

# **Yapı ve Kredi Bankası A.Ş.**

**Publicly announced unconsolidated financial statements and related disclosures at September 30, 2010 together with independent auditor's review report**

(Convenience translation of publicly announced unconsolidated 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 unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at September 30, 2010 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated 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 Bank'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 unconsolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. at September 30, 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 Article 37 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 unconsolidated financial statements of the Bank as of and for the nine months period ended September 30, 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 Article 37 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their report dated November 11, 2009 stated that nothing has come to their attention that causes them to believe that the unconsolidated financial statements of the Bank as of and for the nine months ended September 30, 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 Article 37 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 financial statements as of and for the year ended December 31, 2009.

**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 Article 37 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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

Selim Elhadeif, SMMM  
Partner

Istanbul, November 10, 2010

**Convenience translation of publicly announced unconsolidated interim financial statements  
and review report originally issued in Turkish, See Note I. of Section three**

**The unconsolidated interim financial report of  
Yapı ve Kredi Bankası A.Ş. as of September 30, 2010**

Yapı ve Kredi Bankası A.Ş.  
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The unconsolidated 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 bank
- **Section two** - Unconsolidated financial statements of the bank
- **Section three** - Explanations on accounting policies applied in the related period
- **Section four** - Information related to financial position of the bank
- **Section five** - Explanations and notes related to unconsolidated financial statements
- **Section six** - Other explanations
- **Section seven** - Independent auditor’s review report

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish Lira (“TL”)**, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of 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

**Füsun Akkal BOZOK**  
Member of Audit Committee

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

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**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010**

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

**Section one**

**General information about the Bank**

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

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), 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 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 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 September 30, 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. As a result of the merger, the share transfer procedures in 2007 and capital increase by TL 920 million in 2008, KFS shares in the Bank increased to 81,80%.

**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 September 30, 2010, the Bank's Board of Directors, Members of the Audit Committee and General Manager and Assistant General Managers are as follows:

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

## Yapı ve Kredi Bankası A.Ş.

### Notes to unconsolidated financial statements at September 30, 2010

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

#### General information about the Bank (continued)

Board of Directors Members:

Name	Responsibility
Tayfun BAYAZIT	Chairman
Federico GHIZZONI	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Alessandro M. DECIO	Executive Director and Deputy Chief Executive Officer
Ahmet F. ASHABOĞLU	Member
Füsun Akkal BOZOK	Member
Carlo VIVALDI	Member
Vittorio G. M. OGLIENGO	Member
O. Turgay DURAK	Member
Massimiliano FOSSATI	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
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	Organization and Logistics Management
Cemal Aybars SANAL	Legal Activities Management
Wolfgang SCHILK	Risk 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
Füsun Akkal BOZOK	Member
Vittorio G. M. OGLIENGO	Member

Statutory Auditors:

Name	Responsibility
Abdullah GEÇER	Auditor
Adil G. ÖZTOPRAK	Auditor

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010**

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

**General information about the Bank (continued)**

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

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

**V. Summary information on the Bank's activities and service types:**

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

The 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 the 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, in accordance with 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 September 30, 2010, the Bank has 861 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 September 30, 2010, the Bank has 14.402 employees (December 31, 2009 - 14.333 employees).



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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of September 30, 2010 and December 31, 2009 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### Section two Unconsolidated financial statements

##### I. Balance sheet

Assets	Note (Section Five)	(30/09/2010)			(31/12/2009)		
		TL	FC	Total	TL	FC	Total
<b>I. Cash and balances with Central Bank</b>	<b>I-a</b>	<b>2.040.458</b>	<b>2.697.875</b>	<b>4.738.333</b>	<b>1.784.268</b>	<b>2.190.797</b>	<b>3.975.065</b>
<b>II. Financial assets at fair value through profit or (loss) (net)</b>	<b>I-b</b>	<b>1.030.414</b>	<b>122.415</b>	<b>1.152.829</b>	<b>665.087</b>	<b>168.811</b>	<b>833.898</b>
2.1 Trading financial assets		1.030.414	122.415	1.152.829	665.087	168.811	833.898
2.1.1 Government debt securities		80.815	74.383	155.198	117.747	109.402	227.149
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		949.599	47.854	997.453	547.340	59.219	606.559
2.1.4 Other marketable securities		-	178	178	-	190	190
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		-	-	-	-	-	-
<b>III. Banks</b>	<b>I-c</b>	<b>68.337</b>	<b>1.997.959</b>	<b>2.066.296</b>	<b>409.144</b>	<b>1.240.512</b>	<b>1.649.656</b>
<b>IV. Money markets</b>		<b>10.121</b>	-	<b>10.121</b>	<b>1.530.286</b>	-	<b>1.530.286</b>
4.1 Interbank money market placements		-	-	-	1.500.271	-	1.500.271
4.2 Receivables from Istanbul Stock Exchange Money Market		10.121	-	10.121	30.015	-	30.015
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. Financial assets available-for-sale (net)</b>	<b>I-d</b>	<b>2.374.398</b>	<b>725.020</b>	<b>3.099.418</b>	<b>570.377</b>	<b>693.914</b>	<b>1.264.291</b>
5.1 Share certificates		2.903	150	3.053	5.400	2.083	7.483
5.2 Government debt securities		1.847.710	517.164	2.364.874	520.530	652.026	1.172.556
5.3 Other marketable securities		523.785	207.706	731.491	44.447	39.805	84.252
<b>VI. Loans and receivables</b>	<b>I-e</b>	<b>31.122.636</b>	<b>15.449.702</b>	<b>46.572.338</b>	<b>24.725.350</b>	<b>13.132.466</b>	<b>37.857.816</b>
6.1 Loans and receivables		30.531.981	15.444.198	45.976.179	24.328.531	13.126.626	37.455.157
6.1.1 Loans to bank's risk group		548.086	190.170	738.256	466.589	150.558	617.147
6.1.2 Government debt securities		-	-	-	-	-	-
6.1.3 Other		29.983.895	15.254.028	45.237.923	23.861.942	12.976.068	36.838.010
6.2 Loans under follow-up		2.099.756	11.417	2.111.173	2.569.983	11.022	2.581.005
6.3 Specific provisions (-)		(1.509.101)	(5.913)	(1.515.014)	(2.173.164)	(5.182)	(2.178.346)
<b>VII. Factoring receivables</b>		-	-	-	-	-	-
<b>VIII. Held-to-maturity investments (net)</b>	<b>I-f</b>	<b>4.717.387</b>	<b>5.974.491</b>	<b>10.691.878</b>	<b>5.841.634</b>	<b>6.173.158</b>	<b>12.014.792</b>
8.1 Government debt securities		4.717.387	5.974.491	10.691.878	5.841.634	6.173.158	12.014.792
8.2 Other marketable securities		-	-	-	-	-	-
<b>IX. Investments in associates (net)</b>	<b>I-g</b>	<b>3.940</b>	<b>43.404</b>	<b>47.344</b>	<b>3.940</b>	<b>43.404</b>	<b>47.344</b>
9.1 Consolidated based on equity method		-	-	-	-	-	-
9.2 Unconsolidated		3.940	43.404	47.344	3.940	43.404	47.344
9.2.1 Investments in financial associates		3.940	43.404	47.344	3.940	43.404	47.344
9.2.2 Investments in non-financial associates		-	-	-	-	-	-
<b>X. Subsidiaries (net)</b>	<b>I-h</b>	<b>1.417.392</b>	<b>397.041</b>	<b>1.814.433</b>	<b>1.417.392</b>	<b>389.148</b>	<b>1.806.540</b>
10.1 Unconsolidated financial subsidiaries		1.415.092	397.041	1.812.133	1,415.092	389.148	1,804.240
10.2 Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
<b>XI. Joint ventures (net)</b>		-	-	-	-	-	-
11.1 Accounted based on equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial joint ventures		-	-	-	-	-	-
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
<b>XII. Lease receivables</b>	<b>I-i</b>	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. Derivative financial assets held for hedging</b>	<b>I-j</b>	<b>16.407</b>	-	<b>16.407</b>	<b>127.678</b>	<b>953</b>	<b>128.631</b>
13.1 Fair value hedge		16.407	-	16.407	127.678	953	128.631
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Foreign net investment hedge		-	-	-	-	-	-
<b>XIV. Property and equipment (net)</b>		<b>1.038.092</b>	-	<b>1.038.092</b>	<b>1.086.374</b>	-	<b>1.086.374</b>
<b>XV. Intangible assets (net)</b>	<b>I-k</b>	<b>1.211.534</b>	-	<b>1.211.534</b>	<b>1.186.024</b>	-	<b>1.186.024</b>
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		232.041	-	232.041	206.531	-	206.531
<b>XVI. Investment property (net)</b>	<b>I-l</b>	-	-	-	-	-	-
<b>XVII. Tax asset</b>		<b>226.307</b>	-	<b>226.307</b>	<b>211.670</b>	-	<b>211.670</b>
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		226.307	-	226.307	211.670	-	211.670
<b>XVIII. Assets held for resale and related to discontinued operations (net)</b>	<b>I-m</b>	<b>64.521</b>	-	<b>64.521</b>	<b>86.966</b>	-	<b>86.966</b>
18.1 Held for sale		64.521	-	64.521	86.966	-	86.966
18.2 Related to discontinued operations		-	-	-	-	-	-
<b>XIX. Other assets</b>	<b>I-n</b>	<b>674.063</b>	<b>774.543</b>	<b>1.448.606</b>	<b>428.958</b>	<b>452.101</b>	<b>881.059</b>
<b>Total assets</b>		<b>46.016.007</b>	<b>28.182.450</b>	<b>74.198.457</b>	<b>40.075.148</b>	<b>24.485.264</b>	<b>64.560.412</b>

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of September 30, 2010 and December 31, 2009

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

#### I. Balance sheet

		(30/09/2010)			(31/12/2009)		
Liabilities	Note (Section Five)	TL	FC	Total	TL	FC	Total
<b>I. Deposits</b>	<b>II-a</b>	<b>27.032.052</b>	<b>19.801.588</b>	<b>46.833.640</b>	<b>22.998.513</b>	<b>17.834.824</b>	<b>40.833.337</b>
1.1 Deposits of bank's risk group		2.393.640	2.862.013	5.255.653	1.860.251	2.497.743	4.357.994
1.2 Other		24.638.412	16.939.575	41.577.987	21.138.262	15.337.081	36.475.343
<b>II. Derivative financial liabilities held for trading</b>	<b>II-b</b>	<b>453.018</b>	<b>49.071</b>	<b>502.089</b>	<b>222.091</b>	<b>45.286</b>	<b>267.377</b>
<b>III. Funds borrowed</b>	<b>II-c</b>	<b>612.371</b>	<b>4.136.109</b>	<b>4.748.480</b>	<b>757.536</b>	<b>4.551.003</b>	<b>5.308.539</b>
<b>IV. Money markets</b>		<b>151.332</b>	<b>1.960.312</b>	<b>2.111.644</b>	<b>64.764</b>	<b>861.631</b>	<b>926.395</b>
4.1 Funds from interbank money market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		151.332	1.960.312	2.111.644	64.764	861.631	926.395
<b>V. Marketable securities issued (net)</b>		-	-	-	-	-	-
5.1 Bonds		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bills		-	-	-	-	-	-
<b>VI. Funds</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. Miscellaneous payables</b>		<b>3.061.689</b>	<b>736.577</b>	<b>3.798.266</b>	<b>2.637.294</b>	<b>354.417</b>	<b>2.991.711</b>
<b>VIII. Other liabilities</b>	<b>II-d</b>	<b>970.978</b>	<b>390.713</b>	<b>1.361.691</b>	<b>501.690</b>	<b>374.678</b>	<b>876.368</b>
<b>IX. Factoring payables</b>		-	-	-	-	-	-
<b>X. Lease payables</b>	<b>II-e</b>	-	<b>12.615</b>	<b>12.615</b>	-	<b>5.593</b>	<b>5.593</b>
10.1 Financial lease payables		-	13.013	13.013	-	5.800	5.800
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		-	(398)	(398)	-	(207)	(207)
<b>XI. Derivative financial liabilities held for hedging</b>	<b>II-f</b>	<b>404.446</b>	<b>154.451</b>	<b>558.897</b>	<b>357.513</b>	<b>100</b>	<b>357.613</b>
11.1 Fair value hedge		377.174	-	377.174	357.513	100	357.613
11.2 Cash flow hedge		27.272	154.451	181.723	-	-	-
11.3 Foreign net investment hedge		-	-	-	-	-	-
<b>XII. Provisions</b>	<b>II-g</b>	<b>1.825.205</b>	<b>350.161</b>	<b>2.175.366</b>	<b>1.942.146</b>	<b>391.390</b>	<b>2.333.536</b>
12.1 General loan loss provision		480.634	278.607	759.241	552.701	339.212	891.913
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		158.857	-	158.857	149.789	-	149.789
12.4 Insurance technical provisions (net)		-	-	-	-	-	-
12.5 Other provisions		1.185.714	71.554	1.257.268	1.239.656	52.178	1.291.834
<b>XIII. Tax liability</b>	<b>II-h</b>	<b>116.820</b>	-	<b>116.820</b>	<b>168.553</b>	-	<b>168.553</b>
13.1 Current tax liability		116.820	-	116.820	168.553	-	168.553
13.2 Deferred tax liability		-	-	-	-	-	-
<b>XIV. Liabilities for property and equipment held for sale and related to discontinued operations (net)</b>		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
<b>XV. Subordinated loans</b>	<b>II-i</b>	-	<b>2.034.549</b>	<b>2.034.549</b>	-	<b>2.224.023</b>	<b>2.224.023</b>
<b>XVI. Shareholders' equity</b>	<b>II-j</b>	<b>9.997.290</b>	<b>(52.890)</b>	<b>9.944.400</b>	<b>8.179.769</b>	<b>87.598</b>	<b>8.267.367</b>
16.1 Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital reserves		668.389	(52.890)	615.499	612.063	87.598	699.661
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-j	34.206	98.095	132.301	6.213	87.598	93.811
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)		10.180	(150.985)	(140.805)	-	-	-
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)		1.779.348	-	1.779.348	1.354.777	-	1.354.777
16.4.1 Prior years' income or (loss)		-	-	-	-	-	-
16.4.2 Current year income or (loss)		1.779.348	-	1.779.348	1.354.777	-	1.354.777
<b>Total liabilities and shareholders' equity</b>		<b>44.625.201</b>	<b>29.573.256</b>	<b>74.198.457</b>	<b>37.829.869</b>	<b>26.730.543</b>	<b>64.560.412</b>

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of September 30, 2010 and December 31, 2009 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### II. Off-balance sheet commitments

		(30/09/2010)			(31/12/2009)		
	Note (Section Five)	TL	FC	Total	TL	FC	Total
		<b>A. Off-balance sheet commitments (I+II+III)</b>		<b>46.611.306</b>	<b>52.790.529</b>	<b>99.401.835</b>	<b>33.515.201</b>
<b>I. Guarantees and warranties</b>	<b>III-a-2,3</b>	<b>8.059.150</b>	<b>10.997.769</b>	<b>19.056.919</b>	<b>6.224.437</b>	<b>9.921.476</b>	<b>16.145.913</b>
1.1 Letters of guarantee		8.042.015	6.915.648	14.957.663	6.219.586	6.784.084	13.003.670
1.1.1 Guarantees subject to state tender law		490.771	518.529	1.009.300	477.787	441.239	919.026
1.1.2 Guarantees given for foreign trade operations		803.268	6.397.119	7.200.387	683.494	6.342.845	7.026.339
1.1.3 Other letters of guarantee		6.747.976	-	6.747.976	5.058.305	-	5.058.305
1.2 Bank acceptances		-	157.664	157.664	-	151.669	151.669
1.2.1 Import letter of acceptance		-	157.664	157.664	-	151.669	151.669
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		11.936	3.438.192	3.450.128	1.410	2.589.754	2.591.164
1.3.1 Documentary letters of credit		11.936	3.438.192	3.450.128	1.410	2.589.754	2.591.164
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Prefinancing given as guarantee		143	1.935	2.078	143	2.008	2.151
1.5 Endorsements		-	-	-	-	-	-
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		5.056	253.190	258.246	2.398	197.374	199.772
1.9 Other warranties		-	231.140	231.140	900	196.587	197.487
<b>II. Commitments</b>	<b>III-a-1</b>	<b>19.208.493</b>	<b>1.964.711</b>	<b>21.173.204</b>	<b>16.411.945</b>	<b>2.996.032</b>	<b>19.407.977</b>
2.1 Irrevocable commitments		18.786.000	1.964.711	20.750.711	16.411.945	2.996.032	19.407.977
2.1.1 Asset purchase and sale commitments		10.639	1.573.874	1.584.513	-	517.280	517.280
2.1.2 Deposit purchase and sales commitments		415	134.178	134.593	5.419	-	5.419
2.1.3 Share capital commitments to associates and subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.4 Loan granting commitments		2.866.429	245.293	3.111.722	2.693.259	376.669	3.069.928
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	1.209.483	2.088.453	3.297.936
2.1.7 Commitments for cheques		3.588.433	-	3.588.433	1.468.823	-	1.468.823
2.1.8 Tax and fund liabilities from export commitments		39.012	-	39.012	38.261	-	38.261
2.1.9 Commitments for credit card limits		11.545.390	-	11.545.390	10.952.962	-	10.952.962
2.1.10 Commitments for credit cards and banking services promotions		-	-	-	-	-	-
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		733.682	11.366	745.048	41.738	13.630	55.368
2.2 Revocable commitments		422.493	-	422.493	-	-	-
2.2.1 Revocable loan granting commitments		422.493	-	422.493	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. Derivative financial instruments</b>		<b>19.343.663</b>	<b>39.828.049</b>	<b>59.171.712</b>	<b>10.878.819</b>	<b>26.790.728</b>	<b>37.669.547</b>
3.1 Derivative financial instruments for hedging purposes		3.480.632	8.825.369	12.306.001	1.957.152	2.011.741	3.968.893
3.1.1 Transactions for fair value hedge		2.110.632	2.078.925	4.189.557	1.957.152	2.011.741	3.968.893
3.1.2 Transactions for cash flow hedge		1.370.000	6.746.444	8.116.444	-	-	-
3.1.3 Transactions for foreign net investment hedge		-	-	-	-	-	-
3.2 Trading transactions		15.863.031	31.002.680	46.865.711	8.921.667	24.778.987	33.700.654
3.2.1 Forward foreign currency buy/sell transactions		2.046.219	5.085.582	7.131.801	2.047.518	2.894.878	4.942.396
3.2.1.1 Forward foreign currency transactions-buy		774.584	2.783.354	3.557.938	964.150	1.501.122	2.465.272
3.2.1.2 Forward foreign currency transactions-sell		1.271.635	2.302.228	3.573.863	1.083.368	1.393.756	2.477.124
3.2.2 Swap transactions related to foreign currency and interest rates		5.760.848	18.704.939	26.305.787	5.410.890	17.149.577	22.560.467
3.2.2.1 Foreign currency swap-buy		5.654.895	6.431.095	12.085.990	3.839.391	4.476.702	8.316.093
3.2.2.2 Foreign currency swap-sell		1.745.953	9.567.776	11.313.729	1.571.499	6.265.821	7.837.320
3.2.2.3 Interest rate swap-buy		100.000	1.353.034	1.453.034	-	3.203.527	3.203.527
3.2.2.4 Interest rate swap-sell		100.000	1.353.034	1.453.034	-	3.203.527	3.203.527
3.2.3 Foreign currency, interest rate and securities options		5.738.704	7.009.990	12.748.694	1.463.259	4.209.477	5.672.736
3.2.3.1 Foreign currency options-buy		2.498.851	3.515.301	6.014.152	530.200	1.279.554	1.809.754
3.2.3.2 Foreign currency options-sell		2.562.800	3.461.474	6.024.274	653.793	1.168.323	1.822.116
3.2.3.3 Interest rate options-buy		-	-	-	16.194	880.800	896.994
3.2.3.4 Interest rate options-sell		-	-	-	16.194	880.800	896.994
3.2.3.5 Securities options-buy		353.579	-	353.579	129.092	-	129.092
3.2.3.6 Securities options-sell		323.474	33.215	356.689	117.786	-	117.786
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		477.260	202.169	679.429	-	525.055	525.055
<b>B. Custody and pledges received (IV+V+VI)</b>		<b>80.983.665</b>	<b>18.471.998</b>	<b>99.455.663</b>	<b>70.610.465</b>	<b>17.464.080</b>	<b>88.074.545</b>
<b>IV. Items held in custody</b>		<b>43.877.397</b>	<b>3.500.945</b>	<b>47.378.342</b>	<b>43.161.556</b>	<b>3.411.481</b>	<b>46.573.037</b>
4.1 Customer fund and portfolio balances		-	98	98	-	107	107
4.2 Investment securities held in custody		36.126.758	3.213.325	39.340.083	36.727.671	3.133.759	39.861.430
4.3 Checks received for collection		6.413.894	50.425	6.464.319	4.983.674	37.425	5.021.099
4.4 Commercial notes received for collection		1.333.970	217.041	1.551.011	1.450.211	218.405	1.668.616
4.5 Other assets received for collection		-	20.056	20.056	-	21.785	21.785
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		2.775	-	2.775	-	-	-
4.8 Custodians		-	-	-	-	-	-
<b>V. Pledges received</b>		<b>36.265.359</b>	<b>14.437.875</b>	<b>50.703.234</b>	<b>26.604.251</b>	<b>13.446.313</b>	<b>40.050.564</b>
5.1 Marketable securities		292.390	157	292.547	199.083	163	199.246
5.2 Guarantee notes		441.117	351.308	792.425	303.643	355.528	659.171
5.3 Commodity		12.271	-	12.271	11.329	-	11.329
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		25.198.455	10.264.520	35.462.975	17.764.131	9.292.461	27.056.592
5.6 Other pledged items		10.321.126	3.819.304	14.140.430	8.326.065	3.795.462	12.121.527
5.7 Pledged items-depository		-	2.586	2.586	-	2.699	2.699
<b>VI. Accepted independent guarantees and warranties</b>		<b>840.909</b>	<b>533.178</b>	<b>1.374.087</b>	<b>844.658</b>	<b>606.286</b>	<b>1.450.944</b>
<b>Total off-balance sheet commitments (A+B)</b>		<b>127.594.971</b>	<b>71.262.527</b>	<b>198.857.498</b>	<b>104.125.666</b>	<b>57.172.316</b>	<b>161.297.982</b>

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements As of September 30, 2010 and 2009

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

#### III. Income statements

Income and expense items		Note (Section Five)	01/01-30/09/2010	01/01-30/09/2009
<b>I.</b>	<b>Interest income</b>	<b>IV-a</b>	<b>4.343.514</b>	<b>5.285.999</b>
1.1	Interest on loans	IV-a-1	3.366.918	4.026.370
1.2	Interest received from reserve deposits		54.980	96.774
1.3	Interest received from banks	IV-a-2	18.110	22.201
1.4	Interest received from money market transactions		41.033	71.749
1.5	Interest received from marketable securities portfolio	IV-a-3	861.701	1.068.557
1.5.1	Trading financial assets		9.500	17.533
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		116.519	66.222
1.5.4	Held to maturity investments		735.682	984.802
1.6	Financial lease income		-	-
1.7	Other interest income		772	348
<b>II.</b>	<b>Interest expense</b>	<b>IV-b</b>	<b>(1.928.499)</b>	<b>(2.689.107)</b>
2.1	Interest on deposits	IV-b-3	(1.687.993)	(2.325.747)
2.2	Interest on funds borrowed	IV-b-1	(205.174)	(309.277)
2.3	Interest expense on money market transactions		(30.650)	(53.258)
2.4	Interest on securities issued		-	-
2.5	Other interest expenses		(4.682)	(825)
<b>III.</b>	<b>Net interest income (I + II)</b>		<b>2.415.015</b>	<b>2.596.892</b>
<b>IV.</b>	<b>Net fees and commissions income</b>		<b>1.164.773</b>	<b>1.029.375</b>
4.1	Fees and commissions received		1.352.794	1.230.362
4.1.1	Non-cash loans		151.518	141.274
4.1.2	Other		1.201.276	1.089.088
4.2	Fees and commissions paid		(188.021)	(200.987)
4.2.1	Non-cash loans		(95)	(82)
4.2.2	Other		(187.926)	(200.905)
<b>V.</b>	<b>Dividend income</b>		<b>155.181</b>	<b>142.688</b>
<b>VI.</b>	<b>Trading gain/(loss) (net)</b>	<b>IV-c</b>	<b>(7.823)</b>	<b>343.511</b>
6.1	Trading gains/(losses) on securities		61.283	130.334
6.2	Derivative financial transactions gains/(losses)	IV-d	(532.408)	435.620
6.3	Foreign exchange gains/(losses)		463.302	(222.443)
<b>VII.</b>	<b>Other operating income</b>	<b>IV-e</b>	<b>761.151</b>	<b>186.331</b>
<b>VIII.</b>	<b>Total operating income (III+IV+V+VI+VII)</b>		<b>4.488.297</b>	<b>4.298.797</b>
<b>IX.</b>	<b>Provision for impairment of loans and other receivables (-)</b>	<b>IV-f</b>	<b>(529.838)</b>	<b>(1.128.581)</b>
<b>X.</b>	<b>Other operating expenses (-)</b>	<b>IV-g</b>	<b>(1.808.419)</b>	<b>(1.669.390)</b>
<b>XI.</b>	<b>Net operating income/(loss) (VIII-IX-X)</b>		<b>2.150.040</b>	<b>1.500.826</b>
<b>XII.</b>	<b>Excess amount recorded as income after merger</b>		-	-
<b>XIII.</b>	<b>Income/(loss) from investments accounted based on equity method</b>		-	-
<b>XIV.</b>	<b>Income/(loss) on net monetary position</b>		-	-
<b>XV.</b>	<b>Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)</b>	<b>IV-h</b>	<b>2.150.040</b>	<b>1.500.826</b>
<b>XVI.</b>	<b>Tax provision for continuing operations (±)</b>	<b>IV-i</b>	<b>(370.692)</b>	<b>(300.610)</b>
16.1	Current tax provision		(357.031)	(344.998)
16.2	Deferred tax provision		(13.661)	44.388
<b>XVII.</b>	<b>Net profit/loss from continuing operations (XV±XVI)</b>		<b>1.779.348</b>	<b>1.200.216</b>
<b>XVIII.</b>	<b>Income from discontinued operations</b>		-	-
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		-	-
<b>XIX.</b>	<b>Expenses from discontinued operations (-)</b>		-	-
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		-	-
<b>XX.</b>	<b>Profit/losses before taxes from discontinued operations (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>Tax provision for discontinued operations (±)</b>		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>Net profit/loss from discontinued operations (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>Net profit/loss (XVII+XXII)</b>	<b>IV-j</b>	<b>1.779.348</b>	<b>1.200.216</b>
	Earnings/(loss) per share (full TL)		0,0041	0,0028

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements As of September 30, 2010 and 2009

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

#### III. Income statements

Income and expense items		Note (Section Five)	01/07-30/09/2010	01/07-30/09/2009
<b>I.</b>	<b>Interest income</b>	<b>IV-a</b>	<b>1.502.143</b>	<b>1.662.221</b>
1.1	Interest on loans	IV-a-1	1.162.436	1.226.156
1.2	Interest received from reserve deposits		20.081	25.556
1.3	Interest received from banks	IV-a-2	7.881	4.964
1.4	Interest received from money market transactions		8.669	44.554
1.5	Interest received from marketable securities portfolio	IV-a-3	302.914	360.847
1.5.1	Trading financial assets		3.992	6.790
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		37.619	22.338
1.5.4	Held to maturity investments		261.303	331.719
1.6	Financial lease income		-	-
1.7	Other interest income		162	144
<b>II.</b>	<b>Interest expense</b>	<b>IV-b</b>	<b>(714.100)</b>	<b>(729.139)</b>
2.1	Interest on deposits	IV-b-3	(622.621)	(650.980)
2.2	Interest on funds borrowed	IV-b-1	(70.217)	(72.243)
2.3	Interest expense on money market transactions		(17.055)	(5.731)
2.4	Interest on securities issued		-	-
2.5	Other interest expenses		(4.207)	(185)
<b>III.</b>	<b>Net interest income (I + II)</b>		<b>788.043</b>	<b>933.082</b>
<b>IV.</b>	<b>Net fees and commissions income</b>		<b>407.666</b>	<b>360.166</b>
4.1	Fees and commissions received		479.084	416.671
4.1.1	Non-cash loans		49.637	44.316
4.1.2	Other		429.447	372.355
4.2	Fees and commissions paid		(71.418)	(56.505)
4.2.1	Non-cash loans		(29)	(25)
4.2.2	Other		(71.389)	(56.480)
<b>V.</b>	<b>Dividend income</b>		<b>-</b>	<b>2</b>
<b>VI.</b>	<b>Trading gain/(loss) (net)</b>	<b>IV-c</b>	<b>9.258</b>	<b>(43.091)</b>
6.1	Trading gains/(losses) on securities		32.286	15.971
6.2	Derivative financial transactions gains/(losses)	IV-d	387.908	88.884
6.3	Foreign exchange gains/(losses)		(410.936)	(147.946)
<b>VII.</b>	<b>Other operating income</b>	<b>IV-e</b>	<b>279.806</b>	<b>30.936</b>
<b>VIII.</b>	<b>Total operating income (III+IV+V+VI+VII)</b>		<b>1.484.773</b>	<b>1.281.095</b>
<b>IX.</b>	<b>Provision for impairment of loans and other receivables (-)</b>	<b>IV-f</b>	<b>(198.116)</b>	<b>(364.813)</b>
<b>X.</b>	<b>Other operating expenses (-)</b>	<b>IV-g</b>	<b>(597.357)</b>	<b>(554.650)</b>
<b>XI.</b>	<b>Net operating income/(loss) (VIII-IX-X)</b>		<b>689.300</b>	<b>361.632</b>
<b>XII.</b>	<b>Excess amount recorded as income after merger</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>Income/(loss) from investments accounted based on equity method</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>Income/(loss) on net monetary position</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)</b>	<b>IV-h</b>	<b>689.300</b>	<b>361.632</b>
<b>XVI.</b>	<b>Tax provision for continuing operations (±) (±)</b>	<b>IV-i</b>	<b>(99.953)</b>	<b>(85.174)</b>
16.1	Current tax provision		(3.369)	(155.272)
16.2	Deferred tax provision		(96.584)	70.098
<b>XVII.</b>	<b>Net profit/loss from continuing operations (XV±XVI)</b>		<b>589.347</b>	<b>276.458</b>
<b>XVIII.</b>	<b>Income from discontinued operations</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XIX.</b>	<b>Expenses from discontinued operations (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XX.</b>	<b>Profit /losses before taxes from discontinued operations (XVIII-XIX)</b>		<b>-</b>	<b>-</b>
<b>XXI.</b>	<b>Tax provision for discontinued operations (±)</b>		<b>-</b>	<b>-</b>
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>Net profit/loss from discontinued operations (XX±XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>Net profit/loss (XVII+XXII)</b>	<b>IV-j</b>	<b>589.347</b>	<b>276.458</b>
	Earnings/(loss) per share (full TL)		0,0014	0,0006

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements As of September 30, 2010 and 2009

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

#### IV. Statement of income and expense items accounted under shareholders' equity

Income and expense items accounted under shareholders' equity		(30/09/2010)	(30/09/2009)
I.	Transfers to marketable securities valuation differences from financial assets available for sale	48.590	58.979
II.	Property and equipment revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Currency translation differences for foreign currency transactions	(3.196)	(423)
V.	Profit/loss on cash flow hedges (effective part of the fair value changes)	(176.007)	-
VI.	Profit/loss on foreign net investment hedges (effective part of the fair value changes)	-	-
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	28.298	(4.955)
X.	Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	(102.315)	53.601
XI.	Current year profit/loss	1.779.348	1.200.216
11.1	Net change in fair value of marketable securities (recycled to profit-loss)	3.078	4.903
11.2	Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(38.903)	-
11.3	Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4	Other	1.815.173	1.195.313
XII.	Total income/loss accounted for the period (X+XI)	1.677.033	1.253.817

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated statement of changes in shareholders' equity as of September 30, 2009

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

#### V. Statement of changes in shareholders' equity

	Note (Section Five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves	Status reserves	Extraord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
<b>September 30, 2009</b>																	
I. Period opening balance		4.347.051	-	543.881	-	44.089	-	822.644	18.513	1.042.601	-	34.268	-	-	-	-	6.853.047
II. Changes in accounting policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)		4.347.051	-	543.881	-	44.089	-	822.644	18.513	1.042.601	-	34.268	-	-	-	-	6.853.047
Changes in the period																	
IV. Increase/decrease due to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	54.024	-	-	-	-	54.024
VI. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	(423)	-	-	-	-	(423)
XI. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current year income or loss		-	-	-	-	-	-	-	-	1.200.216	-	-	-	-	-	-	1.200.216
XX. Profit distribution		-	-	-	-	52.131	-	947.014	43.456	(1.042.601)	-	-	-	-	-	-	-
20.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	52.131	-	947.014	43.456	(1.042.601)	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period end balance (III+.....+ XVIII +XIX+XX)</b>		<b>4.347.051</b>	<b>-</b>	<b>543.881</b>	<b>-</b>	<b>96.220</b>	<b>-</b>	<b>1.769.658</b>	<b>61.969</b>	<b>1.200.216</b>	<b>-</b>	<b>87.869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.106.864</b>

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated statement of changes in shareholders' equity as of September 30, 2010

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

#### V. Statement of changes in shareholders' equity

	Note (Section Five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves	Status reserves	Extraord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
<b>September 30, 2010</b>																	
I. Prior period end balance		4.347.051	-	543.881	-	96.220	-	1.769.658	61.969	1.354.777	-	93.811	-	-	-	-	8.267.367
Changes in the period																	
II. Increase/decrease due to the merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	41.686	-	-	-	-	41.686
IV. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(140.805)	-	(140.805)
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(140.805)	-	(140.805)
4.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	(3.196)	-	-	-	-	(3.196)
IX. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current year income or loss		-	-	-	-	-	-	-	-	1.779.348	-	-	-	-	-	-	1.779.348
XVIII. Profit distribution		-	-	-	-	67.739	-	1.268.885	18.153	(1.354.777)	-	-	-	-	-	-	-
18.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	67.739	-	1.268.885	18.153	(1.354.777)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period end balance (I+II+III+...+XVI+XVII+XVIII)</b>		<b>4.347.051</b>	<b>-</b>	<b>543.881</b>	<b>-</b>	<b>163.959</b>	<b>-</b>	<b>3.038.543</b>	<b>80.122</b>	<b>1.779.348</b>	<b>-</b>	<b>132.301</b>	<b>-</b>	<b>-</b>	<b>(140.805)</b>	<b>-</b>	<b>9.944.400</b>

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



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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as September 30, 2010 and 2009

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

#### VI. Statement of cash flows

	Notes (Section Five)	(30/09/2010)	(30/09/2009)
<b>A. Cash flows from banking operations</b>			
1.1 Operating profit before changes in operating assets and liabilities		2.276.168	2.634.059
1.1.1 Interest received		4.416.453	5.641.451
1.1.2 Interest paid		(1.932.093)	(2.933.236)
1.1.3 Dividend received		147.288	142.688
1.1.4 Fees and commissions received		1.352.838	1.229.808
1.1.5 Other income		(457.329)	765.648
1.1.6 Collections from previously written-off loans and other receivables		1.161.808	1.094.494
1.1.7 Payments to personnel and service suppliers		(1.436.531)	(1.551.576)
1.1.8 Taxes paid		(485.065)	(50.704)
1.1.9 Other	V-c	(491.201)	(1.704.514)
1.2 Changes in operating assets and liabilities		(283.396)	(3.125.059)
1.2.1 Net decrease/(increase) in trading securities		64.322	(24.694)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net decrease in banks		483.918	1.186.662
1.2.4 Net (increase)/decrease in loans		(8.773.618)	618.886
1.2.5 Net (increase) in other assets		(520.338)	(1.524.626)
1.2.6 Net increase in bank deposits		29.302	410.849
1.2.7 Net increase/(decrease) in other deposits		5.948.372	(1.017.137)
1.2.8 Net increase/(decrease) in funds borrowed		1.390.168	(3.049.924)
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase in other liabilities	V-c	1.094.478	274.925
<b>I. Net cash flows from banking operations</b>		<b>1.992.772</b>	<b>(491.000)</b>
<b>B. Cash flows from investing activities</b>			
<b>II. Net cash flows from investing activities</b>		<b>(937.292)</b>	<b>(326.890)</b>
2.1 Cash paid for acquisition of investments in associates, subsidiaries and joint ventures		-	-
2.2 Cash obtained from disposal of investments in associates, subsidiaries and joint ventures		-	-
2.3 Purchases of property and equipment		(116.731)	(123.386)
2.4 Disposals of property and equipment		10.944	22.740
2.5 Purchase of investments available-for-sale		(4.216.759)	(2.146.076)
2.6 Sale of investments available-for-sale		2.479.048	1.589.984
2.7 Purchase of investment securities		(599.461)	(510.235)
2.8 Sale of investment securities		1.505.667	840.083
2.9 Other		-	-
<b>C. Cash flows from financing activities</b>			
<b>III. Net cash flows from financing activities</b>		<b>(773.778)</b>	<b>2.065.342</b>
3.1 Cash obtained from funds borrowed and securities issued		1.453.705	2.069.424
3.2 Cash used for repayment of funds borrowed and securities issued		(2.204.086)	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(23.397)	(4.082)
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>	V-c	<b>(140.853)</b>	<b>19.266</b>
<b>V. Net increase in cash and cash equivalents (I+II+III+IV)</b>		<b>140.849</b>	<b>1.266.718</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	V-a	<b>4.457.804</b>	<b>3.660.024</b>
<b>VII. Cash and cash equivalents at end of the period</b>	V-a	<b>4.598.653</b>	<b>4.926.742</b>

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010**

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

**Section three**

**Explanations on accounting policies**

**I. Basis of presentation:**

The 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 ("TCC"), and Turkish tax legislation.

The unconsolidated 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 and explanations related to the accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué 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 unconsolidated 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 unconsolidated 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, 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 Payments" 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 Improvements to TFRS (Published in 2009)) effective from January 1, 2010, do not have an effect on the Bank's accounting policies, financial position or performance. Those accounting policies and valuation principles are explained in Notes II. to XXVII. below.

**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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

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

The general strategy of the Bank in 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 Bank is deposits. The Bank 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 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 Bank 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 Bank 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 exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized 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 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 realized. Foreign currency non-performing loans are translated with the exchange rates at the date of transfer to non-performing loans account.

**III. Explanations on investments in associates, subsidiaries and joint ventures:**

Based on the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27"), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if any.

Foreign currency denominated investments in associates and subsidiaries are accounted at their original foreign currency costs translated into Turkish Lira using the exchange rates prevailing at the transaction date and are reflected to the financial statements after deducting the provision for impairment, if any.

The Bank has no joint ventures as of September 30, 2010 and December 31, 2009.

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

The Bank'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. As a result, the fair values of derivatives are reflected as net liability or net asset on a contract by contract basis. 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

At the transaction date, the Bank documents the relationship between hedging instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Bank 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 recognized 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 recognized under the profit and loss accounts.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating 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 for 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 Bank'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 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

**V. Explanations on interest income and expense:**

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

**VI. Explanations on fee and commission income and expenses:**

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 Bank 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 Bank 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 Bank. 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 are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are 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 designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of this section.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 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 total of acquisition and transaction cost 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 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 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 the factors listed above and the principles of TAS 39. As of September 30, 2010, as a result of changes in the internal composition of the loan portfolio, the Bank revised the general loan loss provision by updating the related parameters used in the calculation of such provision. 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.

**d. Available-for-sale financial assets:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as "Loans and receivables", "Held-to-maturity assets" or "Financial assets at fair value through profit or loss".

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

Available-for-sale financial assets are subsequently re-measured at fair value. When fair values based on market prices cannot be obtained reliably, the available-for-sale financial assets are carried at fair values determined by using alternative models. Available for sale equity securities which are not quoted in a market and the fair values of which can not be determined reliably, are carried at cost less any impairment. "Unrealized gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders' equity as "Marketable securities valuation differences", until the related assets are impaired or disposed. When these financial assets are disposed or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Interest and dividends received from available for sale assets are recorded in interest income and dividend income as appropriate.

**VIII. Explanations on impairment of financial assets:**

The existence of objective evidence whether a financial asset or group of financial assets is impaired, is assessed at each balance sheet date. If such evidence exists, impairment provision is provided based on the financial assets classification.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "effective interest method", or the fair value if one exists, is lower than its carrying value, then the provision classes of Uniform Chart of Accounts are used and ,provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

The principles for the accounting of provisions for loans and receivables are explained in Note VII. of this section.

**IX. Explanations on offsetting financial assets:**

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

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

Securities subject to repurchase agreements ("Repos") are classified as "At fair value through profit or loss", "Available-for-sale" and "Held-to-maturity" according to the investment purposes of the Bank 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 the 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 Bank has no securities lending transactions.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

**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 sale" 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 Bank's business classified as sold or held for sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank has no discontinued operations.

**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 recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, 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 recognized by the acquiree before the business combination, if it 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 Bank allocated its goodwill to Retail Banking, Corporate and Commercial Banking, Private Banking and Wealth Management.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

**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 amortisation and the provision for impairment.

The 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 an other 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 amortized 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 and other kinds of obsolescence and all required maintenance expenses necessary to utilize 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%

**XIII. Explanations on property and equipment:**

Property and equipment is measured at its cost when initially recognized 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 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 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 revalued 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

Expenditures for the repair and maintenance of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized 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 Bank performs financial and operational leasing in the capacity of the lessee.

**Financial lease**

The Bank 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 recognized. The liabilities arising from financial leasing contracts are accounted under "Financial Lease Payables". Expenses arising from interest and exchange rate changes related to financial leasing liabilities are charged to the income statement. Lease payments are deducted from financial leasing payables. The Bank does not perform financial leasing operations as "Lessor".

**Operational lease**

Operational lease transactions are accounted according to the principles of the agreement on an accrual basis.

**XV. Explanations on provisions, contingent assets and liabilities:**

Provisions and contingent liabilities, except for the specific and general provisions recognized 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 recognized when the Bank 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. Provisions for contingent liabilities arisen from past events are recognized in the period of occurrence in accordance with the "matching principle". A provision is recognized 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 or it is not probable that an outflow of resources will be required to settle the obligation, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

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 Bank 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 Bank determined by using certain actuarial assumptions.

**b. Pension rights**

The Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("the Fund") which was established in accordance with the 20th temporary article of the Social Security Law No.506. The technical financial statements of the Fund are audited in accordance with the Article 38 of the Insurance Supervision Law and the "Regulation Regarding the Actuaries" by a registered independent actuary.

Temporary article 23 paragraph one of the Banking Act published in the Official Gazette No. 25983 dated November 1, 2005 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the publication date of the article.

The article of the Law related to the transfer was cancelled (pursuant to the application by the President on November 2, 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated March 22, 2007) published in the Official Gazette No. 26479 dated March 31, 2007, and the effect of the law article was suspended from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No. 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No. 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008 and came into force.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

A commission whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, SDIF, one member representing the Fund and one member representing the Fund members is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% taking into consideration income and expenses by insurance branches of the funds and the excess of salaries and income paid by the funds over the salaries and income to be paid in accordance with the SSI arrangements related to the members of the Fund as of the date of the transfer including the members who have left the scheme.

In accordance with the New Law, after the transfer to SSI, any social rights and payments to Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will continue to be provided by the Fund and the employers of the Fund members.

The main opposition party has applied to the Constitutional Court at June 19, 2008 for cancellation of some articles and requested them to be ineffective until the case of abrogation is finalized. As of the date of the publication of the financial statements, there is no decision of the Constitutional Court announced regarding the court case of abrogation. The Bank accounts a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law.

**c. Short term benefits of employee:**

According to TAS 19, liabilities derived from vacation pay liability 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:**

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

Dividends paid to 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

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

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.

**b. Deferred tax:**

The Bank 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 Bank 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 future taxable profit will be available against which the deferred tax asset can be utilised.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

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

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

**XIX. Explanations on issuance of share certificates:**

When shares are issued above their nominal value, the excess over the nominal value is accounted under shareholders' equity as share premium.

No dividend payments were announced after the balance sheet date.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

**XX. Explanations on avalized drafts and letter of acceptances:**

Avalized drafts and acceptances are included in the "off-balance sheet commitments".

**XXI. Explanations on government grants:**

As of September 30, 2010 and December 31, 2009, the Bank 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 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.

	<b>September 30, 2010</b>	<b>September 30, 2009</b>
Net Income/(loss) to be appropriated to ordinary shareholders	1.779.348	1.200.216
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
<b>Earnings per share (disclosed in full TL)</b>	<b>0,0041</b>	<b>0,0028</b>

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 are 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).

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations on accounting policies (continued)**

**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, associated companies and joint ventures and the Fund providing post employment benefits 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 VI. of Section Five.

**XXV. Cash and cash equivalents:**

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

**XXVI. Explanations on operating segments:**

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

**XXVII.Reclassifications:**

Reclassifications have been made on comparative figures as of December 31, 2009 and September 30, 2009, to conform to changes in presentation in the September 30, 2010 financials.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Section four**

**Information related to financial position of the Bank**

**I. Explanations on capital adequacy ratio:**

- a. The capital adequacy ratio of the Bank is 16,90% (December 31, 2009 - 17,78%).
- b. The capital adequacy ratio of the Bank 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 <sup>(1)</sup>					
	0%	20%	50%	100%	150%	200%
<b>Amount subject to credit risk</b>						
<b>Balance sheet items (net)</b>	<b>17.794.156</b>	<b>2.759.286</b>	<b>8.350.097</b>	<b>39.095.995</b>	<b>386.745</b>	<b>71.706</b>
Cash	712.741	864	-	-	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	2.300.391	-	-	-	-	-
Domestic, foreign banks, head offices and branches abroad	-	1.963.680	-	99.680	-	-
Interbank money market placements	10.000	-	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-
Reserve requirements	1.770.885	-	-	-	-	-
Loans	2.015.568	765.363	8.215.373	33.787.019	386.745	71.706
Non-performing receivables (net)	-	-	-	596.159	-	-
Lease receivables	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-
Held-to-maturity investments	10.563.436	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	42.204	-	-
Miscellaneous receivables	-	532	-	722.452	-	-
Interest and income accruals	181.699	15.486	134.724	572.048	-	-
Investments in associates, subsidiaries and joint ventures (net)	-	-	-	1.789.844	-	-
Fixed assets	-	-	-	1.017.782	-	-
Other assets	239.436	13.361	-	468.807	-	-
<b>Off-balance sheet items</b>	<b>255.128</b>	<b>1.597.057</b>	<b>410.166</b>	<b>13.291.089</b>	-	-
Non-cash loans and commitments	255.128	637.698	410.166	13.146.874	-	-
Derivative financial instruments	-	959.359	-	144.215	-	-
Non-risk weighted accounts	-	-	-	-	-	-
<b>Total risk weighted assets <sup>(2)</sup></b>	<b>18.049.284</b>	<b>4.356.343</b>	<b>8.760.263</b>	<b>52.387.084</b>	<b>386.745</b>	<b>71.706</b>

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

(2) Not weighted



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**d. Summary information about capital adequacy ratio:**

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Amount subject to credit risk (ASCR)	58.362.014	47.294.053
Amount subject to market risk (ASMR)	1.515.588	1.029.475
Amount subject to operational risk (ASOR)	7.806.018	6.209.003
<b>Shareholders' equity</b>	<b>11.436.529</b>	<b>9.697.491</b>
<b>Shareholders' equity/(ASCR+ASMR+ASOR)*100</b>	<b>16,90</b>	<b>17,78</b>

**e. Information about shareholders' equity items:**

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>Core capital</b>		
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	1.779.348	1.354.777
Current period net profit	1.779.348	1.354.777
Prior periods profit	-	-
Provisions for possible risks (up to 25% of core capital)	116.138	89.004
Profit on disposal of associates, subsidiaries and immovables	80.122	61.969
Primary subordinated loans (up to 15% of core capital)	-	-
Portion of loss not covered with reserves (-)	-	-
Current period net loss	-	-
Prior periods loss	-	-
Leasehold improvements (-)	73.827	91.257
Prepaid expenses (-)	103.517	131.956
Intangible assets (-)	1.211.534	1.186.024
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Amount exceeding limits as per the third clause of the article 56 of the Law (-)	-	-
<b>Total core capital</b>	<b>8.680.164</b>	<b>6.853.323</b>

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

	September 30, 2010	December 31, 2009
<b>Supplementary capital</b>		
General provisions	759.241	681.657
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 <sup>(1)</sup>	2.020.525	2.208.374
45% of marketable securities valuation differences	59.536	42.215
Investments in associates and subsidiaries	-	-
Available-for-sale financial assets	59.536	42.215
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)reserves, status reserves and extraordinary reserves)	-	-
<b>Total supplementary capital</b>	<b>2.839.302</b>	<b>2.932.246</b>
<b>Tier III capital</b>	-	-
<b>Capital</b>	<b>11.519.466</b>	<b>9.785.569</b>
<b>Deductions from the capital</b>	<b>82.937</b>	<b>88.078</b>
Investments in unconsolidated financial institutions (domestic, foreign) and banks in which 10% or more equity interest exist	71.933	71.933
Investments in financial institutions (domestic, foreign) and banks, in which less than 10% equity interest exist and that exceeds 10% or more of the total core and supplementary capital of the bank	-	-
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	-	-
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	11.004	16.145
Other	-	-
<b>Total shareholders' equity</b>	<b>11.436.529</b>	<b>9.697.491</b>

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**II. Explanations on market risk:**

The 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 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 as Asset and Liability Management in the Executive Committee. The below table represents the details of market risk calculation as of September 30, 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:**

	September 30, 2010	December 31, 2009
(I) Capital to be employed for general market risk - standard method	64.467	64.833
(II) Capital to be employed for specific risk - standard method	18.581	6.206
(III) Capital to be employed for currency risk - standard method	17.033	11.126
(IV) Capital to be employed for commodity risk - standard method	51	-
(V) Capital to be employed for settlement risk - standard method	-	-
(VI) Capital to be employed for market risk due to options - standard method	21.115	193
(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)	121.247	82.358
<b>(IX) Amount subject to market risk (12,5xVIII) or (12,5xVII)</b>	<b>1.515.588</b>	<b>1.029.475</b>

**III. Explanations on operational risk:**

The Bank 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 Bank, 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 September 30, 2010, the total amount subject to operational risk is TL 7.806.018 (December 31, 2009 - TL 6.209.003 ) and the amount of the related capital requirement is TL 624.481 (December 31, 2009 - TL 496.720 ).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**IV. Explanations on currency risk:**

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

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular 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 reduce risk whenever needed. In order to guard against extreme volatility during the year Stress tests are applied.

The 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)

	<b>USD</b>	<b>EUR</b>	<b>Yen</b>
<b>Balance sheet evaluation rate</b>	<b>TL 1,41490</b>	<b>TL 1,92600</b>	<b>TL 0,01689</b>
September 29, 2010 bid rate	TL 1,43020	TL 1,92300	TL 0,01696
September 28, 2010 bid rate	TL 1,43180	TL 1,92830	TL 0,01697
September 27, 2010 bid rate	TL 1,44160	TL 1,93070	TL 0,01703
September 24, 2010 bid rate	TL 1,44380	TL 1,92590	TL 0,01705
September 23, 2010 bid rate	TL 1,44030	TL 1,92240	TL 0,01697

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

USD : TL 1,45484  
Euro : TL 1,89231  
Yen : TL 0,01718

**As of December 31, 2009;**

	<b>USD</b>	<b>EUR</b>	<b>Yen</b>
<b>Balance sheet evaluation rate</b>	<b>TL 1,46800</b>	<b>TL 2,10620</b>	<b>TL 0,01589</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**Information on currency risk of the Bank:**

The foreign currency position of the Bank 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 the Net Foreign Currency Position. In addition, foreign currency general provisions in the balance sheet, specific provision for non cash loans, 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 Bank's real position, both in financial and economic terms, is presented in the table below:

	EURO	USD	Yen	Other FC	Total
<b>September 30, 2010</b>					
<b>Assets</b>					
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	2.607.960	81.325	375	8.215	2.697.875
Banks	394.167	1.383.815	45.761	174.216	1.997.959
Financial assets at fair value through profit or loss	58.198	61.177	2.807	233	122.415
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	21.809	703.211	-	-	725.020
Loans <sup>(1)</sup>	5.547.066	11.208.931	78.461	379.690	17.214.148
Investments in associates, subsidiaries and joint ventures	275.967	121.074	-	43.404	440.445
Held-to-maturity investments	482.858	5.491.633	-	-	5.974.491
Hedging derivative financial assets	-	-	-	-	-
Tangible assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets	258.769	308.015	262	194.333	761.379
<b>Total assets</b>	<b>9.646.794</b>	<b>19.359.181</b>	<b>127.666</b>	<b>800.091</b>	<b>29.933.732</b>
<b>Liabilities</b>					
Bank deposits	51.808	85.007	1.479	220.458	358.752
Foreign currency deposits	5.877.944	13.013.380	15.999	535.513	19.442.836
Funds from interbank money market	537.112	1.423.200	-	-	1.960.312
Funds borrowed from other financial institutions	2.291.040	1.806.356	37.241	1.472	4.136.109
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	260.157	464.052	57	12.311	736.577
Hedging derivative financial liabilities	-	154.451	-	-	154.451
Other liabilities	2.270.188	212.963	3.990	1.747	2.488.888
<b>Total liabilities</b>	<b>11.288.249</b>	<b>17.159.409</b>	<b>58.766</b>	<b>771.501</b>	<b>29.277.925</b>
<b>Net on-balance sheet position</b>	<b>(1.641.455)</b>	<b>2.199.772</b>	<b>68.900</b>	<b>28.590</b>	<b>655.807</b>
<b>Net off-balance sheet position</b>	<b>1.673.295</b>	<b>(2.320.743)</b>	<b>(71.132)</b>	<b>(39.043)</b>	<b>(757.623)</b>
Financial derivative assets	6.291.234	12.715.284	199.844	328.851	19.535.213
Financial derivative liabilities	4.617.939	15.036.027	270.976	367.894	20.292.836
<b>Non-cash loans</b>	<b>3.907.630</b>	<b>6.621.590</b>	<b>283.922</b>	<b>184.627</b>	<b>10.997.769</b>
<b>December 31, 2009</b>					
Total assets	8.300.801	17.015.001	62.694	674.811	26.053.307
Total liabilities	11.251.148	14.224.545	27.321	752.635	26.255.649
<b>Net on-balance sheet position</b>	<b>(2.950.347)</b>	<b>2.790.456</b>	<b>35.373</b>	<b>(77.824)</b>	<b>(202.342)</b>
<b>Net off-balance sheet position</b>	<b>2.973.373</b>	<b>(2.601.197)</b>	<b>(38.335)</b>	<b>107.377</b>	<b>441.218</b>
Financial derivative assets	3.985.289	9.326.291	14.865	289.528	13.615.973
Financial derivative liabilities	1.011.916	11.927.488	53.200	182.151	13.174.755
<b>Non-cash loans</b>	<b>3.354.765</b>	<b>6.123.306</b>	<b>315.590</b>	<b>127.815</b>	<b>9.921.476</b>

(1) Includes FX indexed loans amounting to TL 1.769.950 (December 31, 2009 – TL 1.593.570 ) which have been disclosed as TL in the financial statements.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**V. Explanations on 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 the Executive Committee as Asset and Liability Management. By using sensitivity and scenario analyses, the possible loss effects on the equity due to the interest rate volatility are analyzed not only within the 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 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 repricing 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:**

September 30, 2010	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
<b>Assets</b>							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with The Central Bank of the Republic of Turkey	1.561.465	-	-	-	-	3.176.868	4.738.333
Banks	1.004.828	82.702	277.187	143.421	-	558.158	2.066.296
Financial assets at fair value through profit/loss	184.392	175.800	698.924	73.809	19.904	-	1.152.829
Interbank money market placements	10.121	-	-	-	-	-	10.121
Available-for-sale financial assets	670.098	9.423	496.181	1.111.791	808.872	3.053	3.099.418
Loans	7.716.544	5.267.723	12.466.276	13.091.732	6.772.561	1.257.502	46.572.338
Held-to-maturity investments	1.136.457	385.031	3.537.807	1.855.572	3.777.011	-	10.691.878
Other assets	490.336	-	16.407	-	-	5.360.501	5.867.244
<b>Total assets</b>	<b>12.774.241</b>	<b>5.920.679</b>	<b>17.492.782</b>	<b>16.276.325</b>	<b>11.378.348</b>	<b>10.356.082</b>	<b>74.198.457</b>
<b>Liabilities</b>							
Bank deposits	51.728	221	179.165	232.450	-	334.043	797.607
Other deposits	26.898.099	10.231.779	709.124	9.107	-	8.187.924	46.036.033
Funds from interbank money market	633.516	831.546	646.582	-	-	-	2.111.644
Miscellaneous payables	2.533.238	-	-	-	-	1.265.028	3.798.266
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	1.524.710	1.827.298	580.935	306.525	509.012	-	4.748.480
Other liabilities and shareholders' equity	929.545	696.472	1.478.874	2.081	1.178	13.598.277	16.706.427
<b>Total liabilities</b>	<b>32.570.836</b>	<b>13.587.316</b>	<b>3.594.680</b>	<b>550.163</b>	<b>510.190</b>	<b>23.385.272</b>	<b>74.198.457</b>
<b>Balance sheet long position</b>	-	-	<b>13.898.102</b>	<b>15.726.162</b>	<b>10.868.158</b>	-	<b>40.492.422</b>
<b>Balance sheet short position</b>	<b>(19.796.595)</b>	<b>(7.666.637)</b>	-	-	-	<b>(13.029.190)</b>	<b>(40.492.422)</b>
Off-balance sheet long position	2.648.177	4.157.080	723.713	-	-	-	7.528.970
Off-balance sheet short position	-	-	-	(7.002.991)	(493.447)	-	(7.496.438)
<b>Total position</b>	<b>(17.148.418)</b>	<b>(3.509.557)</b>	<b>14.621.815</b>	<b>8.723.171</b>	<b>10.374.711</b>	<b>(13.029.190)</b>	<b>32.532</b>

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (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
<b>Assets</b>							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with The Central Bank of the Republic of Turkey	1.302.424	-	-	-	-	2.672.641	3.975.065
Banks	986.918	185.850	36.870	-	-	440.018	1.649.656
Financial assets at fair value through profit/loss	137.021	450.720	73.039	154.701	18.417	-	833.898
Interbank money market placements	1.530.286	-	-	-	-	-	1.530.286
Available-for-sale financial assets	304.701	128.945	82.455	91.046	649.661	7.483	1.264.291
Loans	8.548.523	4.202.853	8.842.077	9.944.979	5.422.160	897.224	37.857.816
Held-to-maturity investments	1.235.458	3.347.635	1.313.963	2.110.168	4.007.568	-	12.014.792
Other assets	214.174	127.839	28	84	-	5.092.483	5.434.608
<b>Total assets</b>	<b>14.259.505</b>	<b>8.443.842</b>	<b>10.348.432</b>	<b>12.300.978</b>	<b>10.097.806</b>	<b>9.109.849</b>	<b>64.560.412</b>
<b>Liabilities</b>							
Bank deposits	162.110	180.681	2.041	-	-	371.059	715.891
Other deposits	26.626.419	4.788.729	1.399.410	16.272	-	7.286.616	40.117.446
Funds from interbank money market	410.728	466.328	49.339	-	-	-	926.395
Miscellaneous payables	2.132.082	-	-	-	-	859.629	2.991.711
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	873.212	3.665.984	730.713	38.630	-	-	5.308.539
Other liabilities and shareholders' equity	147.164	1.122.409	1.212.604	323.803	48.626	11.645.824	14.500.430
<b>Total liabilities</b>	<b>30.351.715</b>	<b>10.224.131</b>	<b>3.394.107</b>	<b>378.705</b>	<b>48.626</b>	<b>20.163.128</b>	<b>64.560.412</b>
<b>Balance sheet long position</b>	-	-	<b>6.954.325</b>	<b>11.922.273</b>	<b>10.049.180</b>	-	<b>28.925.778</b>
<b>Balance sheet short position</b>	<b>(16.092.210)</b>	<b>(1.780.289)</b>	-	-	-	<b>(11.053.279)</b>	<b>(28.925.778)</b>
Off-balance sheet long position	918.820	2.076.247	2.621.914	-	-	-	5.616.981
Off-balance sheet short position	-	-	-	(4.678.080)	(417.983)	-	(5.096.063)
<b>Total position</b>	<b>(15.173.390)</b>	<b>295.958</b>	<b>9.576.239</b>	<b>7.244.193</b>	<b>9.631.197</b>	<b>(11.053.279)</b>	<b>520.918</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (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 outstanding as of the balance sheet date.

<b>September 30, 2010</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets<sup>(2)</sup></b>				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	5,00
Banks	0,60	0,66	-	7,53
Financial assets at fair value through profit/loss	7,78	4,60	-	8,32
Interbank money market placements	-	-	-	7,47
Available-for-sale financial assets	6,95	6,86	-	10,31
Loans <sup>(1)</sup>	5,04	4,54	4,23	14,31
Held-to-maturity Investments	4,82	6,59	-	10,30
<b>Liabilities<sup>(2)</sup></b>				
Bank deposits	-	-	-	8,40
Other deposits	2,47	2,67	0,74	8,83
Funds from interbank money market	3,00	1,77	-	6,58
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2,52	1,25	2,38	16,19

<b>December 31, 2009</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets<sup>(2)</sup></b>				
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 <sup>(1)</sup>	5,87	4,97	4,58	17,90
Held-to-maturity investments	4,79	6,72	-	11,37
<b>Liabilities<sup>(2)</sup></b>				
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) Does not include credit card loans.

(2) Does not include demand/non-interest transactions.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**VI. Explanations on 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 of the Bank in accordance with the policies of the market risk policies. In this scope, the funding sources are being diversified, and sufficient cash and cash equivalents are held, the liquidity position of the Bank in the short and long term is followed. During the monthly meetings of the Asset and Liability Committee, the liquidity position of the Bank is evaluated and it is ensured that the required actions are taken when considered necessary.

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:**

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified (1),(2)	Total
<b>September 30, 2010</b>								
<b>Assets</b>								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	2.947.367	1.790.966	-	-	-	-	-	4.738.333
Banks	558.158	1.004.828	82.702	277.187	143.421	-	-	2.066.296
Financial assets at fair value through profit or loss	-	176.059	153.656	672.573	119.311	31.230	-	1.152.829
Interbank money market placements	-	10.121	-	-	-	-	-	10.121
Available-for-sale financial assets	66.906	-	9	45.213	1.143.514	1.840.723	3.053	3.099.418
Loans	-	8.025.102	4.545.874	10.775.855	14.122.361	8.506.987	596.159	46.572.338
Held-to-maturity investments	-	710.333	385.031	1.981.200	3.838.303	3.777.011	-	10.691.878
Other assets <sup>(1)</sup>	550.144	743.129	7.034	48.060	-	-	4.518.877	5.867.244
<b>Total assets</b>	<b>4.122.575</b>	<b>12.460.538</b>	<b>5.174.306</b>	<b>13.800.088</b>	<b>19.366.910</b>	<b>14.155.951</b>	<b>5.118.089</b>	<b>74.198.457</b>
<b>Liabilities</b>								
Bank deposits	334.043	51.728	221	179.165	232.450	-	-	797.607
Other deposits	8.187.924	26.898.099	10.231.779	709.124	9.107	-	-	46.036.033
Funds borrowed from other financial institutions	-	68.621	47.633	2.037.024	1.887.141	708.061	-	4.748.480
Funds from interbank money market	-	633.516	831.546	527.604	-	118.978	-	2.111.644
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	622.188	3.176.078	-	-	-	-	-	3.798.266
Other liabilities <sup>(2)</sup>	112.442	1.707.427	190.451	298.450	1.786.538	2.345.500	10.265.619	16.706.427
<b>Total liabilities</b>	<b>9.256.597</b>	<b>32.535.469</b>	<b>11.301.630</b>	<b>3.751.367</b>	<b>3.915.236</b>	<b>3.172.539</b>	<b>10.265.619</b>	<b>74.198.457</b>
<b>Net liquidity gap</b>	<b>(5.134.022)</b>	<b>(20.074.931)</b>	<b>(6.127.324)</b>	<b>10.048.721</b>	<b>15.451.674</b>	<b>10.983.412</b>	<b>(5.147.530)</b>	<b>-</b>
<b>December 31, 2009</b>								
Total assets	3.488.255	12.475.000	5.223.608	10.432.081	16.492.561	11.469.212	4.979.695	64.560.412
Total liabilities	8.146.704	31.337.459	5.822.287	4.256.563	3.505.719	2.969.415	8.522.265	64.560.412
<b>Net liquidity gap</b>	<b>(4.658.449)</b>	<b>(18.862.459)</b>	<b>(598.679)</b>	<b>6.175.518</b>	<b>12.986.842</b>	<b>8.499.797</b>	<b>(3.542.570)</b>	<b>-</b>

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

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

**VII. Explanations on operating segments:**

The Bank 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 Bank's Retail Banking activities include credit cards, SME 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 installment 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 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 Bank also offers debit cards and a prepaid card named World Hediye Card.

Corporate and Commercial Banking is organized 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, 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 Bank 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 Bank.

The Bank'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.

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Information related to financial position of the Bank (continued)**

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

<b>September 30, 2010</b>	<b>Retail banking</b>	<b>Corporate and commercial banking</b>	<b>Private banking and wealth management</b>	<b>Other</b>	<b>Total operations of the Bank</b>
Operating revenue	2.051.955	822.914	135.041	1.323.206	4.333.116
Operating expenses	(806.894)	(335.737)	(44.756)	(1.150.870)	(2.338.257)
<b>Net operating income</b>	<b>1.245.061</b>	<b>487.177</b>	<b>90.285</b>	<b>172.336</b>	<b>1.994.859</b>
Dividend income <sup>(1)</sup>				155.181	155.181
<b>Profit before tax</b>	<b>1.245.061</b>	<b>487.177</b>	<b>90.285</b>	<b>327.517</b>	<b>2.150.040</b>
Tax provision <sup>(1)</sup>				(370.692)	(370.692)
<b>Net profit</b>	<b>1.245.061</b>	<b>487.177</b>	<b>90.285</b>	<b>(43.175)</b>	<b>1.779.348</b>
Segment assets	24.587.467	27.029.119	304.888	20.415.206	72.336.680
Investments in associates, subsidiaries and joint ventures				1.861.777	1.861.777
<b>Total assets</b>	<b>24.587.467</b>	<b>27.029.119</b>	<b>304.888</b>	<b>22.276.983</b>	<b>74.198.457</b>
Segment liabilities	23.087.657	15.078.265	10.082.739	16.005.396	64.254.057
Shareholders' equity				9.944.400	9.944.400
<b>Total liabilities</b>	<b>23.087.657</b>	<b>15.078.265</b>	<b>10.082.739</b>	<b>25.949.796</b>	<b>74.198.457</b>

<b>December 31, 2009</b>	<b>Retail banking</b>	<b>Corporate and commercial banking</b>	<b>Private banking and wealth management</b>	<b>Other</b>	<b>Total operations of the Bank</b>
Operating revenue <sup>(2)</sup>	2.036.597	823.795	116.182	1.179.535	4.156.109
Operating expenses <sup>(2)</sup>	(1.800.186)	(251.399)	(40.355)	(706.031)	(2.797.971)
<b>Net operating income<sup>(2)</sup></b>	<b>236.411</b>	<b>572.396</b>	<b>75.827</b>	<b>473.504</b>	<b>1.358.138</b>
Dividend income <sup>(1)(2)</sup>				142.688	142.688
<b>Profit before tax<sup>(2)</sup></b>	<b>236.411</b>	<b>572.396</b>	<b>75.827</b>	<b>616.192</b>	<b>1.500.826</b>
Tax provision <sup>(1)(2)</sup>				(300.610)	(300.610)
<b>Net profit<sup>(1)</sup></b>	<b>236.411</b>	<b>572.396</b>	<b>75.827</b>	<b>315.582</b>	<b>1.200.216</b>
Segment assets	19.207.596	19.097.026	217.725	24.184.181	62.706.528
Investments in associates, subsidiaries and joint ventures				1.853.884	1.853.884
<b>Total assets</b>	<b>19.207.596</b>	<b>19.097.026</b>	<b>217.725</b>	<b>26.038.065</b>	<b>64.560.412</b>
Segment liabilities	20.518.455	12.836.441	9.794.385	13.143.764	56.293.045
Shareholders' equity				8.267.367	8.267.367
<b>Total liabilities</b>	<b>20.518.455</b>	<b>12.836.441</b>	<b>9.794.385</b>	<b>21.411.131</b>	<b>64.560.412</b>

(1) Dividend income and Tax provision are not allocated according to operating segments and presented as "Other".

(2) Income statement figures represent balances for the 9 months period ended September 30, 2009.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Section five**

**Explanations and notes related to unconsolidated financial statements**

**I. Explanations and notes related to 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 CBRT:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Cash	478.993	167.119	481.580	155.808
The CBRT	1.561.465	2.529.892	1.302.688	2.034.806
Other	-	864	-	183
<b>Total</b>	<b>2.040.458</b>	<b>2.697.875</b>	<b>1.784.268</b>	<b>2.190.797</b>

2. Information on the account of the CBRT:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Demand unrestricted account <sup>(1)</sup>	1.561.465	759.007	1.302.688	678.258
Time unrestricted account	-	-	-	-
Reserve requirement	-	1.770.885	-	1.356.548
<b>Total</b>	<b>1.561.465</b>	<b>2.529.892</b>	<b>1.302.688</b>	<b>2.034.806</b>

(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 10% as USD and/or EUR. As of September 30, 2010, the interest rate for TL reserve requirements is 5% whereas no interest is earned on foreign currency reserve requirements.

In accordance with the "Communiqué Regarding Change in the Reserve Requirements" published in the Official Gazette dated September 23, 2010, effective from October 1, 2010, the reserve requirement ratio of TL liabilities will be increased to 5,5% and foreign currency liabilities will be increased to 11%. No interest will be earned on either TL or foreign currency reserve requirements.

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

1. As of September 30, 2010, financial assets at fair value through profit and loss subject to repo transactions amount to TL 41.826 (December 31, 2009 - TL 66.654 ), and the Bank does not have financial assets at fair value through profit and loss given as collateral/blocked amount (December 31, 2009 - None).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Positive differences related to trading derivative financial assets:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Forward transactions	66.290	-	38.924	1.625
Swap transactions	834.198	26.152	503.759	30.800
Futures transactions	-	-	-	-
Options	49.111	21.702	4.657	26.794
Other	-	-	-	-
<b>Total</b>	<b>949.599</b>	<b>47.854</b>	<b>547.340</b>	<b>59.219</b>

**c. Information on banks:**

1. Information on banks:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Banks	68.337	1.997.959	409.144	1.240.512
Domestic	54.890	365.231	365.856	62.144
Foreign	13.447	1.632.728	43.288	1.178.368
Head quarters and branches abroad	-	-	-	-
<b>Total</b>	<b>68.337</b>	<b>1.997.959</b>	<b>409.144</b>	<b>1.240.512</b>

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

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

As of September 30, 2010, available-for-sale financial assets given as collateral/blocked amount to TL 7.159 (December 31, 2009 - TL 14.974). The Bank does not have available-for-sale financial assets subject to repo transactions. (December 31, 2009 – TL 17.585).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	September 30, 2010	December 31, 2009
Debt securities	3.029.470	1.213.485
Quoted on stock exchange <sup>(1)</sup>	2.361.583	1.174.286
Not quoted	667.887	39.199
Share certificates	44.856	49.283
Quoted on stock exchange	-	-
Not quoted	44.856	49.283
Impairment provision (-)	(41.814)	(43.530)
Other <sup>(2)</sup>	66.906	45.053
<b>Total</b>	<b>3.099.418</b>	<b>1.264.291</b>

- (1) As of September 30, 2010, Eurobonds amounting to TL 506.047 (December 31, 2009 - TL 634.835) have been classified under debt securities quoted on stock exchange even though they are not quoted on a stock exchange since these are traded in the secondary market.
- (2) As of September 30, 2010, other available-for-sale financial assets include mutual funds amounting to TL 66.906 (December 31, 2009 - TL 45.053).

**e. Explanations on loans:**

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

	September 30, 2010		December 31, 2009	
	Cash	Non-cash	Cash	Non-cash
<b>Direct loans granted to shareholders</b>	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
<b>Indirect loans granted to shareholders</b>	<b>6.216</b>	<b>66.323</b>	<b>58.004</b>	<b>54.926</b>
<b>Loans granted to employees</b>	<b>82.569</b>	<b>83</b>	<b>76.602</b>	<b>71</b>
<b>Total</b>	<b>88.785</b>	<b>66.406</b>	<b>134.606</b>	<b>54.997</b>

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

	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
<b>Cash Loans</b>				
<b>Non-specialised loans</b>	<b>44.543.776</b>	-	<b>1.306.942</b>	<b>125.461</b>
Discount and purchase notes	571.010	-	711	-
Export loans	5.670.105	-	151.393	-
Import loans	-	-	-	-
Loans granted to financial sector	917.970	-	5.856	-
Foreign loans	699.036	-	-	-
Consumer loans	8.403.225	-	407.034	313
Credit cards	7.987.965	-	225.443	101.303
Precious metal loans	293.820	-	650	-
Other <sup>(1)</sup>	20.000.645	-	515.855	23.845
<b>Specialised loans</b>	-	-	-	-
<b>Other receivables</b>	-	-	-	-
<b>Total</b>	<b>44.543.776</b>	<b>-</b>	<b>1.306.942</b>	<b>125.461</b>

- (1) As explained in the Note I.j of Section V, TL 198.649 of fair value difference of hedged items is classified under other loans.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	Short- term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>195.777</b>	<b>8.226.284</b>	<b>8.422.061</b>
Real estate loans	4.270	4.697.566	4.701.836
Automotive loans	16.593	730.915	747.508
Consumer loans	1.067	44.801	45.868
Other	173.847	2.753.002	2.926.849
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>222.714</b>	<b>222.714</b>
Real estate loans	-	209.699	209.699
Automotive loans	-	4.379	4.379
Consumer loans	-	2.679	2.679
Other	-	5.957	5.957
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual credit cards-TL</b>	<b>7.874.103</b>	<b>129.532</b>	<b>8.003.635</b>
With installments	3.826.400	69.578	3.895.978
Without installments	4.047.703	59.954	4.107.657
<b>Individual credit cards- FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Personnel loans-TL</b>	<b>7.486</b>	<b>31.561</b>	<b>39.047</b>
Real estate loans	36	1.529	1.565
Automotive loans	51	980	1.031
Consumer loans	-	41	41
Other	7.399	29.011	36.410
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>23</b>	<b>23</b>
Real estate loans	-	18	18
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	5	5
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>42.535</b>	<b>274</b>	<b>42.809</b>
With installments	23.248	274	23.522
Without installments	19.287	-	19.287
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Credit deposit account-TL (real person)<sup>(1)</sup></b>	<b>126.727</b>	<b>-</b>	<b>126.727</b>
<b>Credit deposit account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8.246.628</b>	<b>8.610.388</b>	<b>16.857.016</b>

(1) TL 690 of the credit deposit account belongs to the loans used by personnel.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	Short-term	Medium and long-term	Total
<b>Commercial installments loans-TL</b>	<b>295.719</b>	<b>2.896.697</b>	<b>3.192.416</b>
Business loans	2.107	330.819	332.926
Automotive loans	50.432	920.142	970.574
Consumer loans	-	437	437
Other	243.180	1.645.299	1.888.479
<b>Commercial installments loans-FC indexed</b>	<b>30.163</b>	<b>333.026</b>	<b>363.189</b>
Business loans	-	26.454	26.454
Automotive loans	1.129	65.111	66.240
Consumer loans	-	-	-
Other	29.034	241.461	270.495
<b>Commercial installments loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>265.439</b>	<b>2.828</b>	<b>268.267</b>
With installment	79.289	2.828	82.117
Without installment	186.150	-	186.150
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Credit deposit account-TL (legal person)</b>	<b>281.245</b>	<b>-</b>	<b>281.245</b>
<b>Credit deposit account-FC (legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>872.566</b>	<b>3.232.551</b>	<b>4.105.117</b>

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

	September 30, 2010	December 31, 2009
Domestic loans	45.277.143	37.410.431
Foreign loans	699.036	44.726
<b>Total</b>	<b>45.976.179</b>	<b>37.455.157</b>

6. Loans granted to associates and subsidiaries:

	September 30, 2010	December 31, 2009
Direct loans granted to associates and subsidiaries	119.642	115.865
Indirect loans granted to associates and subsidiaries	-	-
<b>Total</b>	<b>119.642</b>	<b>115.865</b>



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

7. Specific provisions provided against loans:

	September 30, 2010	December 31, 2009
Loans and other receivables with limited collectibility	59.934	263.805
Loans and other receivables with doubtful collectibility	214.868	609.948
Uncollectible loans and other receivables	1.240.212	1.304.593
<b>Total</b>	<b>1.515.014</b>	<b>2.178.346</b>

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

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
<b>September 30, 2010</b>			
<b>(Gross amounts before specific reserves)</b>	<b>24.899</b>	<b>32.372</b>	<b>27.935</b>
Restructured loans and other receivables	24.899	32.372	27.935
Rescheduled loans and other receivables	-	-	-
<b>December 31, 2009</b>			
<b>(Gross amounts before the specific reserves)</b>	<b>5.348</b>	<b>47.329</b>	<b>12.941</b>
Restructured loans and other receivables	5.348	47.329	12.941
Rescheduled loans and other receivables	-	-	-

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
<b>December 31, 2009</b>	<b>357.776</b>	<b>680.225</b>	<b>1.543.004</b>
Additions (+)	1.217.016	91.336	154.171
Transfers from other categories of non-performing loans (+)	-	844.931	942.268
Transfer to other categories of non-performing loans (-)	(844.931)	(942.268)	-
Collections (-)	(452.913)	(277.981)	(430.914)
Write-offs(-) <sup>(1)</sup>	-	-	(770.547)
Corporate and commercial loans	-	-	(470.854)
Consumer loans	-	-	(72.025)
Credit cards	-	-	(227.370)
Other	-	-	(298)
<b>September 30, 2010</b>	<b>276.948</b>	<b>396.243</b>	<b>1.437.982</b>
Specific provision (-)	(59.934)	(214.868)	(1.240.212)
<b>Net balance on balance sheet</b>	<b>217.014</b>	<b>181.375</b>	<b>197.770</b>

(1) Also includes the effects of the sales of non-performing loan portfolios.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

According to the resolution of the Board of Directors of the 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 amounts sold was written off in prior periods.

According to the resolution of the Board of Directors of the Bank dated May 26, 2010, portfolios composed of corporate and commercial loans followed under non-performing loan accounts are sold according to auction and confidentiality agreements. Corporate and commercial loan portfolio with principal amounting to TL 298.741 including TL 28.328 as legal and other expenses as of April 30, 2010 was sold to LBT Varlık Yönetim A.Ş. for a consideration of TL 7.500. Profit on this sale before taxes and legal expenses amounted to TL 5.020.

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other</b>	<b>Loans and other</b>	<b>Uncollectible</b>
	<b>receivables with</b>	<b>receivables with</b>	<b>loans and</b>
	<b>limited</b>	<b>doubtful</b>	<b>other</b>
	<b>collectibility</b>	<b>collectibility</b>	<b>receivables</b>
<b>September 30, 2010</b>			
Period end balance	-	1.742	9.675
Specific provision (-)	-	(871)	(5.042)
<b>Net Balance on-balance sheet</b>	<b>-</b>	<b>871</b>	<b>4.633</b>
<b>December 31, 2009</b>			
Period end balance	-	1.283	9.739
Specific provision (-)	-	(184)	(4.998)
<b>Net Balance on-balance sheet</b>	<b>-</b>	<b>1.099</b>	<b>4.741</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated 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 collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
<b>September 30, 2010 (net)</b>	<b>217.014</b>	<b>181.375</b>	<b>197.770</b>
Loans granted to real persons and corporate entities (gross)	276.948	396.243	1.353.970
Specific provision amount (-)	(59.934)	(214.868)	(1.156.200)
Loans granted to real persons and corporate entities (net)	217.014	181.375	197.770
Banks (gross)	-	-	-
Specific provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (net)	-	-	-
<b>December 31, 2009 (net)</b>	<b>93.971</b>	<b>70.277</b>	<b>238.411</b>
Loans granted to real persons and corporate entities (gross)	357.776	680.225	1.458.992
Specific provision amount (-)	(263.805)	(609.948)	(1.220.581)
Loans granted to real persons and corporate entities (net)	93.971	70.277	238.411
Banks (gross)	-	-	-
Specific provision amount (-)	-	-	-
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:

	September 30, 2010	December 31, 2009
Government bond	10.691.878	12.014.792
Treasury bill	-	-
Other debt securities	-	-
<b>Total</b>	<b>10.691.878</b>	<b>12.014.792</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Debt securities	10.808.931	12.082.289
Quoted to stock exchange <sup>(1)</sup>	10.808.931	12.082.289
Not quoted	-	-
Impairment provision (-)	(117.053)	(67.497)
<b>Total</b>	<b>10.691.878</b>	<b>12.014.792</b>

(1) As of September 30, 2010, Eurobonds amounting to TL 5.264.159 have been classified under debt securities quoted on stock exchange even though they are not quoted on a stock exchange because they are traded in the secondary market (December 31, 2009 - TL 5.333.387).

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

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>Beginning balance</b>	<b>12.014.792</b>	<b>11.529.009</b>
Foreign currency differences on monetary assets <sup>(1)</sup>	(367.152)	(231.600)
Purchases during year	599.461	1.442.567
Disposals through sales and redemptions	(1.505.667)	(701.978)
Impairment provision (-)	(49.556)	(23.206)
<b>Period end balance</b>	<b>10.691.878</b>	<b>12.014.792</b>

(1) Also includes the changes in the interest income accruals.

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

As of September 30, 2010, held-to-maturity investments given as collateral/blocked amount to TL 1.485.567 (December 31, 2009 - TL 919.450). Held-to-maturity investments subject to repo transactions amount to TL 2.457.026 (December 31, 2009 - TL 1.054.305).

**g. Information on investments in associates (net):**

1. General information on unconsolidated investments in associates:

<b>No</b>	<b>Description</b>	<b>Address (City/ Country)</b>	<b>Bank's share holding percentages if different voting percentage (%)</b>	<b>Bank's risk group share holding percentage (%)</b>
1	Banque de Commerce et de Placements S.A. <sup>(1)</sup>	Geneva/Switzerland	30,67	30,67
2	Kredi Kayıt Bürosu	Istanbul/Turkey	18,18	18,18
3	Bankalararası Kart Merkezi	Istanbul/Turkey	9,98	9,98

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Main financial figures of the 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	2.095.541	162.835	4.603	33.988	8.291	33.318	31.441	-
2	40.927	32.578	1.703	1.655	-	9.905	6.640	-
3	19.837	16.925	6.132	661	-	2.525	(536)	-

Financial statement information disclosed above shows September 30, 2010 results.

- (1) Financial statement information is disclosed in CHF. As of September 30, 2010, the evaluation rate for CHF is full TL 1,447 (December 31, 2009 – full TL 1,4129).

3. Movement of unconsolidated investments in associates:

	September 30, 2010	December 31, 2009
<b>Balance at the beginning of the period</b>	<b>47.344</b>	<b>47.344</b>
<b>Movements during the period</b>	-	-
Purchases	-	-
Transfers	-	-
Bonus shares obtained	-	-
Share of current year income	-	-
Sales	-	-
Revaluation (decrease)/increase	-	-
Impairment provision	-	-
<b>Balance at the end of the period</b>	<b>47.344</b>	<b>47.344</b>
<b>Capital commitments</b>	-	-
<b>Share holding percentage at the end of the period (%)</b>	-	-

4. Information on sectors and the carrying amounts of unconsolidated investments in associates:

	September 30, 2010	December 31, 2009
Banks	43.404	43.404
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	3.940	3.940
<b>Total financial investments</b>	<b>47.344</b>	<b>47.344</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

5. Valuation of unconsolidated investments in associates:

	September 30, 2010	December 31, 2009
Valuation with cost	47.344	47.344
Valuation with fair value	-	-
Valuation with equity method	-	-
<b>Total</b>	<b>47.344</b>	<b>47.344</b>

6. The Bank has no investments in associates quoted on a stock exchange.

**h. Information on subsidiaries (net):**

1. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1	Yapı Kredi Portföy Yönetimi A.Ş.	Istanbul/Turkey	12,65	99,99
2	Yapı Kredi Holding B.V. <sup>(1)</sup>	Amsterdam/The Netherlands	100,00	100,00
3	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Istanbul/ Turkey	99,98	99,99
4	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	Istanbul/ Turkey	99,99	100,00
5	Yapı Kredi Faktoring A.Ş.	Istanbul/ Turkey	99,95	100,00
6	Yapı Kredi Moscow <sup>(2)</sup>	Moscow/Russia	99,84	100,00
7	Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	74,01	93,94
8	Yapı Kredi Finansal Kiralama A.O.	Istanbul/Turkey	98,85	98,85
9	Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş. <sup>(3)</sup>	Istanbul/ Turkey	30,45	30,45
10	Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş.	Istanbul/ Turkey	11,09	56,07
11	Enternasyonal Turizm Yatırım A.Ş.	Istanbul/ Turkey	99,96	99,99
12	Yapı Kredi Azerbaycan <sup>(4)</sup>	Baku/Azerbaijan	99,80	100,00
13	Yapı Kredi Niderland N.V. <sup>(1)</sup>	Amsterdam/The Netherlands	67,24	100,00

(1) Financial statement information is expressed in EUR in Note 2.

(2) Financial statement information is expressed in USD in Note 2.

(3) Financial statement information in Note 2 represents June 30, 2010 figures.

(4) Financial statement information is expressed in AZN in Note 2. As of September 30, 2010, the evaluation rate for AZN is full TL 1,7627 (December 31, 2009 – full TL 1,8279).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Main financial figures of the subsidiaries in order of the above table:

No	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 <sup>(1)</sup>
1	85.581	76.676	784	4.669	54	39.414	38.466	-
2	45.455	44.887	-	16	-	514	(94)	-
3	819.286	245.799	13.581	26.817	10.237	66.920	64.429	-
4	11.455	9.302	161	66	-	867	(65)	-
5	1.764.755	93.282	539	76.240	-	16.151	24.448	-
6	204.325	60.610	5.935	12.016	1.306	4.384	5.573	-
7	808.574	321.618	17.542	26.649	16.328	45.428	9.095	1.048.000
8	2.179.319	714.116	1.891	152.047	-	70.675	57.295	1.918.400
9	91.678	77.271	1.971	55	4	(3.031)	(15.707)	70.800
10	77.708	76.551	34	2.153	1.501	3.557	16.702	42.400
11	36.876	22.764	4.009	1.255	2	1.085	498	-
12	171.467	48.984	3.749	8.464	837	5.955	4.020	-
13	1.769.725	202.231	234	61.287	23.056	30.186	11.362	-

(1) Calculated with the ISE market prices as of September 30, 2010 considering the total number of shares.

Financial statement information disclosed above shows September 30, 2010 results.

3. Movement schedule of subsidiaries:

	September 30, 2010	December 31, 2009
<b>Balance at the beginning of the period</b>	<b>1.806.540</b>	<b>1.811.525</b>
<b>Movements during the period</b>	<b>7.893</b>	<b>(4.985)</b>
Purchases	-	-
Transfers <sup>(1)</sup>	-	(1.432)
Bonus shares obtained <sup>(2)</sup>	7.893	-
Share of current year income	-	-
Sales	-	-
Revaluation (decrease) / increase	-	-
Impairment provision	-	(3.553)
<b>Balance at the end of the period</b>	<b>1.814.433</b>	<b>1.806.540</b>
<b>Capital commitments</b>	-	-
<b>Shareholding percentage at the end of the period (%)</b>	-	-

(1) As a result of the Extraordinary General Assembly Meetings, dated June 30, 2009, of Yapı Kredi Yatırım Menkul Değerler A.Ş. ("YK Yatırım"), and of Unicredit Menkul Değerler A.Ş. ("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.

(2) As a result of the General Assembly Meeting of Yapı Kredi Azerbaycan registered on April 30, 2010; capital was increased by 4.392 thousand AZN from the profit of 2009.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

4. Sectoral information on financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Banks	286.137	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	472.161	472.161
<b>Total financial subsidiaries</b>	<b>1.812.133</b>	<b>1.804.240</b>

5. Subsidiaries quoted to stock exchange:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Quoted to domestic stock exchanges	900.687	900.687
Quoted to foreign stock exchanges	-	-
<b>Total of subsidiaries quoted to stock exchanges</b>	<b>900.687</b>	<b>900.687</b>

i. **Information on lease receivables (net):**

None (December 31, 2009 - None).

j. **Information on hedging derivative financial assets:**

	<b>September 30, 2010</b>		<b>December 31, 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair value hedge	16.407	-	127.678	953
Cash flow hedge	-	-	-	-
Foreign net investment hedge	-	-	-	-
<b>Total</b>	<b>16.407</b>	<b>-</b>	<b>127.678</b>	<b>953</b>

Starting from March 1, 2009, the 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 using cross-currency interest rate swaps. The net carrying value of hedging instruments at September 30, 2010 is a liability amounting to TL 360.767 (December 31, 2009 – TL 228.982). At September 30, 2010, the marked-to-market difference of the hedging instruments since the inception date is TL 209.235 (December 31, 2009 - TL 147.649) and the fair value difference of the hedged item is TL 198.649 (December 31, 2009 - TL 140.137).

In order to hedge its cash flow risk from liabilities, this bank started to apply cash flow hedge accounting from January 1, 2010 onwards. The hedging instruments are USD and TL 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 and TL deposits and repos.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**k. Information on intangible assets:**

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>Balance at the beginning of the period</b>	<b>1.186.024</b>	<b>1.151.072</b>
Additions during the period	52.795	77.816
Unused and disposed items (-)	(6)	(6.083)
Transfers	-	(281)
Impairment reversal	4.015	-
Amortisation expenses (-)	(31.294)	(36.500)
<b>Balance at the end of the period</b>	<b>1.211.534</b>	<b>1.186.024</b>

**l. Information on investment property:**

None (December 31, 2009 - None).

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

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>Balance at the beginning of the period</b>	<b>86.966</b>	<b>88.332</b>
Additions	36.002	16.656
Disposals, net (-)	(59.551)	(21.381)
Impairment reversal	2.665	6.986
Impairment (-)	(179)	(1.012)
Depreciation (-)	(1.382)	(2.615)
<b>Net book value at the end of period</b>	<b>64.521</b>	<b>86.966</b>
Cost at the end of period	70.520	95.307
Accumulated depreciation at the end of period (-)	(5.999)	(8.341)
<b>Net book value at the end of period</b>	<b>64.521</b>	<b>86.966</b>

As of September 30, 2010, the Bank booked impairment provision on assets held for resale with an amount of TL 10.980 (December 31, 2009 - TL 13.466)

**n. Information on other assets:**

As of September 30, 2010, other assets do not exceed 10% of the total assets.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**II. Explanations and notes related to liabilities**

**a. Information on deposits:**

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

1 (i). September 30, 2010:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Total
Saving deposits	1.653.901	3.266.616	11.790.487	312.384	38.228	89.406	17.151.022
Foreign currency deposits	3.968.853	3.017.041	9.795.637	1.842.730	95.493	439.864	19.159.618
Residents in Turkey	3.830.202	2.947.444	8.926.426	1.620.235	79.580	212.272	17.616.159
Residents abroad	138.651	69.597	869.211	222.495	15.913	227.592	1.543.459
Public sector deposits	444.535	13.382	82.887	274	-	519	541.597
Commercial deposits	1.887.639	1.507.380	4.263.296	76.914	12.928	22.981	7.771.138
Other institutions deposits	35.339	53.784	977.077	61.537	400	1.303	1.129.440
Precious metals vault	197.657	4.144	27.389	17.359	16.933	19.736	283.218
Bank deposits	334.043	12.374	28.803	-	181.536	240.851	797.607
The CBRT	-	-	-	-	-	-	-
Domestic banks	118.941	11.323	38	-	2.170	240.851	373.323
Foreign banks	200.160	1.051	28.765	-	179.366	-	409.342
Participation banks	14.933	-	-	-	-	-	14.933
Other	9	-	-	-	-	-	9
<b>Total</b>	<b>8.521.967</b>	<b>7.874.721</b>	<b>26.965.576</b>	<b>2.311.198</b>	<b>345.518</b>	<b>814.660</b>	<b>46.833.640</b>

1 (ii). December 31, 2009:

	Demand	Up o 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Total
Saving deposits	1.440.221	3.879.871	9.369.577	166.126	181.555	171.049	15.208.399
Foreign currency deposits	3.605.782	4.597.556	6.029.799	1.629.319	184.052	969.451	17.015.959
Residents in Turkey	3.446.312	4.470.630	5.124.194	1.602.166	169.358	815.516	15.628.176
Residents abroad	159.470	126.926	905.605	27.153	14.694	153.935	1.387.783
Public sector deposits	278.166	8.313	43.792	391	112	2.810	333.584
Commercial deposits	1.722.633	2.517.774	2.684.370	103.796	32.449	24.470	7.085.492
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	371.059	154.804	38	2.028	187.962	-	715.891
The CBRT	-	-	-	-	-	-	-
Domestic banks	63.139	90.059	-	2.028	7.282	-	162.508
Foreign banks	179.141	64.745	38	-	180.680	-	424.604
Participation banks	128.766	-	-	-	-	-	128.766
Other	13	-	-	-	-	-	13
<b>Total</b>	<b>7.657.675</b>	<b>11.183.220</b>	<b>18.300.019</b>	<b>1.919.074</b>	<b>595.291</b>	<b>1.178.058</b>	<b>40.833.337</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Information on saving deposits insurance:

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

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
<b>Saving deposits</b>				
Saving deposits	8.232.172	7.738.057	8.895.873	7.431.249
Foreign currency savings deposit	2.475.320	2.596.806	6.068.893	5.973.850
Other deposits in the form of savings deposits	94.195	71.411	170.482	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:

	September 30, 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	23.244	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	54.586	88.283

**b. Information on trading derivative financial liabilities:**

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Forward transactions	66.917	-	51.540	141
Swap transactions	341.000	26.208	166.185	17.699
Futures transactions	-	-	-	-
Options	45.101	22.863	4.366	27.446
Other	-	-	-	-
<b>Total</b>	<b>453.018</b>	<b>49.071</b>	<b>222.091</b>	<b>45.286</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**c. Information on borrowings:**

1. Information on borrowings:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	116.195	107.289	108.822	123.661
From foreign banks, institutions and funds	496.176	4.028.820	648.714	4.427.342
<b>Total</b>	<b>612.371</b>	<b>4.136.109</b>	<b>757.536</b>	<b>4.551.003</b>

2. Information on maturity structure of borrowings:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Short-term	121.271	1.688.241	240.630	2.335.168
Medium and long-term	491.100	2.447.868	516.906	2.215.835
<b>Total</b>	<b>612.371</b>	<b>4.136.109</b>	<b>757.536</b>	<b>4.551.003</b>

3. Information on securitisation borrowings:

The Bank has a securitisation borrowing deal from Standart Chartered Bank and Unicredit Markets and Investment Banking amounting USD 582 million and EUR 292 million, the equivalent of TL 1.387.774 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 borrowing has floating interest rates based on Euribor/Libor, the maturity is between 2014 and 2015 and the repayments commenced in 2010, with a total of TL 263.632.

**d. Information on other liabilities:**

As of September 30, 2010, other liabilities do not exceed 10% of the total balance sheet commitments.

**e. Information on lease payables:**

1. Information on financial leasing agreements:

	September 30, 2010		December 31, 2009	
	Gross	Net	Gross	Net
Less than 1 year	13.006	12.615	5.793	5.593
Between 1-4 years	7	-	7	-
More than 4 years	-	-	-	-
<b>Total</b>	<b>13.013</b>	<b>12.615</b>	<b>5.800</b>	<b>5.593</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Information on operational leasing agreements:

The 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.

**f. Information on hedging derivative financial liabilities:**

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
Fair value hedge	377.174	-	357.513	100
Cash flow hedge <sup>(1)</sup>	27.272	154.451	-	-
Foreign net investment hedge	-	-	-	-
<b>Total</b>	<b>404.446</b>	<b>154.451</b>	<b>357.513</b>	<b>100</b>

(1) Explained in Note I.j of Section Five

**g. Information on provisions:**

1. Information on general provisions:

	September 30, 2010	December 31, 2009
Provisions for Group I loans and receivables	541.044	551.067
Provisions for Group II loans and receivables	84.863	199.616
Provisions for non cash loans	97.705	100.860
Other	35.629	40.370
<b>Total</b>	<b>759.241</b>	<b>891.913</b>

2. Information on reserve for employee rights:

In accordance with Turkish Labour Law, the 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 were used in the calculation of total liabilities.

	September 30, 2010	December 31, 2009
Discount rate (%)	5,92	5,92
Possibility of being eligible for retirement (%)	94,71	94,78

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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 expected real rate after adjusting for the effects of future inflation. As the annual ceiling revised semi-annually, the ceiling of full TL 2.517,01 effective from July 1, 2010 (January 1, 2010: full TL 2.427,04) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>Prior period ending balance</b>	<b>89.805</b>	<b>85.025</b>
Provision during the period	15.833	16.994
Paid during the period	(12.723)	(12.214)
<b>Balance at the end of the period</b>	<b>92.915</b>	<b>89.805</b>

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 65.942 as of September 30, 2010 (December 31, 2009 - TL 59.984).

3. Other provisions:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Pension fund provision	864.059	864.059
Non-cash loan provision	120.627	78.250
Possible risks provision <sup>(1)</sup>	85.278	69.090
Provisions on credit cards and promotion campaigns related to banking services	42.158	48.469
Provision on export commitment tax and funds liability	39.012	38.261
Legal risk provision <sup>(1)</sup>	30.860	19.914
Other	75.274	173.791
<b>Total</b>	<b>1.257.268</b>	<b>1.291.834</b>

(1) Considered as provisions for possible risks.

4. Information on provisions related with the foreign currency difference of foreign currency indexed loans:

As of September 30, 2010, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 90.384 (December 31, 2009 - TL 36.290). Provisions related to the foreign currency difference of foreign currency indexed loans is netted from the loan amount in the financial statements.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**h. Information on taxes payable:**

(i) Information on taxes payable:

	September 30, 2010	December 31, 2009
Corporate tax payable	3.369	52.269
Taxation of marketable securities	45.409	52.221
Property tax	1.194	1.185
Banking insurance transaction tax ("BITT")	28.162	28.048
Foreign exchange transaction tax	-	-
Value added tax payable	1.393	2.449
Other	20.431	18.030
<b>Total</b>	<b>99.958</b>	<b>154.202</b>

(ii) Information on premium payables:

	September 30, 2010	December 31, 2009
Social security premiums - employee	-	-
Social security premiums - employer	-	-
Bank pension fund premiums - employee	7.470	6.356
Bank pension fund premiums - employer	7.793	6.635
Pension fund deposit and provisions - employee	-	-
Pension fund deposit and provisions - employer	-	-
Unemployment insurance - employee	532	453
Unemployment insurance - employer	1.067	907
Other	-	-
<b>Total</b>	<b>16.862</b>	<b>14.351</b>

(iii) Information on deferred tax liability:

None (December 31, 2009 - None).

**i. Information on subordinated loans:**

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	2.034.549	-	2.224.023
From other foreign institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.034.549</b>	<b>-</b>	<b>2.224.023</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

At March 30, 2006, Yapı Kredi obtained a subordinated loan amounting to EUR 500 million, with 10 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 on April 28, 2006 amounting to EUR 350 million, with 10 years maturity and a repayment option at the end of 5 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 EUR 200 million, with 10 years maturity and a repayment option at the end of 5 years. The interest rate is determined as EURIBOR+1,85% for the first 5 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.

**j. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
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 Bank's paid-in-capital is amounting to 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 Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank'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 Bank within several risk and legal limits.

7. Privileges on the corporate stock: None.



(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

8. Information on marketable securities valuation differences:

	September 30, 2010		December 31, 2009	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	34.206	101.291	6.213	87.514
Foreign currency difference <sup>(1)</sup>	-	(3.196)	-	84
<b>Total</b>	<b>34.206</b>	<b>98.095</b>	<b>6.213</b>	<b>87.598</b>

(1) Also includes current period foreign currency differences.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

**a. Information on off balance sheet commitments:**

1. The amount and type of irrevocable commitments:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Commitments on credit cards limits	11.545.390	10.952.962
Loan granting commitments	3.111.722	3.069.928
Commitments for cheques	3.588.433	1.468.823
Other irrevocable commitments	2.505.166	3.916.264
<b>Total</b>	<b>20.750.711</b>	<b>19.407.977</b>

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 Bank has recorded a general provision for its non-cash loans amounting to TL 97.705 (December 31, 2009 - TL 100.860) and a specific provision regarding non-cash loans amounting to TL 120.627 (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:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Bank acceptance loans	157.664	151.669
Letter of credits	3.450.128	2.591.164
Other guarantees and collaterals	491.464	399.410
<b>Total</b>	<b>4.099.256</b>	<b>3.142.243</b>

- 2 (ii). Guarantees, surety ships and other similar transactions:

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Temporary letter of guarantees	1.498.357	563.652
Definite letter of guarantees	10.284.811	9.596.903
Advance letter of guarantees	2.077.711	1.887.521
Letter of guarantees given to customs	773.376	653.319
Other letter of guarantees	323.408	302.275
<b>Total</b>	<b>14.957.663</b>	<b>13.003.670</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Non-cash loans given against cash loans	197.793	166.263
With original maturity of 1 year or less than 1 year	23.412	52.974
With original maturity of more than 1 year	174.381	113.289
Other non-cash loans	18.859.126	15.979.650
<b>Total</b>	<b>19.056.919</b>	<b>16.145.913</b>

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

<b>September 30, 2010</b>	<b>Group I</b>		<b>Group II<sup>(1)</sup></b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-cash loans</b>				
Letters of guarantee	7.908.523	6.868.909	133.492	46.739
Bank acceptances	-	157.664	-	-
Letters of credit	11.936	3.438.192	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	5.199	482.705	-	3.560
<b>Total</b>	<b>7.925.658</b>	<b>10.947.470</b>	<b>133.492</b>	<b>50.299</b>
<b>December 31, 2009</b>				
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-cash loans</b>				
Letters of guarantee	6.070.094	6.730.059	149.492	54.025
Bank acceptances	-	151.616	-	53
Letters of credit	1.410	2.589.468	-	286
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	3.441	390.095	-	5.874
<b>Total</b>	<b>6.074.945</b>	<b>9.861.238</b>	<b>149.492</b>	<b>60.238</b>

(1) Also includes balances of the Groups III, IV and V.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**b. Information on contingent liabilities and assets:**

The Bank has recorded a provision of TL 30.860 (December 31, 2009 - TL 19.914) for litigation against the Bank and has accounted for it in the financial statements under the "Other provisions" account.

According to the decision of Turkish Competition Authority numbered 09-36/919-M dated August 19, 2009 and numbered 09-37/924-M dated August 24, 2009, an investigation has been initiated in accordance to the Law on Protection of Competition No. 4054 on the allegations that 8 banks, including the Bank, concurred on a collusion of salary payment promotions offered to public institutions and private companies. The investigation is still ongoing and depending on the final decision of Turkish Competition Authority, a penalty may arise.

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

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**IV. Explanations and notes related to income statement:**

**a. Information on interest income:**

1. Information on interest income on loans:

	September 30, 2010		September 30, 2009	
	TL	FC	TL	FC
Short-term loans <sup>(1)</sup>	1.639.278	159.544	2.176.875	300.924
Medium/long-term loans <sup>(1)</sup>	1.142.357	365.182	1.190.245	313.645
Interest on loans under follow-up	60.521	36	44.567	114
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>2.842.156</b>	<b>524.762</b>	<b>3.411.687</b>	<b>614.683</b>

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

2. Information on interest income on banks:

	September 30, 2010		September 30, 2009	
	TL	FC	TL	FC
From the CBRT <sup>(1)</sup>	-	-	-	-
From domestic banks	6.217	591	5.254	132
From foreign banks	4.434	6.868	3.356	13.459
Headquarters and branches abroad	-	-	-	-
<b>Total</b>	<b>10.651</b>	<b>7.459</b>	<b>8.610</b>	<b>13.591</b>

(1) Excludes interest received from reserve requirements.

3. Information on interest income on marketable securities:

	September 30, 2010		September 30, 2009	
	TL	FC	TL	FC
From trading financial assets	4.016	5.484	7.953	9.580
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	79.176	37.343	31.722	34.500
From held-to-maturity investments	405.234	330.448	652.124	332.678
<b>Total</b>	<b>488.426</b>	<b>373.275</b>	<b>691.799</b>	<b>376.758</b>

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

	September 30, 2010	September 30, 2009
Interests received from associates and subsidiaries	3.927	11.438

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	September 30, 2010		September 30, 2009	
	TL	FC	TL	FC
Banks	74.742	130.288	126.356	182.751
The CBRT	-	-	-	-
Domestic banks	6.934	2.674	19.932	4.513
Foreign banks	67.808	127.614	106.424	178.238
Headquarters and branches abroad	-	-	-	-
Other institutions	-	144	-	170
<b>Total <sup>(1)</sup></b>	<b>74.742</b>	<b>130.432</b>	<b>126.356</b>	<b>182.921</b>

(1) Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

	September 30, 2010	September 30, 2009
Interests paid to associates and subsidiaries	26.706	24.254

3. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit					Accumulating deposit	Total	September 30, 2009
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
<b>TL</b>									
Bank deposit	1.348	696	2	-	122	13.553	-	15.721	7.687
Saving deposit	650	238.958	686.625	13.489	5.474	8.850	-	954.046	1.317.929
Public sector deposit	-	791	3.505	8	11	97	-	4.412	4.841
Commercial deposit	9.119	144.618	232.186	8.803	1.166	1.704	-	397.596	559.689
Other deposit	-	4.482	33.489	963	20	65	-	39.019	39.321
Deposit with 7 days notification	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11.117</b>	<b>389.545</b>	<b>955.807</b>	<b>23.263</b>	<b>6.793</b>	<b>24.269</b>	<b>-</b>	<b>1.410.794</b>	<b>1.929.467</b>
<b>FC</b>									
Foreign currency deposit	1.696	83.935	147.988	23.829	2.464	11.516	-	271.428	390.599
Bank deposit	-	-	755	-	4.710	-	-	5.465	5.438
Deposit with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	228	16	11	15	36	-	306	243
<b>Total</b>	<b>1.696</b>	<b>84.163</b>	<b>148.759</b>	<b>23.840</b>	<b>7.189</b>	<b>11.552</b>	<b>-</b>	<b>277.199</b>	<b>396.280</b>
<b>Grand total</b>	<b>12.813</b>	<b>473.708</b>	<b>1.104.566</b>	<b>47.103</b>	<b>13.982</b>	<b>35.821</b>	<b>-</b>	<b>1.687.993</b>	<b>2.325.747</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	September 30, 2010	September 30, 2009
<b>Gain</b>	<b>13.308.276</b>	<b>9.819.696</b>
Gain from capital market transactions	66.212	139.606
Derivative financial transaction gains	7.827.258	6.115.893
Foreign exchange gains	5.414.806	3.564.197
<b>Loss(-)</b>	<b>(13.316.099)</b>	<b>(9.476.185)</b>
Loss from capital market transactions	(4.929)	(9.272)
Derivative financial transaction losses	(8.359.666)	(5.680.273)
Foreign exchange loss	(4.951.504)	(3.786.640)
<b>Net gain/loss</b>	<b>(7.823)</b>	<b>343.511</b>

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

	September 30, 2010	September 30, 2009
Effect of changes in foreign exchange rates	19.447	709.360
Effect of changes in interest rates	(551.855)	(273.740)
<b>Total</b>	<b>(532.408)</b>	<b>435.620</b>

**e. Information on other operating income:**

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

**f. Provision for impairment of loans and other receivables:**

	September 30, 2010	September 30, 2009
Specific provisions for loans and other receivables	451.291	878.313
III. Group loans and receivables	4.774	41.666
IV. Group loans and receivables	-	398.640
V. Group loans and receivables	446.517	438.007
General provision expenses	-	155.536
Provision expense for possible risks	27.134	22.194
Marketable securities impairment expenses	807	752
Financial assets at fair value through profit or loss	807	-
Available-for-sale financial assets	-	752
Impairment of investments in associates, subsidiaries and held-to-maturity securities	49.556	68.583
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments	49.556	68.583
Other	1.050	3.203
<b>Total</b>	<b>529.838</b>	<b>1.128.581</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**g. Information related to other operating expenses:**

	September 30, 2010	September 30, 2009
Personnel expenses	735.141	655.658
Reserve for employee termination benefits	3.110	-
Provision expense for pension fund	-	62.371
Impairment expenses of property & equipment	-	-
Depreciation expenses of property & equipment	101.710	103.199
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	31.294	26.979
Impairment expenses of equity participations for which equity methods applied	-	-
Impairment expenses of assets held for resale	179	-
Depreciation expenses of assets held for resale	1.382	1.976
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	591.641	568.486
Operational lease expenses	83.284	80.221
Repair and maintenance expenses	15.935	16.126
Advertising expenses	60.459	51.979
Other expense	431.963	420.160
Loss on sales of assets	1.398	219
Other	342.564	250.502
<b>Total</b>	<b>1.808.419</b>	<b>1.669.390</b>

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

Income before tax includes net interest income amounting to TL 2.415.015 (September 30, 2009 – TL 2.596.892), net fee and commission income amounting to TL 1.164.773 (September 30, 2009 – TL 1.029.375) and total other operating expense amounting TL 1.808.419 (September 30, 2009 – TL 1.669.390).

**i. Provision for taxes on income from continuing operations:**

As of September 30, 2010, the Bank has current tax expense amounting to TL 357.031 (September 30, 2009 - TL 344.998) and deferred tax expense amounting to TL 13.661 (September 30, 2009 – TL 44.388 deferred tax credit).

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

	September 30, 2010	September 30, 2009
Income before tax provision	2.150.040	1.500.826
Tax calculated with tax rate of 20%	430.008	300.165
Disallowables and deductions	(59.316)	445
<b>Total</b>	<b>370.692</b>	<b>300.610</b>



(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

1. As of September 30, 2010, as a result of changes in the internal composition of the loan portfolio, the Bank revised the general loan loss provisions by updating the related parameters used in the calculation of such provision. As a result of the revision, TL 114 million is recorded as income. Apart from this income, the characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance. (September 30, 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 Bank'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.**

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**V. Explanations and notes related to 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:

	September 30, 2010	September 30, 2009
<b>Cash</b>	<b>1.756.111</b>	<b>2.545.161</b>
Cash and effectives	637.571	597.600
Demand deposits in banks	1.118.540	1.947.561
<b>Cash equivalents</b>	<b>2.701.693</b>	<b>1.114.863</b>
Interbank money market	1.530.000	40.000
Time deposits in banks	1.171.693	1.074.863
<b>Total cash and cash equivalents</b>	<b>4.457.804</b>	<b>3.660.024</b>

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

	September 30, 2010	September 30, 2009
<b>Cash</b>	<b>3.505.526</b>	<b>1.848.587</b>
Cash and effectives	646.976	554.096
Demand deposits in banks	2.858.550	1.294.491
<b>Cash equivalents</b>	<b>1.093.127</b>	<b>3.078.155</b>
Interbank money market	10.000	1.778.000
Time deposits in banks	1.083.127	1.300.155
<b>Total cash and cash equivalents</b>	<b>4.598.653</b>	<b>4.926.742</b>

**b. Information on cash and cash equivalents that are not available for use due to legal limitations and other reasons:**

Reserves amounting to TL 4.091.191 (December 31, 2009 - TL 3.337.229) in CBRT represent the reserve requirements of the Bank, including the TL reserve requirements.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**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 491.201 (September 30, 2009 - TL 1.704.514) which is classified under "Operating profit before changes in operating assets and liabilities" includes mainly 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 1.094.478 (September 30, 2009 - TL 274.925) which is classified under "Changes in operating assets and liabilities" mainly arises from changes in miscellaneous payables and other liabilities.

The effects of the change in foreign exchange rates on cash and cash equivalents are calculated as a decrease approximately of TL 140.853 as of September 30, 2010.

To conform to changes in presentation of financial statements as of September 30, 2010, the effects of the change in foreign exchange rates on cash and cash equivalents has been calculated as an increase of TL 19.266 and related reclassifications have been made on comparative figures as of September 30, 2009.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

**VI. Explanations and notes related to the Bank's risk group**

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

1. September 30, 2010:

<b>Bank's risk group<sup>(1), (2)</sup></b>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables						
Balance at the beginning of the period	115.865	31.375	59.325	54.926	470.383	550.070
Balance at the end of the period	119.642	177.799	9.454	66.323	623.021	582.263
<b>Interest and commission income received</b>	<b>3.927</b>	<b>1.088</b>	<b>1.620</b>	<b>717</b>	<b>59.533</b>	<b>2.879</b>

(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:

<b>Bank's risk group<sup>(1), (2)</sup></b>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables						
Balance at the beginning of the period	172.412	42.608	210.162	64.690	524.365	567.881
Balance at the end of the period	115.865	31.375	59.325	54.926	470.383	550.070
<b>Interest and commission income received<sup>(3)</sup></b>	<b>11.438</b>	<b>466</b>	<b>12.085</b>	<b>862</b>	<b>33.688</b>	<b>2.228</b>

(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.

(3) Income statement figures represent balances for the 9 months period ended September 30, 2009.

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

<b>Bank's risk group<sup>(1), (2)</sup></b>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>September 30, 2010</b>	<b>December 31, 2009</b>	<b>September 30, 2010</b>	<b>December 31, 2009</b>	<b>September 30, 2010</b>	<b>December 31, 2009</b>
	<b>Deposit</b>					
Beginning of the period	384.711	219.118	2.131.632	3.191.069	2.343.771	1.565.139
End of the period	462.554	384.711	3.078.501	2.131.632	2.377.738	2.343.771
<b>Interest expense on deposits<sup>(3)</sup></b>	<b>26.706</b>	<b>24.254</b>	<b>133.910</b>	<b>139.375</b>	<b>99.353</b>	<b>113.670</b>

(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 9 months period ended September 30, 2009.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Explanations and notes related to unconsolidated financial statements (continued)**

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

Bank's risk group <sup>(1)</sup>	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
<b>Transactions at fair value through profit or loss<sup>(2)</sup></b>						
Beginning of the period <sup>(3)</sup>	1.002.431	659.622	378.174	171.366	710.040	540.506
End of the period <sup>(3)</sup>	808.296	1.002.431	137.486	378.174	703.980	710.040
<b>Total gain/(loss)<sup>(4)</sup></b>	<b>(196.202)</b>	<b>223.003</b>	<b>(15.737)</b>	<b>8.980</b>	<b>(19.015)</b>	<b>37.254</b>
<b>Transactions for hedging purposes<sup>(2)</sup></b>						
Beginning of the period <sup>(3)</sup>	-	-	-	-	-	-
End of the period <sup>(3)</sup>	-	-	-	-	-	-
<b>Total gain/(loss)<sup>(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(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" or "Derivative Financial Assets Held for Hedging" 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 9 months period ended September 30, 2009.

**b. Information regarding benefits provided to the Bank's top management:**

Salaries and benefits paid to the Bank's top management amount to TL 20.547 as of September 30, 2010 (September 30, 2009 - TL 22.228).

**VII. Explanations and notes related to subsequent events**

- 1- According to the resolution of the Board of Directors of the Bank dated October 20, 2010, and in accordance with the "Regulation on the Principles of Corporate Governance of Banks" issued by BRSA and Capital Markets Board's Corporate Governance Principles, the Bank decided to establish the Corporate Governance Committee to improve the Bank's corporate governance structure and processes and transparency and members of the board of directors Vittorio G. M. Ogliengo and O. Turgay Durak were appointed as members of this Committee.
- 2- The Bank obtained a syndicated loan from 48 international banks from 22 countries, 48 banks, consisting of 2 credit tranches with 1 year maturity USD 1.250 million; one tranche amounting to USD 342,5 million with total cost of Libor+1,30% and the other tranche amounting to EUR 670 million with total cost of Euribor+1,30%. The agreement was signed on September 29, 2010. Loan is withdrawn on October 5, 2010.
- 3- On October 11, 2010, the Bank signed a 5-year maturity loan agreement with UniCredit Luxembourg amounting to USD 750 million with a total cost of 5,1875% per annum.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Section six**

**Other explanations**

**I. Other explanations on the Bank's operations**

The Bank's shares in UniCredit Menkul Değerler A.Ş included in the available for sale securities portfolio (TL 3.418 nominal, 10,73% of the Company's capital) have been sold to KFS as of July 9, 2010 for a consideration of TL 8.548.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2010 (continued)**

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

**Section seven**

**Explanations on independent review report**

**I. Explanations on independent auditor's review report**

The unconsolidated interim financial statements for the period ended September 30, 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 November 10, 2010 is presented preceding the unconsolidated financial statements.

**II. Explanations and notes prepared by independent auditor**

None.