fair value changes of an asset to be acquired between the trade date and settlement date is accounted in the same manner as acquired assets.

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

Financial assets, which are classified as "financial assets at fair value through profit or loss", are trading financial assets and either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be measured reliably and fair values are calculated by alternative models. All gains and losses arising from these valuations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of this Section.

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are non-derivative financial assets other than loans and receivables, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity and that are not initially classified as financial assets at fair value through profit/loss or available for sale.. Held-to-maturity financial assets are initially recognized at cost plus transaction costs which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for Impairment of Loans and Other Receivables" accounts.

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 breach of classification principles

c. Loans and receivables:

Loans and receivables are non-derivative financial assets that are not quoted in a market or classified as held for trading, at fair value through profit or loss or available for sale, and which have fixed or determinable payments. Loans and receivables are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

The Parent Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No. 26333 dated November 1, 2006. In this context, the management estimates are determined, on the basis of the prudence principle and the Parent Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. General provisions are determined in accordance with the "incurred loss" model taking into consideration of the factors listed above and the principles of TAS 39. The general loan loss provision determined through this methodology is higher than the minimum amount required by the related regulations.

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under "other operating income". Uncollectible receivables are written-off after all the legal procedures are finalized.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

X. Explanations on sales and repurchase agreements and securities lending transactions:

Securities subject to repurchase agreements ("Repos") are classified as "at fair value difference through profit or loss", "available-for-sale" and "held-to-maturity" according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "funds provided under repurchase agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the "effective interest method". Interest expense on repo transactions are recorded under "interest expense on money market transactions" in the income statement.

Funds given against securities purchased under agreements to resell ("Reverse Repo") are accounted under "receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method.

The Group has no securities lending transactions.

XI. Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets:

According to the TFRS 5, a tangible asset (or a group of assets to be disposed) classified as "asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as "asset held for resale" only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

Additionally, assets that were acquired due to non-performing receivables are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated November 1, 2006, No. 26333 and classified as assets held for resale.

A discontinued operation is a part of the Group's business classified as sold or held for sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Group has no discontinued operations.

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

XII. Explanations on goodwill and other intangible assets:

a. Goodwill:

The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The acquirer also recognises assets that are capable of being individually identified and separately recognised, intangible assets (e.g. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognised by the acquiree before the business combination; if can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

In line with "Turkish Financial Reporting Standard for Business Combinations" ("TFRS 3"), the goodwill is not subject to amortisation, but is tested annually or more frequently for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36"). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's cash generating units that are expected to benefit from the synergies of the business combination. The Parent Bank allocated its goodwill to Retail Banking, Corporate and Commercial Banking and Private Banking and Wealth Management.

b. Other intangible assets:

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for impairment.

The Parent Bank evaluates the possibility of existence of impairment of other intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates the recoverable amount. The recoverable amount is the higher of net sales price or the value in use. When the book value of another intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

Intangibles are amortised over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological or other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit from the asset. The rates used are presented below:

Credit card brand value, deposit base and customer portfolio	10%
Other intangible assets	20%

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

XIII. Explanations on property and equipment:

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for impairment.

Depreciation is calculated over of the cost of property and equipment using the straight-line method. The rates used are stated below:

Buildings	2%
Movables, movables acquired under financial leasing	20%

The depreciation charge for items remaining in property and equipment for less than the full accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down to its "recoverable amount" and the provision for impairment is charged to the income statement.

Property and equipment have not been re-valued in order to be presented at fair value in the financial statements.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales proceeds.

Expenditures for the repair and maintenance of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

XIV. Explanations on leasing transactions:

The Group performs financial and operational leasing in the capacity of the lessee and lessor.

a. Accounting of leasing operations according to lessee:

Financial lease

The Group includes the lower of the market value of the fixed asset subject to financial leasing in the beginning of the financial leasing period or present value of the lease payments in property and equipment and records the liabilities arising from financial leasing in liabilities. Financing costs arising due to leasing are spread through the lease period forming a fixed interest rate. In addition, fixed assets that are obtained by the way of financial leasing are subject to depreciation based on their useful lives. If a decrease in the value of fixed assets that are subject to financial leasing is noticed, impairment provision is recognised. The liabilities arising from the financial leasing transactions are included in "financial lease payables" on the balance sheet. Interest and foreign exchange expenses regarding financial lease transactions are charged to the income statement. Lease payments are deducted from financial leasing payables.

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

Operational lease

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operational lease. Payments that are made as operational leases, are accounted in income statements on a straight line basis during the lease period.

b. Accounting of leasing operations according to lessor:

Assets that are subject to financial leasing are reflected as a receivable equal to the net leasing amount in consolidated balance sheet. Interest income is earned to form a fixed periodical interest rate on net investment amount of the related leased asset by the lessor and the portion relating to subsequent periods is followed in the unearned interest income account.

XV. Explanations on provisions and contingent asset and liabilities:

Provisions and contingent liabilities, except for the specific and general provisions recognised for loans and other receivables, are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognised 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 the obligation can be made. Provision for contingent liabilities arisen from past events are recognised in the period of occurrence in accordance with the "matching principle". A provision is recognised when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the consolidated financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. 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 asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVI. Explanations on obligations related to employee rights:

a. Employee termination benefits

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for employee rights" account in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Group determined by using certain actuarial assumptions.

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Notes to consolidated financial statements March 31, 2010 (continued)

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Explanations on accounting policies (continued)

c. Defined contribution plans:

The Group is required to pay certain contributions to the Social Security Institution on behalf of their employees. Other than these payments, the Group does not have any further obligation in this respect. Such premiums are charged to personnel expenses when incurred.

d. Short term benefits of employee:

According to TAS19, liabilities derived from unused vacation pay defined in "Short term benefits of employee" are accrued in the period in which they are realized and are not discounted.

XVII. Explanations on taxation:

a. Current tax:

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The corporate tax rate in Turkey is 20% and it is calculated on the total income after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to 5 years. Losses cannot be carried back to offset profits from previous periods.

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Notes to consolidated financial statements March 31, 2010 (continued)

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Explanations on accounting policies (continued)

Under the Turkish Corporate Tax Law, effective from April 24, 2003, investment allowances had provided a deduction from the corporate tax base of 40% of the purchase price of purchases of the brand new fixed assets having economic useful life and exceeding TL 10 and directly related with the production of goods and services and investment allowance that arose prior to April 24, 2003 had been taxed at 19,8% (withholding tax) unless they had been converted to new type at companies' will. Effective from January 1, 2006, Turkish government had ceased to offer investment incentives for capital investments and companies having unused qualifying capital investment amounts as of June 30, 2006 would be able to deduct such amounts from corporate income until the end of December 31, 2008. However, On October 15, 2009, the Ministry of Finance announced that the Turkish Constitutional Court ("TCC") resolved to annul the provision numbered 69 of the Income Tax Law regulating that investment incentives carried forward can only be deducted from the corporate profits of 2006, 2007 and 2008, thus allowing such deduction for unlimited time. The resolution is published in the official gazette dated January 8, 2010.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period 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.

Tax rates that are used in tax calculations by foreign subsidiaries by taking current tax regulations in their countries into consideration as of March 31, 2010 are as follows:

Netherlands	25,50%
Russia	20,00%
Azerbaijan	20,00%

b. Deferred tax:

The Group calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and in accordance with BRSA's explanations and circulars and the tax legislation, the Group calculates deferred tax on temporary differences except for general loan loss provisions, to the extent that future taxable income is estimated to be available.

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities of subsidiaries subject to consolidation have been netted off in their standalone financial statements in accordance with TAS 12. The net deferred tax asset and net deferred tax liability are presented separately in these financial statements.

Tax effect of transactions that are directly accounted under equity are also reflected to equity.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

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Explanations on accounting policies (continued)

XVIII. Explanations on borrowings:

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortised cost" using the "effective interest method".

The Parent Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued.

XIX. Explanations on issuance of share certificates:

At capital increases, the Parent Bank accounts for the difference between the issued value and nominal value as share premium under shareholders' equity, in cases where the issued value is higher than the nominal value.

No dividend payments of the Parent Bank were announced after the balance sheet date.

XX. Explanations on avalized drafts and letter of acceptances:

Avalized drafts and letter of acceptances are included in the "Off-balance sheet commitments".

XXI. Explanations on government grants:

As of March 31, 2010 and December 31, 2009, the Group has no government grants.

XXII. Profit reserves and profit distribution:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the Turkish Commercial Code ("TCC"). The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIII. Earnings per share:

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	March 31, 2010	March 31, 2009
Group's profit	562.016	469.961
Weighted average number of issued ordinary shares (Thousand)	434.705.128	434.705.128
Earnings per share (Disclosed in full TL)	0,0013	0,0011

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares were issued during 2010. (December 31, 2009 - no bonus shares were issued).

XXIV. Related parties:

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies and joint ventures and the Fund providing post employment benefits to the employees of the Bank are considered and referred to as related parties in accordance with "Turkish Accounting Standard For Related Parties" ("TAS 24"). The transactions with related parties are disclosed in detail in Note VII. of Section Five.

XXV. Cash and cash equivalents:

For the purposes of cash flow statement "Cash" include cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements, time deposits at banks with original maturity periods of less than three months.

XXVI. Operating segments:

Information about operating segments which are determined in line with the "Turkish Financial Reporting Standard about Operating Segments" ("TFRS 8") together with organisational and internal reporting structure of the Group, are disclosed in Note VII. of in Section Four.

XXVII.Reclassifications:

Reclassifications have been made on comparative figures as of December 31, 2009 and March 31, 2009, to conform to changes in presentation of the consolidated financial statements as of March 31, 2010.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

XXVIII. Legal mergers under common control:

As in TFRS 3 or in another standard in TFRS there is an absence of treatment that specifically applies to business combinations involving entities under common control, by examining the practices included in the generally accepted global accounting standards the Group decided to apply an accounting policy in parallel with the "pooling of interests" method in view of its judgement that the economic substance of the relevant transaction will be most reliably and accurately reflected in this manner. In the accounting of business combinations which occur under common control, assets and liabilities, subject to business combinations, are accounted for in the consolidated financial statements at their carrying values. Income statements are consolidated as of the beginning of the financial year in which the business combinations occurred. Financial statements belonging to previous periods also are adjusted in the same way in order to ensure the comparability. As a result of those transactions, any goodwill or negative goodwill is not calculated. The difference between the investment amount and the share in capital in the acquired company is directly accounted under equity as "the effect of legal mergers under common control".

XXIX. Other accounting policies:

Premium income of insurance companies is recognised by deducting the ceded premium of reinsurance over written risk premiums.

Claims are booked as expense when reported and paid. Reserve for Outstanding Claims is set aside for the ultimate cost of the claims incurred, but not paid in the current or previous periods or, for the estimated ultimate cost if the cost is not yet certain, and for the incurred but not reported claims. Reinsurance share of outstanding and paid claims is netted off in mentioned reserves.

Explanations related to insurance technical reserves

Insurance companies, according to the insurance regulation in force, are required to account unearned premium reserves, provision for unexpired risks, outstanding claims provision, mathematical reserves, provision for bonuses and rebates.

Non-life

Unearned premium reserve ("UPR") is calculated on a daily basis for all policies in force for unearned portions of premiums written, except for earthquake premiums issued before June 14, 2007. For marine policies, UPR is calculated as 50% of the last three months' premiums.

Unexpired risk reserve is set aside if the loss ratio for a branch is higher than 95%. The unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with the unearned premium reserve for the related branch.

Outstanding claims is set for the estimated cost of claims notified but not settled and incurred but not reported claims ("IBNR") at the balance sheet date, less amounts recoverable from reinsurers.

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Notes to consolidated financial statements March 31, 2010 (continued)

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Explanations on accounting policies (continued)

The unearned portion of commissions paid to agencies for the written premiums and commissions received from reinsurers for the ceded premiums are recorded on a daily basis for all policies in force.

Life and Pension

Unearned premium reserve, for insurance contracts in effect, consists of that part of the gross premium which extends to the next fiscal period or periods on a daily basis, and in respect of annual life assurances in effect or those life assurances with periods longer than a year for which accumulation premiums are collected, after the portion that has been set aside for the accumulation is deducted. However, in reinsurance and retrocession transactions where it is impossible to calculate a reserve can be allocated according to 1/8 principle.

Provision for unexpired risks, is a reserve which shall be allocated in those insurance branches for which it is accepted that the level of risk undertaken and earned premiums throughout the contract term are not compatible, and also where unearned premiums reserve is inadequate compared to the risk undertaken by the company and its level of expected cost.

Outstanding claims provision, consists of the amount of claims that has been reported but not yet paid, estimated amount of claims that has been incurred but not reported and reserves for expenses arising from such claims, and of additional reserves allocated according to the principles set by the Undersecretariat of Treasury for adequacy when such amounts prove to be inadequate.

Mathematical reserve, is the sum of the reserves specified in the contract's technical terms and calculated using statistical and actuarial methods in order to cover the liabilities of insurance companies to policyholders and beneficiaries for life, health, sickness and personal accident insurance contracts with periods longer than a year, and if it is committed, the reserves for the part allocated to insured from the revenues derived from the investment of such reserves.

Provision for bonus and rebate; consists of the amounts of bonuses and rebates reserved for insured or beneficiaries according to the technical results of the current year if the company gives bonuses or applies rebates.

The entrance fee income includes the accrued balance when the participants enter the private pension system for the first time or when they open a new private pension account, not exceeding the monthly minimum wage (half of monthly amount for contracts issued after August 9, 2008) at the date the private pension agreement is signed. In the Group's private pension plans, half of the entrance fee is collected within the first year of the contract and is recorded as income. The collection of the other half is deferred till the date the participants leave the private pension system or make a demand for transfer to another company within 10 years (5 years for the contracts issued after August 9, 2008).

Based on the entrance fee amount collected at the beginning, the Group contributes a continuity (loyalty) award (for TL contracts, the deferred portion of the entrance fee is increased with the inflation rate), amounting to the deferred portion of the entrance fee which is fixed for foreign currency denominated contracts and the deferred portion of the entrance fee increased with the inflation for TL contracts, to the private pension account of the participants on the condition that the participants hold their private pension account in the Group for 10 years without interruption. For contracts issued after August 9, 2008, loyalty bonus is given when the participants are entitled to pension therefore the calculation of this provision for contracts issued after this date is made over the probability of the participants to keep their pension accounts in the Group until the date of their eligibility to pension.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations on accounting policies (continued)

Fund management charge, which is charged in return for the fund management services, representation and other services provided to pension funds, is recorded as income in the Group's accounts and is shared between the Group and the funds' portfolio manager according to the ratios specified in the agreement signed between the parties. The total charge is recorded to the Group's technical income as fund management revenue and the part of charge which belongs to the funds' portfolio manager thereof, is recorded in the Group's technical expenses.

Management expense deduction, which is deducted as 8% at most, from contributions made to participants' private pension accounts, is accounted for under the management expense deductions account.

Commission expenses incurred for pension fund operations are accounted as pension operating expenses when incurred. The Group, defers the commissions paid for issuing the private pension contracts in the context of TMS 18 "Revenue" and TMS 39 "Financial Instruments: Recognition and Measurement" with the condition of not exceeding the total guaranteed income from these contracts and by considering the expected period of time to secure this income.

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section four

Information related to financial position of the Group

I. Explanations on consolidated capital adequacy ratio:

- a. The capital adequacy ratio of the Group is 15,70% (December 31, 2009 - 16,52%).
- b. The capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" and "Regulation Regarding Banks' Shareholders' Equity" published as of November 1, 2006 (together referred as "Regulation Regarding Capital Adequacy"). The following tables show the details of "risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.
- c. **Information related to capital adequacy ratio:**

	Risk weights ⁽¹⁾					
	The Parent Bank					
	0%	20%	50%	100%	150%	200%
Amount subject to credit risk						
Balance sheet items (net)	18.742.202	1.718.798	7.307.045	34.438.888	299.966	33.440
Cash	626.076	274	-	-	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.754.292	-	-	-	-	-
Domestic, foreign banks, head offices and branches abroad	-	1.040.752	-	5.970	-	-
Interbank money market placements	1.100.000	-	-	-	-	-
Receivables from reverse repurchase transactions	-	3.000	-	-	-	-
Reserve requirements	1.309.957	-	-	-	-	-
Loans	1.990.609	651.876	7.176.871	29.669.920	299.966	33.440
Non-Performing receivables (net)	-	-	-	486.170	-	-
Lease receivables	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-
Held-to-maturity investments	11.473.014	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	12.578	-	-
Miscellaneous receivables	-	120	-	637.349	-	-
Interest and income accruals	183.823	12.899	130.174	569.608	-	-
Investments in associates, subsidiaries and joint ventures (net)	-	-	-	1.781.951	-	-
Fixed assets	-	-	-	1.043.851	-	-
Other assets	304.431	9.877	-	231.491	-	-
Off-balance sheet items	936.989	1.422.546	391.161	12.064.287	-	-
Non-cash loans and commitments	936.989	652.772	391.161	11.964.730	-	-
Derivative financial instruments	-	769.774	-	99.557	-	-
Non-risk weighted accounts	-	-	-	-	-	-
Total risk weighted assets	19.679.191	3.141.344	7.698.206	46.503.175	299.966	33.440

⁽¹⁾ There are no assets weighted with 10% risk.

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

	Risk weights ⁽¹⁾					
	Consolidated					
	0%	20%	50%	100%	150%	200%
Amount subject to credit risk						
Balance sheet items (net)	20.949.907	2.682.523	7.626.777	37.299.875	299.966	33.440
Cash	790.933	274	-	9.915	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.754.292	-	-	-	-	-
Domestic, foreign banks, head offices and branches abroad	1.184	1.874.992	-	88.975	-	-
Interbank money market placements	1.100.000	-	-	-	-	-
Receivables from reverse repurchase transactions	38.568	113	-	-	-	-
Reserve requirements	1.309.957	-	-	-	-	-
Loans	2.478.703	775.092	7.316.647	32.089.054	299.966	33.440
Non-performing receivables (net)	-	-	-	491.377	-	-
Lease receivables	8.017	1.086	175.649	1.793.526	-	-
Available-for-sale financial assets	-	-	-	-	-	-
Held-to-maturity investments	12.592.899	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	12.578	-	-
Miscellaneous receivables	245.262	120	-	766.749	-	-
Interest and income accruals	217.015	20.969	134.481	594.841	-	-
Investments in associates, subsidiaries and joint ventures (net)	-	-	-	2.300	-	-
Fixed assets	-	-	-	1.099.448	-	-
Other assets	413.077	9.877	-	331.112	-	-
Off-balance sheet items	951.730	1.568.149	402.374	12.444.520	-	-
Non-cash loans and commitments	951.730	776.783	402.374	12.343.078	-	-
Derivative financial instruments	-	791.366	-	101.442	-	-
Non-risk weighted accounts	-	-	-	-	-	-
Total risk weighted assets	21.901.637	4.250.672	8.029.151	49.744.395	299.966	33.440

(1) There are no assets weighted with 10% risk.

d. Summary information about capital adequacy ratio:

	The Parent Bank		Consolidated	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Amount subject to credit risk (ASCR)	51.497.376	47.294.053	55.125.934	50.885.068
Amount subject to market risk (ASMR)	1.399.338	1.029.475	2.636.375	1.865.338
Amount subject to operational risk (ASOR)	7.806.018	6.209.003	8.999.966	7.695.259
Shareholders' equity	10.257.178	9.697.491	10.479.103	9.983.350
Shareholders' equity/(ASCR+ASMR+ASOR)*100	16,90	17,78	15,70	16,52

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

e. Information about shareholders' equity items:

	March 31, 2010	December 31, 2009
Core capital		
Paid-in capital	4.347.051	4.347.051
Nominal capital	4.347.051	4.347.051
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	543.881	543.881
Share cancellation profits	-	-
Legal reserves	163.959	96.220
First legal reserve (Turkish Commercial Code 466/1)	163.959	96.220
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	3.038.543	1.769.658
Reserves allocated by the General Assembly	3.038.543	1.769.658
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	713.133	1.542.948
Current period net profit	562.016	1.542.948
Prior period profit	151.117	-
Provisions for possible risks up to 25% of core capital	111.204	96.616
Profit on disposal of associates, subsidiaries and immovables	80.122	61.969
Primary subordinated loans (up to 15% of core capital)	-	-
Minority interests	57.925	57.261
Portion of loss not covered with reserves (-)	-	(37.054)
Current period net loss	-	-
Prior period loss	-	(37.054)
Leasehold improvements (-)	91.341	97.938
Prepaid expenses (-)	135.244	109.837
Intangible assets (-)	1.197.025	1.194.649
Deferred tax asset amount exceeding 10% of core capital (-) ⁽¹⁾	-	-
Amount exceeding limits as per the third clause of the article 56 of the Law (-)	-	-
Total core capital	7.632.208	7.076.126

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

	March 31, 2010	December 31, 2009
Supplementary capital		
General provisions	834.528	755.571
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary Subordinated Loans ⁽¹⁾	2.047.775	2.208.374
45 % of marketable securities valuation differences	63.630	46.893
Investments in associates and subsidiaries	-	-
Available-for-sale financial assets	63.630	46.893
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Total supplementary capital	2.945.933	3.010.838
Tier III capital		
Capital	10.578.141	10.086.964
Deductions from the capital	99.038	103.614
Investments in Unconsolidated financial institutions and banks	28.530	28.530
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments that have primary or secondary subordinated loan nature purchased from them	-	-
Investments in financial institutions and banks, which are accounted based on equity method but the assets and liabilities of which have not been consolidated	56.248	58.939
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received due to the receivables from customers and are to be disposed according to banking law article 57 as they have been held for more than five years from the acquisition date.	14.260	16.145
Other	-	-
Total shareholders' equity	10.479.103	9.983.350

⁽¹⁾ In accordance with the Regulation, the balance is disclosed net of the related receivables from banks.

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

II. Explanations on consolidated market risk:

The Parent Bank considers currency risk, liquidity risk and interest rate risk as the most important components of market risk. The Bank's market risk exposure is calculated on a daily and weekly basis with the "Value-at-Risk Method" on the basis of the marketable securities portfolio and net foreign currency position including the Bank's currency risk. The Bank monitors its position in terms of portfolio created according to risk management policy and value-at-risk limits on a daily basis. All the Bank's on- and off-balance-sheet positions and exchange positions are taken into consideration in the value-at-risk calculations. The results are presented daily to the senior management and monthly to the Asset and Liability Committee. The below table represents the details of market risk calculation as of March 31, 2010 in accordance with Section 3 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No. 26333, dated November 1, 2006, namely the "Calculation of Market Risk with Standard Method".

a. Information on market risk:

	March 31, 2010	December 31, 2009
(I) Capital to be employed for general market risk - Standard method	106.321	107.626
(II) Capital to be employed for specific risk -Standard method	38.490	14.694
(III) Capital to be employed for currency risk - Standard method	65.968	26.772
(IV) Capital to be employed for commodity risk - Standard method	-	-
(V) Capital to be employed for settlement risk-Standard method	-	-
(VI) Capital to be employed for market risk due to options-Standard method	131	135
(VII) Capital to be employed for market risk for banks applying risk measurement model	-	-
(VIII) Total capital to be employed for market risk (I+II+III+IV+V+VI+VII)	210.910	149.227
(IX) Amount subject to market risk (12,5xVIII) or (12,5xVII)	2.636.375	1.865.338

III. Explanations on consolidated operational risk:

The Group calculates the amount subject to operational risk based on "Basic Indicator Method" by using 2009, 2008 and 2007 year-end gross income balances of the Group, in accordance with Section 4 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" effective from June 1, 2007, published in the Official Gazette No. 26333 dated November 1, 2006, namely "The Calculation of the Amount Subject to Operational Risk". As of March 31, 2010, the total amount subject to operational risk is TL 8.999.966 (December 31, 2009 - TL 7.695.259) and the amount of the related capital requirement is TL 719.998 (December 31, 2009- TL 615.621).

IV. Explanations on consolidated currency risk:

The difference between the Parent Bank's foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities are defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Another important dimension of the currency risk is the changes of the exchange rates of different foreign currencies in "Net Foreign Currency Position" (Cross Currency Risk).

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/momentary basis. Notwithstanding, the internal exchange position limit is minimal when compared to the related legal limit, internal position limits are not exceeded during the period. As a tool of currency risk management, derivatives such as swap and forwards are used to abstain from risk whenever needed. In order to guard against extreme volatility during the year Stress tests are applied.

The Parent Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are as follows:

(Exchange rates presented as full TL)

Balance sheet evaluation rate	USD TL 1,48340	EUR TL 2,00090	Yen TL 0,01599
30 March 2010 bid rate	TL 1,48550	TL 2,00220	TL 0,01602
29 March 2010 bid rate	TL 1,48840	TL 1,99120	TL 0,01604
26 March 2010 bid rate	TL 1,49600	TL 1,99660	TL 0,01621
25 March 2010 bid rate	TL 1,49640	TL 2,00110	TL 0,01635
24 March 2010 bid rate	TL 1,49830	TL 2,02420	TL 0,01655

The simple arithmetic average of the Parent Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown in the table below:

USD : TL 1,48996
Euro : TL 2,02358
Yen : TL 0,01644

As of December 31, 2009;

	USD	EUR	Yen
Balance sheet evaluation rate:	TL 1,46800	TL 2,10620	TL 0,01589

Information on currency risk of the Group:

Foreign currency position of the Group is disclosed in terms of the material currencies in the following table. Foreign currency indexed assets, classified as Turkish Lira assets according to Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. In addition, foreign currency general provisions in the balance sheet, specific provision for non cash loans, trading/hedging derivative financial assets and liabilities, prepaid expenses, marketable securities valuation differences and non-performing loans are considered as Turkish Lira in the calculation of the Net Currency Position regarding the related regulation. Therefore, there is a difference between the sum of the foreign currency assets and liabilities in the following table and in the balance sheet. The Group's real position, both in financial and economic terms, is presented in the table below:

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

March 31, 2010	EURO	USD	Yen	Other FC	Total
Assets					
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	2.196.776	79.172	361	33.052	2.309.361
Banks	441.750	1.023.380	5.009	40.317	1.510.456
Financial assets at fair value through profit or loss	53.661	51.524	-	-	105.185
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	56.433	958.074	-	80.131	1.094.638
Loans ⁽¹⁾	5.287.493	11.061.973	51.391	533.483	16.934.340
Investments in associates, subsidiaries and joint ventures	-	-	-	56.248	56.248
Held-to-maturity investments	1.132.292	6.255.329	-	-	7.387.621
Hedging derivative financial assets	-	-	-	-	-
Tangible assets	566	-	-	16.316	16.882
Intangible assets	-	-	-	598	598
Other assets	1.435.968	1.160.359	10.291	205.642	2.812.260
Total assets	10.604.939	20.589.811	67.052	965.787	32.227.589
Liabilities					
Bank deposits	605.515	363.725	1.866	200.011	1.171.117
Foreign currency deposits	7.181.948	11.060.572	21.976	713.735	18.978.231
Funds from interbank money market	337.338	1.112.638	-	-	1.449.976
Funds borrowed from other financial institutions	3.027.402	1.704.845	-	13.606	4.745.853
Marketable securities issued	625.064	914.943	-	-	1.540.007
Miscellaneous payables	190.380	289.677	30	19.917	500.004
Hedging derivative financial liabilities	-	-	-	-	-
Other liabilities	2.380.506	427.606	408	5.262	2.813.782
Total liabilities	14.348.153	15.874.006	24.280	952.531	31.198.970
Net on balance sheet position	(3.743.214)	4.715.805	42.772	13.256	1.028.619
Net off balance sheet position	3.954.041	(4.883.739)	(34.956)	181.986	(782.668)
Financial derivative assets	5.225.809	9.768.579	31.711	535.030	15.561.129
Financial derivative liabilities	1.271.768	14.652.318	66.667	353.044	16.343.797
Non-cash loans	3.708.507	7.339.988	271.702	210.739	11.530.936
December 31, 2009					
Total assets	11.267.136	19.084.376	73.225	992.024	31.416.761
Total liabilities	14.482.739	15.869.576	28.320	972.535	31.353.170
Net on-balance sheet position	(3.215.603)	3.214.800	44.905	19.489	63.591
Net off-balance sheet position	3.385.106	(3.092.881)	(38.762)	151.025	404.488
Financial derivative assets	4.141.508	9.526.441	14.865	329.816	14.012.630
Financial derivative liabilities	756.402	12.619.322	53.627	178.791	13.608.142
Non-cash loans	3.420.279	6.429.582	315.569	164.147	10.329.577

⁽¹⁾ Includes FC indexed loans amounting to TL 1.636.904 (December 31, 2009 – TL 1.593.570) which has been disclosed as TL in the financial statements.

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

V. Explanations on consolidated interest rate risk:

The monitoring of interest rate sensitive assets and liabilities and sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements are performed by the risk management department for all interest sensitive instruments. The results are presented monthly to Asset and Liability Committee ("ALCO"). By using sensitivity and scenario analyses, the possible loss effects on the equity are analysed due to the interest rate volatility not only within current year but also for the future periods.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

The Parent Bank utilizes TL/Foreign Currency interest rate swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the TL balance sheet. Furthermore, in order to reduce the maturity mismatch in the Foreign Currency balance sheet, Foreign Currency/Foreign Currency interest rate swaps were utilized.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

March 31, 2010	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the central bank of the republic of turkey	1.115.633	-	-	-	-	2.682.302	3.797.935
Banks	283.870	192.054	404.317	487.519	7.273	569.993	1.945.026
Financial assets at fair value through profit/loss	108.309	69.994	492.475	65.672	617	81.114	818.181
Interbank money market placements	1.135.986	3.000	-	-	-	-	1.138.986
Available-for-sale financial assets	674.639	166.918	1.306.364	149.637	320.774	24.941	2.643.273
Loans	8.527.167	4.494.536	11.795.095	11.563.277	6.105.911	491.377	42.977.363
Held-to-maturity investments	1.191.070	261.537	4.631.242	2.401.754	4.250.124	-	12.735.727
Other assets	921.944	1.164.532	699.505	907.175	33.905	4.230.644	7.957.705
Total assets	13.523.000	6.248.330	18.666.950	16.190.521	11.303.024	8.080.371	74.014.196
Liabilities							
Bank deposits	880.961	114.400	396.242	222.450	-	178.092	1.792.145
Other deposits	28.137.078	5.023.950	1.447.733	481.222	139.163	7.881.262	43.110.408
Funds from interbank money market	940.872	70.247	629.713	-	-	-	1.640.832
Miscellaneous payables	2.115.029	750	-	-	-	1.245.077	3.360.856
Marketable securities issued	-	1.539.439	-	-	-	568	1.540.007
Funds borrowed from other financial institutions	1.517.468	2.278.667	1.846.141	229.588	188.399	-	6.060.263
Other liabilities and shareholders' equity	905.647	542.249	1.559.613	290.838	157.142	13.054.196	16.509.685
Total liabilities	34.497.055	9.569.702	5.879.442	1.224.098	484.704	22.359.195	74.014.196
Balance sheet long position	-	-	12.789.508	14.966.423	10.818.320	-	38.574.251
Balance sheet short position	(20.974.055)	(3.321.372)	-	-	-	(14.278.824)	(38.574.251)
Off-balance sheet long position	311	-	1.055.271	-	-	-	1.055.582
Off-balance sheet short position	(216.091)	(418.050)	(3.487)	(56)	(15.056)	-	(652.740)
Total position	(21.189.835)	(3.739.422)	13.841.292	14.966.367	10.803.264	(14.278.824)	402.842

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Information related to financial position of the Group (continued)

December 31, 2009	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the central bank of the republic of turkey	1.302.954	-	-	-	-	2.926.381	4.229.335
Banks	1.199.380	451.583	95.689	146.168	2.940	498.888	2.394.648
Financial assets at fair value through profit/loss	136.585	485.022	83.315	168.436	18.414	91.855	983.627
Interbank money market placements	1.581.459	-	-	-	-	-	1.581.459
Available-for-sale financial assets	360.382	296.694	287.807	187.114	886.971	24.847	2.023.815
Loans	9.297.026	4.615.773	9.321.360	10.153.910	5.474.713	407.737	39.270.519
Held-to-maturity investments	1.254.947	3.435.487	1.449.880	2.733.148	4.445.257	-	13.318.719
Other assets	650.232	339.437	1.818.865	957.051	30.166	4.136.611	7.932.362
Total assets	15.782.965	9.623.996	13.036.916	14.345.827	10.858.461	8.086.319	71.734.484
Liabilities							
Bank deposits	530.897	257.905	257.906	-	-	276.889	1.323.597
Other deposits	27.001.728	4.987.866	1.619.626	556.231	134.036	7.751.801	42.051.288
Funds from interbank money market	573.300	471.698	240.569	-	-	-	1.285.567
Miscellaneous payables	2.208.170	1.158	-	-	-	1.036.497	3.245.825
Marketable securities issued	-	1.743.760	-	-	-	718	1.744.478
Funds borrowed from other financial institutions	1.972.630	2.175.394	2.084.204	127.998	-	-	6.360.226
Other liabilities and shareholders' equity	139.510	1.147.307	1.212.606	334.389	48.626	12.841.065	15.723.503
Total liabilities	32.426.235	10.785.088	5.414.911	1.018.618	182.662	21.906.970	71.734.484
Balance sheet long position	-	-	7.622.005	13.327.209	10.675.799	-	31.625.013
Balance sheet short position	(16.643.270)	(1.161.092)	-	-	-	(13.820.651)	(31.625.013)
Off-balance sheet long position	33.123	368.566	8.328	128.475	-	-	538.492
Off-balance sheet short position	-	-	-	-	(14.283)	-	(14.283)
Total position	(16.610.147)	(792.526)	7.630.333	13.455.684	10.661.516	(13.820.651)	524.209

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

b. Average interest rates for monetary financial instruments:

The following average interest rates have been calculated by weighting the rates with their principal amounts as of the balance sheet date.

March 31, 2010 ⁽¹⁾	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	5,20
Banks	1,64	1,21	-	7,07
Financial assets at fair value through profit/loss	7,64	6,25	-	7,57
Interbank money market placements	-	-	-	6,73
Available-for-sale financial assets	6,84	6,87	-	9,09
Loans ⁽²⁾	5,52	4,59	4,43	15,90
Held-to-maturity investments	4,75	6,75	-	9,98
Liabilities				
Bank deposits	0,20	0,29	-	7,24
Other deposits	2,27	2,48	0,28	9,03
Funds from interbank money market	3,91	6,85	-	6,52
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	1,95	1,43	-	16,24
December 31, 2009 ⁽¹⁾	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	5,20
Banks	0,36	0,60	-	6,98
Financial assets at fair value through profit/loss	7,41	6,43	-	8,51
Interbank money market placements	-	-	-	6,72
Available-for-sale financial assets	6,48	7,13	-	10,05
Loans ⁽²⁾	5,87	4,97	4,58	17,90
Held-to-maturity investments	4,79	6,72	-	11,37
Liabilities				
Bank deposits	0,19	0,17	-	7,13
Other deposits	2,20	2,28	0,29	9,25
Funds from interbank money market	3,13	1,62	-	6,41
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2,03	1,52	-	14,95

⁽¹⁾ The average interest rates disclosed above are those of the Parent Bank.

⁽²⁾ Does not include credit card receivables.

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

VI. Explanations on consolidated liquidity risk:

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. The liquidity risk is managed within the Asset and Liability Management strategy in accordance with the policies of the market risk. In this scope, the funding sources are being diversified, and sufficient cash and cash equivalents are held, the liquidity position of the Parent Bank in the short and the long term is followed. During the monthly meetings of the Assets and Liability Committee, the liquidity position of the Parent Bank is evaluated and it is ensured that the required actions are taken when considered necessary.

Subordinated loans with long-term maturity and off-balance-sheet derivative instruments are used in order to extend the short-term funding structure in the banking sector. The liquidity risk according to the mismatch of assets and liabilities is limited by investing in short-term instruments and liquid bonds.

Breakdown of assets and liabilities according to their outstanding maturities:

March 31, 2010	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified ^{(1), (2)}	Total
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	2.471.266	1.326.669	-	-	-	-	-	3.797.935
Banks	569.993	283.870	192.053	405.430	486.407	7.273	-	1.945.026
Financial assets at fair value through profit or loss	54.602	63.008	60.456	419.586	170.324	23.693	26.512	818.181
Interbank money market placements	-	1.135.986	3.000	-	-	-	-	1.138.986
Available-for-sale financial assets	69.135	105.343	19.741	637.657	827.848	962.379	21.170	2.643.273
Loans	-	8.440.753	3.815.064	10.808.330	12.087.199	7.334.640	491.377	42.977.363
Held-to-maturity investments	-	19.886	261.539	3.280.641	4.923.537	4.250.124	-	12.735.727
Other assets ⁽¹⁾	569.512	886.858	1.241.853	664.613	1.239.129	60.809	3.294.931	7.957.705
Total assets	3.734.508	12.262.373	5.593.706	16.216.257	19.734.444	12.638.918	3.833.990	74.014.196
Liabilities								
Bank deposits	178.092	890.961	114.400	396.242	222.450	-	-	1.792.145
Other deposits	7.881.262	28.137.078	5.023.950	1.447.733	481.222	139.163	-	43.110.408
Funds borrowed from other financial institutions	-	1.486.881	544.129	2.608.681	1.012.841	407.731	-	6.060.263
Funds from interbank money market	-	940.872	70.247	629.713	-	-	-	1.640.832
Marketable securities issued	-	-	-	-	1.540.007	-	-	1.540.007
Miscellaneous payables	322.133	2.952.089	17.772	6.920	2.810	127	59.005	3.360.856
Other liabilities ⁽²⁾	405.229	1.543.319	263.651	684.903	1.976.432	2.621.562	9.014.589	16.509.685
Total liabilities	8.786.716	35.941.200	6.034.149	5.774.192	5.235.782	3.168.583	9.073.594	74.014.196
Net liquidity gap	(5.052.208)	(23.678.827)	(440.443)	10.442.065	14.498.662	9.470.335	(5.239.604)	-
December 31, 2009								
Total assets	4.094.899	13.281.799	5.876.070	13.337.240	19.075.261	12.378.159	3.691.056	71.734.484
Total liabilities	8.600.894	33.293.562	6.486.384	6.583.587	4.712.782	3.282.198	8.775.077	71.734.484
Net liquidity gap	(4.505.995)	(20.011.763)	(610.314)	6.753.653	14.362.479	9.095.961	(5.084.021)	-

⁽¹⁾ Assets that are necessary for banking activities and that can not be liquidated in the short term, such as fixed and intangible assets, investments in associates, subsidiaries, stationery stocks, prepaid expenses, loans under follow-up, are classified in this column.

⁽²⁾ Shareholders' equity is presented under the "Other Liabilities" item in the "Unclassified" column.

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

VII. Explanations on consolidated operating segments:

Through its new organisational structure launched in February 2009 aimed at further enhancing the customer-focused divisionalised service model as well as supporting the performances of business units in closer collaboration with product factories, the Group carries out its banking operations through three main business units: (1) Retail Banking (including credit cards and SME banking), (2) Corporate and Commercial Banking (3) Private Banking and Wealth Management.

The Group's Retail Banking activities include credit cards, SME (small and medium size enterprises) banking and individual banking. Retail banking products and services offered to customers include credit cards, consumer loans (including general purpose loans, auto loans and mortgages), commercial instalment loans, SME loans, time and demand deposits, investment accounts, life and non-life insurance products and payroll services. Credit card operations cover the management of products and services for member merchants as well as the sales and marketing operations for a variety of customer types. The Parent Bank's Clubs and Programs within the World brand includes Gold Club, Platinum Club, Crystal Club, Adios (Travel Program), Adios Premium (VIP Travel Program), Play Card (Young Employees Program and Student Program), Fenerbahçe Worldcard, KoçAilem Worldcard, Business Club (Corporate Program, Trio Program, Company Program and SME Program), Share Program and Communication Program. The Parent Bank also offers debit cards and a prepaid card named World Hediye Card.

Corporate and Commercial Banking is organised into two sub-segments: Commercial Banking, which serves mid-sized companies; and Corporate Banking, which serves large local and multinational companies. Corporate and Commercial Banking provides products and services including working capital financing, foreign trade finance, project finance, leasing and factoring, domestic and international non-cash credit line facilities such as letters of credit and guarantees, cash management and e-banking services.

Through its private banking and wealth management activities, the Group serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposits, mutual funds, derivative products such as forwards, futures and options, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products, safe deposit boxes and e-banking services. Private Banking services are enhanced by investment advisory and portfolio management services provided by the Parent Bank and its portfolio management and brokerage subsidiaries.

The Group's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments.

Foreign operations include the Group's banking transactions in the Netherlands, Azerbaijan and Russia.

Other operations mainly consist of treasury transactions, operations of supporting business units, insurance operations and other unallocated transactions.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information related to financial position of the Group (continued)

Some balance sheet and income statement items based on operating segments:

March 31, 2010	Retail banking	Corporate and commercial banking	Private banking and wealth management	Foreign operations	Other	Consolidation adjustments ⁽¹⁾	Total Operations of The Group
Operating revenue	648.203	322.119	83.922	33.438	511.035	(26.742)	1.571.975
Operating costs	(276.798)	(100.306)	(28.015)	(8.712)	(452.398)	8.962	(857.267)
Net operating income	371.405	221.813	55.907	24.726	58.637	(17.780)	714.708
Dividend income ⁽²⁾					231		231
Income/Loss from Investments accounted based on equity method					1.283		1.283
Income before tax	371.405	221.813	55.907	24.726	60.151	(17.780)	716.222
Tax provision ⁽²⁾					(152.722)		(152.722)
Net income	371.405	221.813	55.907	24.726	(92.571)	(17.780)	563.500
Minority interest					(1.484)		(1.484)
Group income/loss	371.405	221.813	55.907	24.726	(94.055)	(17.780)	562.016
Segment assets	20.294.823	24.485.084	796.267	4.404.256	24.824.431	(877.743)	73.927.118
Investments in associates, subsidiaries and joint ventures					87.078		87.078
Total assets	20.294.823	24.485.084	796.267	4.404.256	24.911.509	(877.743)	74.014.196
Segment liabilities	18.497.094	15.966.850	10.676.993	3.838.837	16.884.848	(865.015)	64.999.607
Shareholders' equity					9.014.589		9.014.589
Total liabilities	18.497.094	15.966.850	10.676.993	3.838.837	25.899.437	(865.015)	74.014.196

(1) Consolidation adjustments include transactions with subsidiaries and investments consolidated in these financial statements.

(2) Dividend income and tax expenses have not been distributed based on operating segments and have been presented under "Other" column.

December 31, 2009 ⁽¹⁾	Retail banking	Corporate and commercial banking	Private banking and wealth management	Foreign operations	Other	Consolidation adjustments ⁽²⁾	Total Operations of the Group
Operating revenue	647.902	345.387	76.095	26.549	398.434	48.812	1.543.179
Operating costs	(446.735)	(95.245)	(26.679)	(12.178)	(364.041)	13.818	(931.060)
Net operating income	201.167	250.142	49.416	14.371	34.393	62.630	612.119
Dividend income ⁽³⁾					1.218		1.218
Income/Loss from Investments accounted based on equity method					877		877
Income before tax	201.167	250.142	49.416	14.371	36.488	62.630	614.214
Tax provision ⁽³⁾					(142.953)		(142.953)
Net income	201.167	250.142	49.416	14.371	(106.465)	62.630	471.261
Minority interest					(1.300)		(1.300)
Group income/loss	201.167	250.142	49.416	14.371	(107.765)	62.630	469.961
Segment assets	19.207.596	22.950.318	774.042	3.912.923	25.534.213	(734.377)	71.644.715
Investments in associates, subsidiaries and joint ventures					89.769		89.769
Total assets	19.207.596	22.950.318	774.042	3.912.923	25.623.982	(734.377)	71.734.484
Segment liabilities	20.518.455	15.888.170	9.989.535	3.353.304	14.218.677	(719.797)	63.248.344
Shareholders' equity					8.486.140		8.486.140
Total liabilities	20.518.455	15.888.170	9.989.535	3.353.304	22.704.817	(719.797)	71.734.484

(1) Income statement figures represent balances for the 3 months period ended March 31, 2009.

(2) Consolidation adjustments include transactions with subsidiaries and investments consolidated in these financial statements.

(3) Dividend income and tax expenses have not been distributed based on operating segments and have been presented under "Other" column.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section five

Explanations and notes related to consolidated financial statements

I. Explanations and notes related to consolidated assets:

a. Information related to cash and the account of the Central Bank of the Republic of Turkey ("the CBRT"):

1. Information on cash and the account of the Central Bank of the Republic of Turkey:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Cash	372.547	158.072	481.585	173.797
The CBRT	1.116.027	1.964.933	1.302.688	2.034.806
Other	-	186.356	-	236.459
Total	1.488.574	2.309.361	1.784.273	2.445.062

2. Information on the account of the Central Bank of the Republic of Turkey:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Demand Unrestricted Account	1.116.027	654.976	1.302.688	678.258
Time Unrestricted Account	-	-	-	-
Reserve Requirement ⁽¹⁾	-	1.309.957	-	1.356.548
Total	1.116.027	1.964.933	1.302.688	2.034.806

⁽¹⁾ The TL reserve requirements have been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA letter as of January 3, 2008.

3. Information on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements" numbered 2005/1, the banks operating in Turkey are supposed to place reserves in the CBRT for their TL liabilities by 5% and for their foreign currency liabilities by 9% as USD and/or EUR. As of March 31, 2010, the corresponding interest rate for TL is 5,20%, no interest is earned on foreign currency reserve requirements.

As of March 31, 2010, the Group's reserve deposits, including those at foreign banks, amount to TL 1.476.800 (December 31, 2009 – TL 1.555.864).

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

b. Information on financial assets at fair value through profit and loss:

1. As of March 31, 2010, financial assets at fair value through profit and loss subject to repo transactions amount to TL 60.994 (December 31, 2009 – TL 66.654) and financial assets at fair value through profit and loss given as collateral/blocked amount to TL 56.733 (December 31, 2009 – TL 72.280).

2. Positive differences related to trading derivative financial assets:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Forward transactions	30.085	593	37.705	1.579
Swap transactions	315.480	31.101	503.759	43.210
Futures transactions	-	-	-	-
Options	21.548	12.089	4.657	26.794
Other	-	-	-	-
Total	367.113	43.783	546.121	71.583

c. Information on banks:

1. Information on banks:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Banks	434.570	1.510.456	545.079	1.849.569
Domestic	329.462	577.572	485.086	503.149
Foreign	105.108	932.884	59.993	1.346.420
Head Quarters and Branches Abroad	-	-	-	-
Total	434.570	1.510.456	545.079	1.849.569

d. Information on available-for-sale financial assets:

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of March 31, 2010, available-for-sale financial assets given as collateral/blocked amount to TL 568.338 (December 31, 2009 – TL 555.493) and available for sale financial assets subject to repo transactions are TL 8.309 (December 31, 2009 – TL 17.585).

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2. Information on available-for-sale financial assets:

	March 31, 2010	December 31, 2009
Debt securities	2.555.014	1.955.646
Quoted on stock exchange ⁽¹⁾	2.505.060	1.916.447
Not quoted	49.954	39.199
Share certificates	62.971	62.970
Quoted on stock exchange	289	253
Not quoted	62.682	62.717
Impairment provision (-)	(43.847)	(43.530)
Other ⁽²⁾	69.135	48.729
Total	2.643.273	2.023.815

(1) As of March 31, 2010, Eurobonds amounting to TL 944.499 (December 31, 2009 – TL 936.588) have been classified under debt securities quoted on Stock Exchange, even though they are not quoted on a stock exchange since they are traded in the secondary market.

(2) As of March 31, 2010, other available-for-sale financial assets include mutual funds amounting to TL 69.135 (December 31, 2009 – TL 48.729).

e. Explanations on loans:

1. Information on all types of loans or advance balances given to shareholders and employees of the Group:

	March 31, 2010		December 31, 2009	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	55.809	101.261	58.004	54.926
Loans granted to employees	72.748	110	76.687	71
Total	128.557	101.371	134.691	54.997

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2. Information on the first and second group loans and other receivables and loans and other receivables that have been restructured or rescheduled.

Cash loans	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Non-specialised loans	40.585.719	18.586	1.670.225	136.221
Discount and purchase notes	420.363	-	852	-
Export loans	2.669.359	-	96.374	-
Import loans	-	-	-	-
Loans granted to financial sector	1.457.150	-	37.994	-
Foreign loans	672.914	17.881	5.873	-
Consumer loans	7.001.302	705	480.566	-
Credit cards	7.292.194	-	242.335	104.985
Precious metal loans	275.654	-	4.092	-
Other ⁽¹⁾	20.796.783	-	802.139	31.236
Specialised loans	75.235	-	-	-
Other receivables	-	-	-	-
Total	40.660.954	18.586	1.670.225	136.221

⁽¹⁾ As explained in Note I.j of Section V, TL 153.563 is classified under other loans.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and long-term	Total
Consumer loans-TL	186.919	6.848.101	7.035.020
Real estate loans	6.240	3.898.599	3.904.839
Automotive loans	15.559	558.919	574.478
Consumer loans	165.120	2.390.583	2.555.703
Other	-	-	-
Consumer loans-FC indexed	340	281.533	281.873
Real estate loans	160	257.816	257.976
Automotive loans	22	9.582	9.604
Consumer loans	158	14.135	14.293
Other	-	-	-
Consumer loans-FC	4.975	15.880	20.855
Real estate loans	-	-	-
Automotive loans	294	1.739	2.033
Consumer loans	4.681	14.141	18.822
Other	-	-	-
Individual credit cards-TL	7.273.466	116.975	7.390.441
With installments	3.287.865	32.889	3.320.754
Without installments	3.985.601	84.086	4.069.687
Individual credit cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel loans-TL	6.578	28.126	34.704
Real estate loans	23	1.652	1.675
Automotive loans	90	1.082	1.172
Consumer loans	6.465	25.392	31.857
Other	-	-	-
Personnel loans-FC indexed	-	40	40
Real estate loans	-	31	31
Automotive loans	-	-	-
Consumer loans	-	9	9
Other	-	-	-
Personnel loans-FC	51	49	100
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	25	-	25
Other	26	49	75
Personnel credit cards-TL	37.267	105	37.372
With installments	20.376	105	20.481
Without installments	16.891	-	16.891
Personnel credit cards-FC	28	-	28
With installments	28	-	28
Without installments	-	-	-
Credit deposit account-TL (real person)⁽¹⁾	109.919	-	109.919
Credit deposit account-FC (real person)	62	-	62
Total	7.619.605	7.290.809	14.910.414

(1) TL 504 of the credit deposit account belongs to the loans used by personnel.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

4. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	239.187	2.456.715	2.695.902
Business Loans	3.243	280.572	283.815
Automotive Loans	36.406	713.835	750.241
Consumer Loans	199.538	1.462.308	1.661.846
Other	-	-	-
Commercial Installments Loans-FC Indexed	19.983	252.867	272.850
Business Loans	119	22.183	22.302
Automotive Loans	984	69.823	70.807
Consumer Loans	18.880	160.861	179.741
Other	-	-	-
Commercial Installments Loans-FC	154.637	83.080	237.717
Business Loans	-	-	-
Automotive Loans	-	95	95
Consumer Loans	123.056	40.197	163.253
Other	31.581	42.788	74.369
Corporate Credit Cards-TL	210.718	955	211.673
With installment	52.198	955	53.153
Without installment	158.520	-	158.520
Corporate Credit Cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Credit Deposit Account-TL (Legal Person)	155.932	-	155.932
Credit Deposit Account-FC (Legal Person)	771	-	771
Total	781.228	2.793.617	3.574.845

5. Distribution of domestic and foreign loans: Distribution has been disclosed based on the location where the customers operate.

	March 31, 2010	December 31, 2009
Domestic loans	41.789.318	38.167.578
Foreign loans	696.668	695.204
Total	42.485.986	38.862.782

6. Loans granted to associates and subsidiaries:

	March 31, 2010	December 31, 2009
Direct loans granted to associates and subsidiaries	6.570	5.128
Indirect loans granted to associates and subsidiaries	-	-
Total	6.570	5.128

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

7. Specific provisions provided against loans:

	March 31, 2010	December 31, 2009
Loans and other receivables with limited collectability	68.456	265.495
Loans and other receivables with doubtful collectability	501.394	610.618
Uncollectible loans and other receivables	1.133.046	1.338.808
Total	1.702.896	2.214.921

8. Information on non-performing loans (net):

8 (i). Information on non-performing loans restructured or rescheduled by the Group, and other receivables:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
March 31, 2010			
(Gross amounts before specific reserves)	3.945	28.439	64.947
Restructured loans and other receivables	3.945	28.439	64.947
Rescheduled loans and other receivables	-	-	-
December 31, 2009			
(Gross amounts before specific reserves)	5.348	47.329	50.390
Restructured loans and other receivables	5.348	47.329	50.390
Rescheduled loans and other receivables	-	-	-

8 (ii). Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
December 31, 2009	359.645	682.343	1.580.670
Additions (+)	404.858	40.008	21.346
Transfers from other categories of non-performing loans (+)	-	311.985	350.493
Transfer to other categories of non-performing loans (-)	(311.985)	(350.493)	-
Collections (-)	(160.578)	(97.343)	(138.351)
FX valuation differences	(43)	123	817
Write-offs (-)	-	-	(499.222)
Corporate and commercial loans	-	-	(199.730)
Consumer loans	-	-	(72.102)
Credit cards	-	-	(227.370)
Other	-	-	(20)
March 31, 2010	291.897	586.623	1.315.753
Specific provision (-)	(68.456)	(501.394)	(1.133.046)
Net Balance on balance sheet	223.441	85.229	182.707

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

According to the resolution of the Board of Directors of the Parent Bank dated March 15, 2010, portfolios composed of SME loans, consumer loans and credit cards followed under non-performing loan accounts are sold according to auction and confidentiality agreements. Consumer loan portfolio with principal amounting to TL 74.606 as of February 28, 2010 was sold to Standart Varlık Yönetim A.Ş. for a consideration of TL 6.450, credit card portfolio with principal amounting to TL 381.973 as of February 28, 2010 was sold to Girişim Varlık Yönetim A.Ş. for a consideration of TL 32.435 and SME loan portfolio with principal amounting to TL 224.390 as of February 28, 2010 was sold to LBT Varlık Yönetim A.Ş. for a consideration of TL 31.232. Profit on these sales before taxes and legal expenses amounted to TL 11,817. TL 181,200 of the total principal amount sold were written off in prior periods.

8 (iii). Information on Non-performing loans granted as foreign currency loans

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
March 31, 2010			
Period end balance	1.583	2.790	47.969
Specific provision (-)	(835)	(648)	(40.461)
Net Balance on-balance sheet	748	2.142	7.508
December 31, 2009			
Period end balance	1.870	3.501	47.304
Specific provision (-)	(1.690)	(854)	(39.213)
Net Balance on-balance sheet	180	2.647	8.091

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

8 (iv). Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
March 31, 2010 (net)	223.441	85.229	182.707
Loans granted to real persons and corporate entities (gross)	290.663	586.623	1.231.741
Specific provision amount (-)	(67.838)	(501.394)	(1.049.034)
Loans granted to real persons and corporate entities (net)	222.825	85.229	182.707
Banks (gross)	1.234	-	-
Specific provision amount (-)	(618)	-	-
Banks (net)	616	-	-
Other loans and receivables (gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (net)	-	-	-
December 31, 2009 (net)	94.150	71.725	241.862
Loans granted to real persons and corporate entities (gross)	358.183	682.343	1.496.658
Specific provision amount (-)	(264.033)	(610.618)	(1.254.796)
Loans granted to real persons and corporate entities (net)	94.150	71.725	241.862
Banks (gross)	1.462	-	-
Specific provision amount (-)	(1.462)	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (net)	-	-	-

f. Information on held-to-maturity investments:

1. Information on government debt securities held-to-maturity:

	March 31, 2010	December 31, 2009
Government bond	12.678.739	13.110.619
Treasury bill	56.988	208.100
Other debt securities	-	-
Total	12.735.727	13.318.719

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2. Information on investment securities held-to-maturity:

	March 31, 2010	December 31, 2009
Debt securities	12.865.878	13.386.216
Quoted on stock exchange ⁽¹⁾	12.865.878	13.386.216
Not quoted	-	-
Impairment provision (-)	(130.151)	(67.497)
Total	12.735.727	13.318.719

⁽¹⁾ As of March 31, 2010, Eurobonds amounting to TL 6.672.979 (December 31, 2009 – TL 6.519.991) have been classified under debt securities quoted on Stock Exchange, although they are not quoted on a stock exchange because they are traded in the secondary market.

3. Movement of held-to-maturity investments within the period:

	March 31, 2010	December 31, 2009
Beginning balance	13.318.719	12.705.781
Foreign currency differences on monetary assets ⁽¹⁾	(129.348)	(232.776)
Purchases during year	509.240	2.008.035
Disposals through sales and redemptions	(900.230)	(1.139.115)
Impairment provision (-)	(62.654)	(23.206)
Period end balance	12.735.727	13.318.719

⁽¹⁾ Includes the changes in interest income accruals.

4. Characteristics and carrying values of held-to-maturity investments given as collateral:

As of March 31, 2010, held-to-maturity investments given as collateral/blocked amount to TL 913.736 (December 31, 2009 – TL 922.708). Held-to-maturity investments subject to repo transactions amount to TL 1.937.811 (December 31, 2009- TL 1.375.465).

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

g. Information on investments in associates (net):

1. General information on unconsolidated investments in associates:

No	Description	Address (City/ Country)	The Parent Bank's shareholding percentage - if different voting percentage (%)	Bank's risk group shareholding percentage (%)
1	Kredi Kayıt Bürosu	Istanbul/Turkey	18,18	18,18
2	Bankalararası Kart Merkezi A.Ş. ⁽¹⁾	Istanbul/Turkey	9,98	9,98

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit / loss	Market value
1	32.291	25.336	1.825	414	-	2.663	2.186	-
2	18.767	16.305	6.338	200	-	1.905	(713)	-

Financial statement information disclosed above shows March 31, 2010 results.

2. Consolidated investments in associates:

2 (i). Information on consolidated investments in associates:

No	Description	Address (City/Country)	The Parent Bank's share holding percentage - if different voting percentage (%)	Bank's risk group shareholding percentage (%)
1	Banque de Commerce et de Placements S.A.(1)	Geneva/ Switzerland	30,67	30,67

2 (ii). Main financial figures of the consolidated investments in associates in the order of the above table:

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit / loss	Market value
1	3.045.067	140.090	5.199	9.233	2.767	10.574	12.042	-

(1) Financial statement information in the table above has been disclosed in CHF. As of March 31, 2010 the evaluation rate for CHF is full TL 1,3947 (December 31, 2009 – full TL 1,4129).

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2 (iii). Movement of consolidated investments in associates:

	March 31, 2010	December 31, 2009
Balance at the beginning of the period	58.939	55.593
Movements during the period	(2.691)	3.346
Purchases	-	-
Bonus shares obtained	-	-
Share of current year income	1.283	5.417
Sales	-	-
Revaluation (decrease)/increase (1)	(3.974)	(2.071)
Impairment provision	-	-
Balance at the end of the period	56.248	58.939
Capital Commitments	-	-
Share holding percentage at the end of the period (%)	30,67	30,67

(1) Includes TL 2.069 (2009 – TL 1.840) of dividend received in the current period.

2 (iv). Information on sectors and the carrying amounts of consolidated investments in associates:

	March 31, 2010	December 31, 2009
Banks	56.248	58.939
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Investments	-	-
Total Financial Investments	56.248	58.939

2 (v). Investments in associates quoted on stock exchange: None.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

h. Information on subsidiaries (net):

1. Unconsolidated subsidiaries:

1 (i). Information on unconsolidated subsidiaries:

Since the total asset amount of the subsidiaries below is less than 1% of the total assets of the Parent Bank, the related subsidiaries are unconsolidated and are carried at restated cost.

Description	Address (City/ Country)	The Parent Bank's shareholding percentage - if different voting percentage (%)	Bank's risk group shareholdin g percentage (%)
1 Yapı Kredi-Kültür Sanat Yayıncılık Tic. ve San. A.Ş.	Istanbul/Turkey	99,99	100,00
2 Enternasyonal Turizm Yatırım A.Ş.	Istanbul/Turkey	99,96	99,99
3 Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽¹⁾	Istanbul/Turkey	30,45	30,45

1 (ii). Main financial figures of the subsidiaries in the order of the above table:

	Total assets	Shareholder's equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value ⁽²⁾
1	11.679	9.393	183	27	-	953	806	-
2	36.375	22.274	4.033	627	1	594	8.804	-
3	88.043	80.302	2.014	659	20	(18.400)	(11.755)	73.600

⁽¹⁾ Financial statement information in Note 1 represents December 31, 2009 figures.

⁽²⁾ Fair value represents the market value of the Company's total shares based on ISE prices as of March 31, 2010.

Financial statement information in the table above has been obtained from the financial statements as at March 31, 2010.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2. Information on consolidated subsidiaries:

2 (i). Information on consolidated subsidiaries:

Description	Address (City/ Country)	The Parent Bank's share holding percentage - if different voting percentage (%)	Bank's risk group share holding percentage (%)
1 Yapı Kredi Holding B.V. ⁽¹⁾	Amsterdam/Netherlands	100,00	100,00
2 Yapı Kredi Menkul	Istanbul/Turkey	99,98	99,99
3 Yapı Kredi Faktoring	Istanbul/Turkey	99,95	100,00
4 Yapı Kredi Moscow ⁽²⁾	Moscow/Russia	99,84	100,00
5 Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	74,01	93,94
6 Yapı Kredi Leasing	Istanbul/Turkey	98,85	98,85
7 Yapı Kredi B Tipi Yatırım Ortaklığı AŞ	Istanbul/Turkey	11,09	56,07
8 Yapı Kredi Emeklilik A.Ş.	Istanbul/Turkey	-	100,00
9 Yapı Kredi Portföy	Istanbul/Turkey	12,65	99,99
10 Yapı Kredi NV ^{(1), (4)}	Amsterdam/Holland	67,24	100,00
11 Yapı Kredi Azerbaycan ^{(3), (5)}	Baku/Azerbaijan	99,80	100,00

Although Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity") which is established for securitisation transactions of Yapı Kredi is not a subsidiary, it is included in the consolidation as the Bank has a control of 100%.

⁽¹⁾ Financial figures presented in note 2(ii) are in EURO.

⁽²⁾ Financial figures presented in note 2(ii) are in USD.

⁽³⁾ Financial figures presented in note 2(ii) are in AZM. As of March 31, 2010 the evaluation rate for AZM is full TL 1,8464 (December 31, 2009- full TL 1,8279).

⁽⁴⁾ Includes the balances for Sticking Custody Services YKB.

⁽⁵⁾ Includes the balances for Yapı Kredi Invest LLC.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2 (ii). Main financial figures of the consolidated subsidiaries in the order of the above table:

	Total assets	Shareholder's equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value ⁽¹⁾
1	45.492	44.427	-	-	-	53	49	-
2	492.315	228.061	15.086	6.799	4.192	49.080	44.019	-
3	1.351.249	84.013	623	26.097	-	6.882	8.622	-
4	192.101	61.012	6.298	4.336	492	2.480	825	-
5	812.603	316.522	23.659	9.182	6.646	31.518	13.485	904.000
6	2.179.820	668.016	1.497	52.737	-	24.575	18.800	1.902.800
7	83.030	74.088	28	939	182	1.094	946	41.800
8	715.624	113.985	18.496	4.791	3.545	5.078	7.204	-
9	57.603	49.449	724	1.881	58	12.187	11.417	-
10	1.836.961	177.816	283	19.331	7.970	6.222	3.505	-
11	219.478	44.833	4.100	2.579	374	1.804	1.365	-

⁽¹⁾ Fair value represents the market value of the Company's total shares based on ISE prices as of March 31, 2010.

Financial statement information in the table above has been obtained from the financial statements of subsidiaries as at March 31, 2010.

2 (iii). Movement schedule of consolidated subsidiaries:

	March 31, 2010	December 31, 2009
Balance at the beginning of the period	1.779.651	1.781.083
Movements during the period	-	(1.432)
Purchases	-	-
Transfers ⁽¹⁾	-	(1.432)
Bonus shares obtained	-	-
Share of current year income	-	-
Sales	-	-
Foreign exchange valuation differences	-	-
Impairment provision	-	-
Balance at the end of the period	1.779.651	1.779.651
Capital commitments	-	-
Share holding percentage at the end of the period (%)	-	-

⁽¹⁾ As a result of the Extraordinary General Assembly Meetings, dated 30 June 2009, of Yapı Kredi Menkul, the Parent Bank's subsidiary with a shareholding of 99,98%, and of Unicredit Menkul Değerler A.Ş. ("UCM"), the Parent Bank's main shareholder Koç Finansal Hizmetler A.Ş.'s subsidiary with a shareholding of 99,99%; it has been decided that Yapı Kredi Menkul's intermediary activities function, which serves corporate clients, was added to UCM's capital as capital in-kind through a partial spin-off over its book values at December 31, 2008. As a result of this operation, the share of the Bank in Yapı Kredi Menkul's capital did not change. According to the spin-off agreement, the Bank has acquired a share in UCM share capital (10,73%). The fair value of this business line was TL 1.432 and classified as share certificates under available for sale portfolio.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2 (iv). Sectoral information on financial subsidiaries and the related carrying amounts:

	March 31, 2010	December 31, 2009
Banks	278.244	278.244
Insurance companies	148.019	148.019
Factoring companies	183.325	183.325
Leasing companies	722.491	722.491
Finance companies	-	-
Other financial subsidiaries	447.572	447.572
Total financial subsidiaries	1.779.651	1.779.651

2 (v). Subsidiaries quoted to stock exchange:

	March 31, 2010	December 31, 2009
Quoted on domestic stock exchanges	876.095	876.095
Quoted on foreign stock exchanges	-	-
Total of subsidiaries quoted to stock exchanges	876.095	876.095

i. Information on lease receivables (net):

1) Breakdown according to maturities:

	March 31, 2010		December 31, 2009	
	Gross	Net	Gross	Net
Less than 1 year	929.644	740.662	1.018.467	821.027
Between 1- 4 years	1.149.013	972.821	1.240.170	1.042.160
More than 4 years	321.751	306.752	339.285	322.023
Total	2.400.408	2.020.235	2.597.922	2.185.210

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2) Information for net investments in finance leases:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Gross lease receivables	468.418	1.931.990	493.872	2.104.050
Unearned financial income from leases (-)	(87.785)	(292.388)	(95.110)	(317.602)
Amount of cancelled leases (-)	-	-	-	-
Total	380.633	1.639.602	398.762	1.786.448

j. Information on hedging derivative financial assets:

	March 31, 2010		31 December 2009	
	TL	FC	TL	FC
Fair value hedge	135.832	802	127.678	953
Cash flow hedge	-	972	-	-
Foreign net investment hedge	-	-	-	-
Total	135.832	1.774	127.678	953

Starting from March 1, 2009, the Parent Bank has hedged the possible fair value effects of changes in market interest rates on part of its fixed interest TL mortgage and car loan portfolios and fair value effects of changes in foreign exchange rates on part of its foreign currency denominated funds borrowed using cross-currency interest rate swaps. The net fair value of hedging instruments at March 31, 2010 is a liability amounting to TL 245.267 (December 31, 2009 – TL 228.982) At March 31, 2010, the fair value difference of the hedging instruments since the inception date is TL163.934 (December 31, 2009 – TL 147.649) and the fair value difference of the hedged item is TL 153.563 (December 31, 2009 – TL 140.137).

In order to hedge its cash flow risk from liabilities, the Bank started to apply cash flow hedge accounting from January 1, 2010 onwards. The hedging instruments are USD interest rate swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing USD deposits.

k. Information on intangible assets:

	March 31, 2010	December 31, 2009
Net book value at the beginning of the period	1.194.649	1.157.825
Additions during the Period	11.079	81.416
Transfers	-	(281)
Unused and Disposed Items (-)	(2.310)	(6.083)
Impairment reversal	4.015	-
Amortisation Expenses (-)	(10.412)	(38.218)
Foreign exchange valuation differences	4	(10)
Net book value at the closing of the period	1.197.025	1.194.649

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

I. Information on investment property:

None (December 31, 2009 - None).

m. Movement schedule of assets held for resale and related to discontinued operations:

	March 31, 2010	December 31, 2009
Balance at the beginning of the period	88.680	90.046
Additions	8.574	16.656
Disposals (-), net	(8.930)	(21.381)
Impairment reversal	1.756	6.986
Impairment (-)	(70)	(1.012)
Depreciation (-)	(438)	(2.615)
Net Book Value at the end of period	89.572	88.680
Cost at the end of period	95.987	97.819
Accumulated depreciation at the end of period (-)	(6.415)	(9.139)
Net Book Value at the end of period	89.572	88.680

As of March 31, 2010, the Parent Bank booked impairment provision on assets held for resale with an amount of TL 11.780 (2009 - TL 13.466).

n. Information on other assets:

As of March 31, 2010, other assets do not exceed 10% of the total assets.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

II. Explanations and notes related to consolidated liabilities:

a. Information on deposits:

1. Information on maturity structure of deposits/collected funds:

1 (i). March 31, 2010:

	Demand	With 7 days notifications	Up to 1 month	1-3 Months	3-6 Months	6 Months -1 Year	1 year and over	Total
Saving deposits	1.530.083	17.911	4.634.370	9.566.435	275.902	108.942	159.903	16.293.546
Foreign currency deposits	4.128.648	129.846	4.778.683	6.975.327	800.990	372.338	1.511.918	18.697.750
Residents in turkey	3.540.212	19.997	4.603.319	5.939.392	678.978	220.565	874.836	15.877.299
Residents abroad	588.436	109.849	175.364	1.035.935	122.012	151.773	637.082	2.820.451
Public sector deposits	405.514	-	6.932	77.416	26	299	-	490.187
Commercial deposits	1.582.459	10.683	2.413.832	2.704.930	278.470	22.016	26.356	7.038.746
Other institutions deposits	25.779	-	23.688	258.384	633	360	854	309.698
Precious metals vault	208.779	-	25	25.164	19.925	13.776	12.812	280.481
Bank deposits	178.092	206.366	648.830	137.804	6.325	392.175	222.553	1.792.145
The CBRT	234	-	-	-	-	-	-	234
Domestic banks	101.603	-	128.545	-	2.011	2.084	-	234.243
Foreign banks	64.328	206.366	520.285	137.804	4.314	390.091	222.553	1.545.741
Special financial Institutions	11.914	-	-	-	-	-	-	11.914
Other	13	-	-	-	-	-	-	13
Total	8.059.354	364.896	12.506.360	19.745.460	1.382.271	909.906	1.934.386	44.902.553

1 (ii). December 31, 2009:

	Demand	With 7 days notifications	Up to 1 month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Total
Saving Deposits	1.440.267	68.396	3.959.921	9.385.626	167.796	193.994	171.060	15.386.970
Foreign Currency Deposits	4.071.274	124.462	4.808.321	6.266.905	1.713.034	325.210	1.843.440	18.952.646
Residents in Turkey	3.464.253	44.725	4.566.618	5.174.454	1.614.912	222.817	951.073	16.038.852
Residents Abroad	607.021	79.737	241.703	1.092.451	98.122	102.393	692.367	2.913.794
Public Sector Deposits	278.166	-	8.313	43.792	391	112	2.810	333.584
Commercial Deposits	1.722.280	-	2.410.829	2.629.021	85.027	32.449	24.470	6.904.076
Other Institutions Deposits	25.543	-	24.902	135.425	373	72	1.599	187.914
Precious Metals Vault	214.271	-	-	37.018	17.041	9.089	8.679	286.098
Bank Deposits	276.889	-	523.591	77.262	99.741	346.114	-	1.323.597
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	63.052	-	90.059	-	2.029	7.282	-	162.422
Foreign Banks	85.058	-	433.532	77.262	97.712	338.832	-	1.032.396
Special Financial Institutions	128.766	-	-	-	-	-	-	128.766
Other	13	-	-	-	-	-	-	13
Total	8.028.690	192.768	11.735.877	18.575.049	2.083.403	907.040	1.852.058	43.374.885

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2. Information on saving deposits insurance:

2 (i). Information on saving deposits under the guarantee of saving deposits insurance fund and exceeding the limit of deposit insurance fund (Represents information regarding the Parent Bank):

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	31 March 2010	December 31, 2009	31 March 2010	December 31, 2009
Saving Deposits				
Saving deposits	7.958.412	7.738.057	8.098.820	7.431.249
Foreign currency savings deposit	2.470.468	2.596.806	5.703.732	5.973.850
Other deposits in the form of savings deposits	72.377	71.411	183.428	194.074
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

2 (ii). Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons (Represents information regarding the Parent Bank):

	31 March 2010	December 31, 2009
Foreign branches' deposits and other accounts	-	-
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving Deposits and other accounts of president and members of board of directors, CEO and vice presidents and deposits of their mother, father, spouse, children in care	31.912	23.864
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Turkey in order to engage in off-shore banking activities solely	85.937	88.283

b. Information on trading derivative financial liabilities:

Trading derivative financial liabilities	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Forward transactions	49.289	44	42.016	154
Swap transactions	246.615	36.857	166.244	28.289
Futures transactions	-	-	-	-
Options	18.936	13.992	4.366	27.446
Other	-	-	-	-
Total	314.840	50.893	212.626	55.889

Yapı ve Kredi Bankası A.Ş.
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Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

c. Information on borrowings:

1. Information on borrowings:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	697.850	286.701	703.447	374.477
From foreign banks, institutions and funds	616.560	4.459.152	713.708	4.568.594
Total	1.314.410	4.745.853	1.417.155	4.943.071

2. Information on maturity structure of borrowings:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Short-term	790.448	3.939.134	900.249	4.119.320
Medium and long-term	523.962	806.719	516.906	823.751
Total	1.314.410	4.745.853	1.417.155	4.943.071

d. Information on marketable securities issued:

The Parent Bank has a securitisation borrowing deal from Standart Chartered Bank and Unicredit Markets and Investment Banking amounting USD 617 million and EUR 311 million, the equivalent of TL 1.539.439 using Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity") as an intermediary and Assured Guaranty, MBIA, Radian, Ambac, FGIC and XL Capital as guarantors. The interest rate of this borrowing ranges between Euribor/Libor+ 0,18% and 0,35%, and the maturity is between 2014 and 2015 and the repayments commenced in the first period of 2010.

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Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

e. Information on other liabilities:

As of March 31, 2010, other liabilities do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

f. Information on lease payables:

1. Information on financial leasing agreements:

	March 31, 2010		December 31, 2009	
	Gross	Net	Gross	Net
Less than 1 year	354	354	114	113
Between 1-4 years	-	-	-	-
More than 4 years	-	-	-	-
Total	354	354	114	113

2. Information on operational leasing agreements:

The Parent Bank enters into operational leasing agreements annually for some of its branches and ATMs. The leases are prepaid and accounted as prepaid expenses under "Other Assets". The Bank has no liability that stems from operational leasing agreements.

g. Information on hedging derivative financial liabilities:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
Fair Value Hedge	380.587	1.314	357.513	100
Cash Flow Hedge	-	25.828	-	-
Foreign Net Investment Hedge	-	-	-	-
Total	380.587	27.142	357.513	100

h. Information on provisions:

1. Information on general provisions:

	March 31, 2010	December 31, 2009
Provisions for Group I loans and receivables	642.658	573.866
Provisions for Group II loans and receivables	183.799	207.516
Provisions for non cash loans	111.004	103.703
Other	18.291	24.545
Total	955.752	909.630

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Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

2. Information on reserve for employee rights:

In accordance with Turkish Labour Law, reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. TAS 19 necessitates actuarial valuation methods to calculate the liabilities of enterprises.

The following actuarial assumptions are used in the calculation of total liabilities:

	March 31, 2010	December 31, 2009
Discount rate (%)	5,92	5,92
Possibility of being eligible for retirement (%)	94,71	94,78

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 2.427,04 (full TL) effective from January 1, 2010 (January 1, 2009: TL 2.260,05 (full TL)) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefit liability in the balance sheet:

	March 31, 2010	December 31, 2009
Prior period ending balance	100.482	94.889
Provisions recognised during the period	4.355	20.610
Paid during the period	(4.737)	(15.031)
Foreign currency differences	(111)	14
Balance at the end of the period	99.989	100.482

In addition, the Group has accounted for unused vacation rights provision amounting to TL 71.445 as of March 31, 2010 (December 31, 2009 - TL 65.717).

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

3. Other provisions:

	March 31, 2010	December 31, 2009
Pension fund provision	893.172	864.059
Tax risk provision ⁽¹⁾	77.039	69.948
Non-cash loan provision	97.498	78.250
Provisions on credit cards and promotion campaigns related to banking services	46.074	48.469
Provision on export commitment estimated tax and funds liability	38.119	38.261
Legal risk provision ⁽¹⁾	34.165	26.668
Other	98.859	204.993
Total	1.284.926	1.330.648

⁽¹⁾ Considered as provisions for possible risks.

4. Information on Provisions Related with the Foreign Currency Difference of Foreign Currency Indexed Loans:

As of March 31, 2010, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 47.756 (December 31, 2009 – TL 36.290).

Provision related to the foreign currency difference of foreign currency indexed loans is netted from the loan amount in the financial statements.

i. Information on taxes payable:

(i) Information on taxes payable:

	March 31, 2010	December 31, 2009
Corporate tax payable	231.033	76.160
Taxation of marketable securities	50.976	52.241
Property tax	1.563	1.190
Banking insurance transaction tax ("BITT")	34.029	32.670
Foreign exchange transaction tax	-	-
Value added tax payable	838	2.673
Other	43.727	23.043
Total	362.166	187.977

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

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Explanations and notes related to consolidated financial statements (continued)

(ii) Information on premium payables:

	March 31, 2010	December 31, 2009
Social security premiums – employee	1.452	533
Social security premiums – employer	1.096	1.252
Bank pension fund premiums – employee	8.319	6.356
Bank pension fund premiums – employer	8.660	6.635
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	669	483
Unemployment insurance – employer	1.303	1.041
Other	942	820
Total	22.441	17.120

(iii) Information on deferred tax liability:

There is a net deferred tax liability of TL 473 (December 31, 2009 – TL 2.136) reflected in the consolidated financial statements after the deferred tax assets and liabilities of each entity in consolidation has been net off in their standalone financial statements as per TAS 12.

j. Information on subordinated loans:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	2.113.742	-	2.224.023
From other foreign institutions	-	-	-	-
Total	-	2.113.742	-	2.224.023

At March 30, 2006, the Parent Bank obtained a subordinated loan amounting to EUR500 million, with ten years maturity and a repayment option at the end of five years. The interest rate was determined as EURIBOR+2% for the first five years. The loan was obtained from Merrill Lynch Capital Corporation with UniCredito Italiano S.p.A. as guarantor. In addition, the subordinated loan obtained by Koçbank at April 28, 2006 amounting to EUR350 million, with ten years maturity and a repayment option at the end of five years has been transferred to the Bank. The interest rate is determined as EURIBOR+2,25% for the first five years. The loan was obtained from Goldman Sachs International Bank with Unicredit S.p.A. as guarantor. In addition, the Bank obtained a subordinated loan on June 25, 2007 amounting to EUR200 million, with ten years maturity and a repayment option at the end of five years. The interest rate is determined as EURIBOR+1,85% for the first five years. The loan was obtained from Citibank, N.A., London Branch with Unicredito Italiano SpA as guarantor. With the written approvals of the BRSA dated April 3, 2006, May 2, 2006 and June 19, 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the "Capital Adequacy Regulation".

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

k. Information on shareholders' equity:

1. Presentation of paid-in capital

	March 31, 2010	December 31, 2009
Common Stock	4.347.051	4.347.051
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The Parent Bank's paid-in-capital is amounting of TL 4.347.051 and in accordance with the decision taken in the Ordinary General Assembly at April 7, 2008, the Bank has switched to the registered capital system and the registered share capital ceiling is TL 5.000.000.

3. Information on the share capital increases during the period and the sources:

None (December 31, 2009 - None).

4. Information on transfers from capital reserves to capital during the current period: None.

5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.

6. Information on prior periods indicators on the Group's income, profitability, liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties of these indicators:

The interest, liquidity, and foreign exchange risk related to on-balance sheet and off-balance sheet assets and liabilities are managed by the Parent Bank within several risk and legal limits.

7. Privileges on the corporate stock: None.

8. Information on marketable securities valuation differences:

	March 31, 2010		December 31, 2009	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	12.953	59.012	16.036	58.577
Foreign currency difference	68.670	766	86.788	-
Total	81.623	59.778	102.824	58.577

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

I. Information on minority interest:

	March 31, 2010	March 31, 2009
Period opening balance	57.261	47.980
Current year income/(loss)	1.484	1.300
Dividends paid	(693)	(1.438)
Valuation difference	(127)	241
Period ending balance	57.925	48.083

III. Explanations and notes related to consolidated off-balance sheet accounts

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	March 31, 2010	December 31, 2009
Commitments on credit cards limits	11.235.575	10.954.268
Loan granting commitments	3.365.121	3.116.153
Commitments for cheques	3.484.852	1.468.823
Total	18.085.548	15.539.244

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no material probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Group has recorded a general provision for its non-cash loans amounting to TL 111.004 (December 31, 2009 - TL103.703) and a specific provision regarding non-cash loans amounting to TL 97.498 (December 31, 2009 – TL 78.250).

2 (i). Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits:

	March 31, 2010	December 31, 2009
Bank acceptance loans	176.750	151.669
Letter of credits	3.272.495	2.738.235
Other guarantees and collaterals	414.433	399.410
Total	3.863.678	3.289.314

2 (ii). Total of guarantees, suretyships and other similar transactions are TL 14.602.301 as of March 31, 2010 (2009 – TL 13.296.741)

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

3 (i). Total amount of non-cash loans:

	March 31, 2010	December 31, 2009
Non-cash loans given against cash loans	217.752	205.335
With original maturity of 1 year or less than 1 year	64.275	80.421
With original maturity of more than 1 year	153.477	124.914
Other non-cash loans	18.248.227	16.380.720
Total	18.465.979	16.586.055

3 (ii). Information on non-cash loans classified in Group I and Group II:

March 31, 2010		Group I		Group II	
	TL	FC	TL	FC	
Non-cash loans					
Letters of guarantee	6.835.206	7.640.387	81.845	44.863	
Bank acceptances	-	176.750	-	-	
Letters of credit	15.044	3.257.328	-	123	
Endorsements	-	-	-	-	
Underwriting commitments	-	-	-	-	
Factoring guarantees	-	-	-	-	
Other commitments and contingencies	2.948	405.856	-	5.629	
Total	6.853.198	11.480.321	81.845	50.615	
December 31, 2009		Group I		Group II	
	TL	FC	TL	FC	
Non-cash loans					
Letters of guarantee	6.151.277	7.000.768	100.350	44.346	
Bank acceptances	-	151.616	-	53	
Letters of credit	1.410	2.736.539	-	286	
Endorsements	-	-	-	-	
Underwriting commitments	-	-	-	-	
Factoring guarantees	-	-	-	-	
Other commitments and contingencies	3.441	390.095	-	5.874	
Total	6.156.128	10.279.018	100.350	50.559	

b. Information on contingent liabilities:

The Group has recorded a provision of TL 34.165 (December 31, 2009 – TL 26.668) for litigation against the Bank and has accounted for it in the financial statements under the "Other provisions" account.

c. Information on services in the name and account of others:

The Group's activities such as intermediation and custody to serve the investment needs of customers are followed up under off balance sheet accounts.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

IV. Explanations and notes related to consolidated income statement :

a. Information on interest income:

1. Information on interest income on loans:

	March 31, 2010		March 31, 2009	
	TL	FC	TL	FC
Short-term loans ⁽¹⁾	523.240	75.446	823.145	126.685
Medium/long-term loans ⁽¹⁾	368.494	117.579	390.657	126.641
Interest on loans under follow-up	18.165	166	18.352	157
Premiums received from resource utilisation support fund	-	-	-	-
Total	909.899	193.191	1.232.154	253.483

⁽¹⁾ Includes fees and commissions received for cash loans.

2. Information on interest income on banks:

	March 31, 2010		March 31, 2009	
	TL	FC	TL	FC
From the CBRT ⁽¹⁾	-	-	-	-
From domestic banks	3.313	3.017	3.988	6.524
From foreign banks	1.839	3.956	883	13.219
Headquarters and branches abroad	-	-	-	-
Total	5.152	6.973	4.871	19.743

⁽¹⁾ Does not include interest income from Reserve Deposits.

3. Information on interest income on marketable securities:

	March 31, 2010		March 31, 2009	
	TL	FC	TL	FC
From trading financial assets	2.113	1.750	3.315	4.363
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	34.304	14.068	19.076	15.795
From held-to-maturity investments	177.029	146.754	260.375	159.508
Total	213.446	162.572	282.766	179.666

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

4. Information on interest income received from associates and subsidiaries:

	March 31, 2010	March 31, 2009
Interests received from associates and subsidiaries	165	4

b. Information on interest expense:

1. Information on interest expense on borrowings:

	March 31, 2010		March 31, 2009	
	TL	FC	TL	FC
Banks	37.989	50.397	59.292	95.316
The CBRT	-	-	-	-
Domestic banks	11.611	3.594	15.167	1.987
Foreign banks	26.378	46.803	44.125	93.329
Headquarters and branches abroad	-	-	-	-
Other institutions	-	32	-	43
Total⁽¹⁾	37.989	50.429	59.292	95.359

⁽¹⁾ Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

	March 31, 2010	March 31, 2009
Interests paid to associates and subsidiaries	345	262

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

3. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit					Accumulating deposit	Total	March 31, 2009
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
TL									
Bank deposits	421	174	-	6	-	647	-	1,248	2,212
Saving deposits	189	73,080	209,156	4,940	3,420	4,106	-	294,891	537,029
Public sector deposits	-	215	1,109	1	6	79	-	1,410	2,480
Commercial deposits	1,504	41,276	56,946	5,886	577	763	-	106,952	249,787
Other deposits	-	596	4,218	10	4	28	-	4,856	16,146
Deposits with 7 Days notification	-	-	-	-	-	-	-	-	-
Total	2,114	115,341	271,429	10,843	4,007	5,623	-	409,357	807,654
FC									
Foreign currency deposits	1,625	24,826	42,855	6,060	2,859	11,087	30	89,342	171,137
Bank deposits	-	3,619	1,128	38	2,946	-	-	7,731	1,565
Deposits With 7 Days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	67	7	3	5	13	-	95	59
Total	1,625	28,512	43,990	6,101	5,810	11,100	30	97,168	172,761
Grand total	3,739	143,853	315,419	16,944	9,817	16,723	30	506,525	980,415

c. Information on trading gain/loss (net):

	March 31, 2010	March 31, 2009
Gain	4.408.276	3.828.483
Gain from capital market transactions	19.265	77.769
Derivative financial transactions gains	2.651.702	1.906.747
Foreign exchange gains	1.737.309	1.843.967
Loss(-)	(4.429.586)	(3.645.885)
Loss from capital market transactions	(2.361)	(6.424)
Derivative financial transactions losses	(3.009.881)	(1.929.767)
Foreign exchange loss	(1.417.344)	(1.709.694)
Net gain/loss	(21.310)	182.598

d. Information on gain/loss from derivative financial transactions :

	March 31, 2010	March 31, 2009
Effect of changes in foreign exchange rates	(274.827)	(102.596)
Effect of the changes in interest rates	(83.352)	79.576
Total	(358.179)	(23.020)

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Notes to consolidated financial statements March 31, 2010 (continued)

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Explanations and notes related to consolidated financial statements (continued)

e. Information on other operating income:

Other operating income mainly results from collections from provisions recorded as expense and sale of loans under follow-up.

f. Provision for impairment of loans and other receivables:

	March 31, 2010	March 31, 2009
Specific provisions for loans and other receivables	39.842	198.634
III. Group loans and receivables	483	43.138
IV. Group loans and receivables	-	43.123
V. Group loans and receivables	39.359	112.373
General provision expenses	49.667	76.301
Provision expense for possible risks	14.368	7.438
Marketable securities impairment expenses	590	550
Financial assets at fair value through profit or loss	-	-
Available-for-sale financial assets	590	550
Impairment of investments in associates, subsidiaries and held-to-maturity securities	62.654	53.538
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments	62.654	53.538
Other	431	326
Total	167.552	336.787

g. Information related to other operating expenses:

	March 31, 2010	March 31, 2009
Personnel expenses	269.780	257.538
Reserve for employee termination benefits	382	555
Provision expense for pension fund	29.113	19.323
Impairment expenses of property and equipment	15	-
Depreciation expenses of property and equipment	34.959	35.938
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	10.412	9.101
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment expenses of assets held for resale	70	-
Depreciation Expenses of Assets Held for Resale	438	677
Impairment expenses of fixed assets held for sale	-	-
Other operating expenses	211.314	193.620
Operational lease expenses	27.975	27.587
Repair and maintenance expenses	5.623	8.750
Advertising expenses	18.356	13.828
Other expense	159.360	143.455
Loss on sales of assets	-	24
Other	133.232	77.497
Total	689.715	594.273

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(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

h. Explanations on income/loss from continuing operations before tax:

Income before tax includes net interest income amounting to TL 994.452 (March 31, 2009 - 955.396), net fee and commission income amounting to TL 400.734 (March 31, 2009 - TL 348.764) and total other operating expense amounting TL 689.715 (March 31, 2009 - TL 594.273).

i. Provision for taxes on income from continuing operations:

As of March 31, 2010, the Group has current tax expense amounting to TL 223.494 (March 31, 2009 - TL 137.472) and deferred tax credit amounting to TL 70.772 (March 31, 2009 - TL 5.481 deferred tax expense).

Total provision for taxes on income for current period and the previous period:

	March 31, 2010	March 31, 2009
Income before tax provision	716.222	614.214
Tax calculated with tax rate of 20%	143.244	122.843
Disallowables, deductions and other, net	9.478	20.110
Total provision for taxes on income	152.722	142.953

j. Information on net income/loss for the period:

- 1) The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Group's current period performance. (March 31, 2009 - The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Group's current period performance.)
- 2) Information on any change in the accounting estimates concerning the current period or future periods: None

k. Other items in income statement do not exceed 10% of the total.

l. Income/loss of minority interest:

	March 31, 2010	March 31, 2009
Income/(Loss) of minority interest	1.484	1300

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

V. Explanations and notes related to consolidated statement of cash flows

a. Information on cash and cash equivalents:

1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; Interbank money market placements and time deposits in banks with original maturities of less than three months are defined as "Cash Equivalents".

2. Effect of a change in the accounting policies: None.
3. Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:

- 3(i). Cash and cash equivalents at the beginning of period:

	March 31, 2010	March 31, 2009
Cash	2.032.372	2.768.546
Cash and effectives	655.382	607.721
Demand deposits in Banks	1.376.990	2.160.825
Cash equivalents	3.015.471	1.420.136
Interbank money market	1.581.164	227.553
Time deposits in Banks	1.434.307	1.192.583
Total cash and cash equivalents	5.047.843	4.188.682

- 3(ii). Cash and cash equivalents at the end of the period:

	March 31, 2010	March 31, 2009
Cash	1.923.222	2.519.659
Cash and effectives	530.619	534.421
Demand deposits in Banks	1.392.603	1.985.238
Cash equivalents	1.612.999	3.431.406
Interbank money market	1.138.592	42.531
Time deposits in Banks	474.407	3.388.875
Total cash and cash equivalents	3.536.221	5.951.065

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

b Information on cash and cash equivalents that are not in use due to legal limitations and other reasons:

As of March 31, 2010, the Group's reserve deposits, including those at foreign banks, amount to TL 1.476.800 (December 31, 2009 – TL 1.555.864).

c. Explanations on other items in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents:

Decrease in "Other Account" amounting to TL 141.914 (March 31, 2009 - TL 1.260.740 decrease) which is classified under "Operating profit before changes in operating assets and liabilities" basically includes fee and commissions given, other operating expenses excluding personnel expenses and foreign exchange gains/losses.

Increase in "Net increase/decrease in other liabilities" amounting to TL 138.508 (March 31, 2009 – TL 18.653 increase) which is classified under "Changes in operating assets and liabilities" includes miscellaneous payables, other liabilities.

The effects of the change in foreign exchange rates on cash and cash equivalents is calculated approximately as TL 66.355 decrease as of March 31, 2010.

To conform to changes in presentation of financial statements as of March 31, 2010, the effects of the change in foreign exchange rates on cash and cash equivalents has been calculated as TL 284.945 increase and related reclassifications have been made on comparative figures as of March 31, 2009.

VI. Explanations and notes related to Group's merger, transfers and companies acquired by Bank

2010

None.

2009

As a result of the Extraordinary General Assembly Meetings, dated June 30, 2009, of YK Yatırım, and of UCM it has been decided that YK Yatırım's intermediary activities function, which serves corporate clients, was added to UCM's capital as capital in-kind through a partial spin-off over its book values at December 31, 2008. As a result of this operation, the share of the Bank in YK Yatırım's capital did not change. According to the spin-off agreement, the Bank has acquired a share in UCM share capital (10,73%). The fair value of this business line was TL 1.432 and classified as share certificates under available for sale portfolio.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

VII. Explanations and notes related to Group's risk group

a. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period:

1. Information on loans of the Group's risk group:

March 31, 2010 Groups' risk group ⁽¹⁾⁽²⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	5.128	1.281	68.674	54.926	545.598	550.074
Balance at the end of the period	6.570	1.329	169.710	101.261	996.447	622.074
Interest and commission income received	165	15	1.116	240	19.129	881

⁽¹⁾ Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

⁽²⁾ The information in table above includes loans and due from banks as well as marketable securities.

December 31, 2009 Groups' risk group ⁽¹⁾⁽²⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	5	940	219.751	64.690	561.783	567.664
Balance at the end of the period	5.128	1.281	68.674	54.926	545.598	550.074
Interest and commission income received ⁽³⁾	4	4	1.064	209	18.025	652

⁽¹⁾ Defined in subsection 2 of the 49th article of Banking Act No. 5411.

⁽²⁾ The information in table above includes loans and due from banks as well as marketable securities.

⁽³⁾ Income statement figures represent the balances for the three months period ended at March 31, 2009.

2. Information on deposits of the Group's risk group:

Group's risk group ⁽¹⁾⁽²⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Deposit						
Beginning of the period	41.731	25.966	3.060.980	3.999.194	2.330.627	1.693.037
End of the period	21.002	41.731	1.718.125	3.060.980	1.676.032	2.330.627
Interest expense on deposits ⁽³⁾	345	262	19.338	65.420	24.244	42.419

⁽¹⁾ Defined in subsection 2 of the 49th Article of the Banking Act No. 5411.

⁽²⁾ The information in table above includes borrowings and repo transactions as well as deposits.

⁽³⁾ December 31, 2009 columns represent balances for the 3 months period ended March 31, 2009.

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Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to consolidated financial statements (continued)

3. Information on forward and option agreements and other derivative instruments with the Group's risk group:

Group's risk group ⁽¹⁾	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Transactions at fair value through profit or loss⁽²⁾						
Beginning of the period ⁽³⁾	-	-	378.169	171.366	710.036	540.506
End of the period ⁽³⁾	-	-	129.396	378.169	825.317	710.036
Total gain / loss⁽⁴⁾	-	-	(1.843)	4.266	21.763	(9.720)
Transactions for hedging purposes	-	-	-	-	-	-
Beginning of the period ⁽³⁾	-	-	-	-	-	-
End of the period ⁽³⁾	-	-	-	-	-	-
Total gain / loss⁽⁴⁾	-	-	-	-	-	-

⁽¹⁾ Defined in subsection 2 of the 49th Article of the Banking Act No. 5411.

⁽²⁾ The Bank's derivative instruments are classified as "Financial Assets at Fair Value Through Profit or Loss" according to TAS 39.

⁽³⁾ The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.

⁽⁴⁾ December 31, 2009 columns represent balances for the 3 months period ended March 31, 2009.

b. Information regarding benefits provided to the Group's key management:

Salaries and benefits paid to the Group's top management amount to TL 10.020 (March 31, 2009 – TL 17.890) as of March 31, 2010.

VIII. Explanations and notes related to subsequent events

- The Parent Bank obtained a syndicated loan from international banks from 19 countries, 51 banks, consisting of 2 credit tranches with 1 year maturity; one tranche amounting to USD324 million with total cost of Libor+1,5% and the other tranche amounting to EUR516 million with total cost of Euribor+1,5%. The agreement was signed on April 21, 2010.
- In accordance with the "Change in Communiqué Regarding the Reserve Requirements" published in the Official Gazette numbered 27563 dated April 26, 2010, foreign currency reserve requirement ratio increased to 9,5%. The new ratio is going to be valid starting from April 30, 2010.

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note I. of section three)

Yapı ve Kredi Bankası A.Ş.

Notes to consolidated financial statements March 31, 2010 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section six

Other explanations and notes

I. Other explanations on Group's operations

At the Ordinary General Assembly held on March 25, 2010, in line with the proposal of the Board of Directors of the Parent Bank about profit distribution, TL 1.268.885 is allocated as extraordinary reserves from the profit of 2009 amounting to TL 1.713.903 after deducting taxation amounting to TL 359.126, legal reserves amounting to TL 67.739 and transfer of profit from the sale of real estate amounting to TL 18.153 to the other capital reserves account according to the article 5 of the Corporate Tax Law numbered 5520.

Section seven

Independent auditor's review report

I. Explanations on independent auditor's review report

The consolidated financial statements as of and for the period ended March 31, 2010 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited). The independent auditor's review report dated May 12, 2010 is presented preceding the consolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.