

Credit Europe Bank (Suisse), Geneva
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders
Financial Statements 2009



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Report of the Statutory Auditor on the Financial Statements to the General Meeting of Shareholders of

Credit Europe Bank (Suisse) SA, Geneva

As statutory auditor, we have audited the accompanying financial statements of Credit Europe Bank (Suisse) SA, which comprise the balance sheet, income statement and notes for the year ended 31 December 2009.

Board of Directors' Responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended 31 December 2009 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG SA



Philippe Cordonier
*Licensed Audit Expert
Auditor in Charge*



Cédric Zimmermann
Licensed Audit Expert

Geneva, 16 March 2010

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

Balance Sheet as at 31 December	2009	2008
ASSETS	CHF '000	CHF '000
Liquid assets	320	727
Money market instruments	13,319	16,089
Amounts due from banks	139,070	475,459
Amounts due from customers	535,747	369,763
Securities held for trading purposes	19,211	1,469
Financial investments	54,971	55,394
Fixed assets	1,763	2,109
Accrued income and prepaid expenses	10,762	9,192
Other assets	43,411	101,997
Total assets	<u>818,574</u>	<u>1,032,199</u>
Total amount due from group companies and holders of qualified participants	<u>10,630</u>	<u>134,289</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Amounts due to banks	417,056	585,193
Other amounts due to customers	186,658	134,798
Accrued expenses and deferred income	3,426	10,542
Other liabilities	48,062	155,240
Value adjustments and provisions	78,268	64,600
Share capital	35,000	35,000
General legal reserve	3,502	3,342
Retained earnings brought forward	43,324	40,293
Net income for the year	3,278	3,191
Total liabilities and shareholders' equity	<u>818,574</u>	<u>1,032,199</u>
Total amounts due to group companies and holders of qualified participants	<u>336,576</u>	<u>350,902</u>

Off-Balance Sheet as at 31 December	2009	2008
OFF-BALANCE SHEET TRANSACTIONS	CHF '000	CHF '000
Contingent liabilities		
-Letters of credit	29,559	11,401
-guarantees	8,866	15,300
Irrevocable commitments	310	188
Commitment credits		
-Obligations under deferred payments	32,426	51,313
-Confirmed credits	7,532	810
Derivative instruments:		
-Positive replacement values	43,220	101,362
-Negative replacement values	(43,856)	(109,505)
-Contract volumes	4,523,087	4,678,783
Fiduciary transactions	1,609,631	1,977,535

Income Statement for the year ended 31 December	2009	2008
INCOME AND EXPENSES FROM ORDINARY BANKING ACTIVITY	CHF '000	CHF '000
Result from interest activities		
Interest and discount income	49,297	115,767
Interest and dividend from securities and metals held for trading purposes	378	1,895
Interest and dividend from financial investments	3,496	3,605
Interest expense	(34,046)	(100,632)
Net interest income	<u>19,125</u>	<u>20,635</u>
Income from commissions business and services		
Commission income on lending securities	4,315	2,629
Commission income on securities trading and investment activities	7,412	11,707
Commission income on other services	339	425
Commission expense	(557)	(636)
Net income from commissions business and services	<u>11,509</u>	<u>14,125</u>
Result from trading operations	1,348	2,714
Other ordinary results		
Other ordinary income	124	35
Other ordinary expense	(122)	(51)
Other ordinary results	<u>2</u>	<u>(16)</u>
Operating expenses		
Personnel expenses	(7,364)	(9,060)
Other operating expenses	(5,954)	(7,452)
Total operating expenses	<u>(13,318)</u>	<u>(16,512)</u>
Gross profit	<u>18,666</u>	<u>20,946</u>
Depreciation of fixed assets	(589)	(802)
Valuation adjustments, provisions and losses	(13,632)	(15,798)
Income before extraordinary items and taxes	<u>4,445</u>	<u>4,346</u>
Extraordinary income	240	37
Extraordinary expense	(16)	(56)
Taxes	(1,391)	(1,136)
Net income for the year	<u><u>3,278</u></u>	<u><u>3,191</u></u>

**Cash-flow Statement
for the year ended 31 December**

In CHF '000	2009		2008	
	Source of funds	Application of funds	Source of funds	Application of funds
Cash-flow from operating results (internal sources)				
Net income for the year	3,278	-	3,191	-
Depreciation of fixed assets	589	-	802	-
Valuation adjustments and provisions	13,668	-	6,295	-
Accrued income and prepaid expenses	-	1,570	4,902	-
Accrued expenses and deferred income	-	7,116	-	3,622
Balance	17,535	8,686	15,190	3,622
Cash-flow from investment activities				
Other fixed assets, net	-	243	-	237
Balance	-	243	-	237
Cash-flow from banking operations				
Amounts due from banks	-	6,809	6,890	-
Amounts due from customers	-	106,785	-	31,299
Financial investments	-	7,791	-	10,440
Other assets	58,586	-	25,933	-
Amounts due to banks	-	6,768	-	73,773
Amounts due to customers	-	230	-	3,721
Other liabilities	-	107,178	33,146	-
Medium and long term operations (more than 1 year)	58,586	235,561	65,969	119,233
Money market instruments – assets	2,770	-	-	31
Amounts due from banks	343,198	-	-	168,175
Amounts due from customers	-	59,199	168,377	-
Securities and precious metals held for trading purposes	-	17,742	20,148	-
Financial investments	8,214	-	-	4,504
Amounts due to banks	-	161,369	34,790	-
Amounts due to customers	52,090	-	-	9,793
Short-term operations	406,272	238,310	223,315	182,503
Net Liquidity	407	-	1,121	-
Liquid Assets	407	-	1,121	-
Total balance	482,800	482,800	305,595	305,595

Notes to the Financial Statements
31 December 2009

1. Business Activities

Credit Europe Bank (Suisse) SA is a bank incorporated under laws of Switzerland and performs majority of its activities through its headquarters in Geneva.

The Bank started its operations in 1990 and has activities on trade and corporate finance, private banking, investment management and treasury operations.

The Bank has no branches and only one representative office in Istanbul at the end of 2009. As of December 31, 2009, the Bank has 53 employees (52 as of December 31, 2008).

The branches in Zurich and Guernsey were closed in April 2008 and at the end of February 2009, respectively. Besides, Moscow office that was dormant was closed in 2009.

The Bank has outsourced its IT systems and back office operations with a third party in Switzerland since October 2007.

2. Significant accounting and valuation principles

The Bank's bookkeeping and accounting and valuation principles are in accordance with the Swiss Code of Obligations, the Swiss Federal Law on Banks and its relative Implementing Ordinance, as well as with the statutory provisions and directives issued by the FINMA. The financial statements as at 31st December 2009 are presented in conformity with the Directives of the FINMA as of 28 November 2008 on the provisions governing the preparation of accounts (cir. 08/2 "Accounting – Banks").

The major accounting principles are set out below:

2.1 Recording of transactions

Transactions are entered into the balance sheet following the value date accounting principle.

2.2 Revenue and expense recognition

Interest income and expense as well as fiduciary deposit commissions, custody fees and account maintenance fees are recorded on accrual basis. All other commissions are recognized as income and expense when they are collected or paid.

Notes to the Financial Statements
31 December 2009

2.3 Conversion of foreign currencies

Gains and losses arising from foreign currency transactions are reflected in the statement of income as realised during the course of the period. Foreign currency assets and liabilities have been translated into Swiss Franc equivalents at year-end foreign currency rates, the effects of which are also recorded in results from trading operations.

The year-end foreign currency rates for major currencies used for the translation into Swiss Franc are as follows:

	2009	2008
USD / CHF	1,0416	1,0568
EUR / CHF	1,4894	1,4917
CHF / TRY	1,4505	1,4411

2.4 Liquid assets, money market paper and amounts due from banks

These items are reported in the balance sheet at their nominal value or at cost value, less individual valuation adjustments for any impaired receivables.

2.5 Credits

Impaired loan, defined as loan for which it is unlikely that the debtor will be able to fulfil his future obligations, are valued on an individual basis and the impairment is covered by individual valuation adjustment. A loan is considered impaired when there are conclusive signs that future contractual payments of principal and/or interest are unlikely or, at the latest, when these payments are more than 90 days overdue.

Any interest overdue by more than 90 days is considered non-performing, if the necessary collaterals are not in place and there is objective evidence that the Bank will not be able to collect all amounts. Such loans are considered impaired and an allowance is established, which is classified as value adjustments and provisions.

Impairment in value corresponds to the difference between the book value of the loan and the amount which the Bank can expect to recover, with due consideration for the counterparty risk and the net proceeds from the realization of any collateral held. These valuation adjustments are recorded under value adjustments and provisions.

When a loan is considered totally or partially uncollectible, a write-off is made by charging against previously established provisions and the principal amount of the loan.

A loan is no longer considered impaired if capital and interest in arrears are repaid, the servicing of the debt has resumed normally, additional tangible guarantees have been obtained for a value in excess of the existing unsecured debt and other solvency criteria have been met. Recoveries of loans with provisions or written off in earlier periods are recorded in extraordinary income.

Notes to the Financial Statements

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2.6 Securities and precious metals held for trading purposes

Securities held for trading purposes are securities, which were either acquired for generating a profit from short term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short term profit taking exist. After initial recognition, trading securities are valued at fair value based on quoted bid prices. All related realized and unrealised gains or losses are recognized in trading income. The cost of financing of such securities is recorded as interest expense.

2.7 Financial investments

Investment securities with fixed or determinable payments and fixed maturity where management has both the intent and the ability to hold to maturity are classified as financial investments. In addition, long term debt instruments such as participations in securitisations, which are not held for short term gain, but not necessarily until maturity, are classified as financial investments. The management determines the appropriate classification of its investments at the time of purchase.

Financial investments not intended to be held to maturity are carried at the lower of cost and market value.

Financial investments intended to be held to maturity are carried at amortized cost using the effective yield method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at the lower of cost and market value, gains and losses are recognized in other ordinary income or other ordinary expense.

Interest earned whilst holding financial securities is reported as interest and dividend income from financial investments.

2.8 Fixed assets

The fixed assets are stated at cost less accumulated depreciation, except for paintings.

Depreciation is computed using the straight-line method using the following rates:

Furniture and fixtures	10 to 20 %
Motor vehicles	20 %
IT equipment	20 to 33.3 %
Leasehold improvements	over the term of the lease not subject to depreciation, but subject to regular impairment reviews

The carrying values of fixed assets are reviewed for impairment periodically.

Notes to the Financial Statements
31 December 2008

2.9 Value adjustments and provisions

In accordance with ordinary banking practice, specific value adjustments and other provisions are made in terms of risks existing at the balance sheet date.

2.10 Risk management, market risks, credit risk and other risks

The Board of Directors has conducted an analysis of the main risks incurred by the Bank. This analysis is based on data and risk managements tools developed by the Bank and taking into consideration the risks to which the Bank is exposed. During this risk analysis, the Board of Directors took into consideration the existing internal control system to manage and reduce the risks.

Risk control is based on limits set for the various categories of risks to which the Bank is exposed. The necessity for value corrections and provisions resulting from current risk evaluation is taken into account each time the situation occurs.

Credit risks are valued and controlled by the Credit department (for further information on credits, see note 2.5).

In addition, the Bank implemented the Group credit rating system based on the qualitative and quantitative criteria of the counterparty in 2008. According to the analyses, the rating is assigned from 1 to 12 where 12 require 100% provision.

The Bank's approach to the management of country risk follows the guidelines of the Swiss Bankers' Association. The identification and evaluation of risks are under the responsibility of the Financial Control and Risk Management department. Provisions for country risk are made for positions where the ultimate risk is in countries with ratings below investment grade according to the Moody's rating agency, and also on the basis of maturity split and type of counter party (e.g. Turkey 0%-25%).

The interest rate risk on operations on both the balance sheet and off-balance sheet are identified and controlled by the Asset Liability Management Committee of the Bank. Interest rate changes may affect the Bank's current income (income effect) or from a reduction of future earnings which reduce the economic value of the eligible equity of the Bank (value effect).

The exposures to unforeseen changes in the interest rates are controlled by simulations, which are performed periodically.

For other market risks related to trading operations, financial investments as well as foreign exchange activities, the Bank has set up its own limits as per the business rules. The controls are performed on a daily basis.

The liquidity risk is controlled in accordance with the legal requirements. The bank respects on a permanent basis liquidity demand and maintains sufficient liquid assets with respect to the maturities of assets and liabilities.

The operational risks are mainly related with the organisational issues including electronic data processing, transaction processing, fraud, human resources and securing the assets of the bank.

Notes to the Financial Statements
31 December 2009

2.10 Risk management, market risks, credit risk and other risks (continuous)

Bank has policies and procedures regarding the operational risks, which are reviewed and approved by the Board of Directors.

The Compliance Officer controls legal and compliance risks in coordination with the legal council. The Bank has internal rules and regulations for due diligence and anti-money laundering as required by the relevant laws and regulations. All legal cases and contractual agreements are under the supervision of the legal council.

Some counter party risks are reduced via sub-participations and silent sub-participations.

2.11 Use of derivative instruments

Derivative instruments include foreign exchange contracts such as swaps, options and forwards, securities options, interest swaps. The gross replacement value of derivative contracts reflects the market value of all unsettled trades at the year-end. The positive replacement value is included in other assets, the negative replacement value in other liabilities. The significant part of the derivative instruments are either positions with clients per their demands or the hedging of these client positions with other counterparts in the market.

2.12 Employees' benefits

The Bank has entered into a defined contribution pension plan with Winterthur Columna for its employees. The accounting treatment of this defined contribution plan within the financial statements of the Bank is in accordance with the requirements of Swiss GAAP FER16.

2.13 Taxation

Current taxes that are annual in general are levied on profits of a recurring nature. Those taxes in relation to the financial results of the corresponding period are determined in accordance with the relevant tax prescriptions and are booked as an expense in the accounting period in which the profits are realized.

Provisions for direct taxes due on profits of the current year are booked to liabilities in the balance sheet under accrued expenses.

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3. Information concerning the balance sheet****3.1 Schedule of collateral for loans and off-balance sheet transactions**

	Nature of collateral as of 31 December			
	Mortgage collateral	Other collateral	Unsecured	Total
Balance sheet :				
Amounts due from customers	–	62,544	473,203	535,747
Total balance sheet at 31 December 2009	–	62,544	473,203	535,747
<i>Total balance sheet at 31 December 2008</i>	<i>–</i>	<i>46,366</i>	<i>323,397</i>	<i>369'763</i>
Off-balance sheet :				
Letters of credit	–	4,754	24,805	29,559
Guarantees	–	1,916	6,950	8,866
Contingent liabilities	–	6,670	31,755	38,425
Irrevocable commitments	–	–	310	310
Commitment credits	–	2,850	37,108	39,958
Total off-balance sheet at 31 December 2009	–	9,520	69,173	78,693
<i>Total off-balance sheet at 31 December 2008</i>	<i>–</i>	<i>10,962</i>	<i>68,050</i>	<i>79,012</i>
	Gross amount	Estimate Liquidation value of collateral	Net amount	Specific provision
Total impaired loans and receivables at 31 December 2009	21,628	18,229	3,399	2,341
<i>Total impaired loans and receivables at 31 December 2008</i>	<i>105</i>	<i>–</i>	<i>105</i>	<i>105</i>

The specific provision for impaired loans and receivables is recorded under value adjustments and provisions.

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.2 Securities and precious metals held for trading purposes**

	2009	2008
Bonds and treasury bills		
Quoted	19,211	1,469
Total	<u>19,211</u>	<u>1,469</u>

Quoted definition refers to securities which are traded in recognized markets.

3.3 Financial investments

	Book value		Fair value	
	2009	2008	2009	2008
Debt Instruments				
Intended to be held to maturity	52,355	51,683	54,578	40,149
Valued in accordance with lower of cost or market value	<u>2,604</u>	<u>3,699</u>	<u>2,872</u>	<u>3,757</u>
	54,959	55,382	57,450	43,906
Shares				
Quoted	12	12	12	12
Total	<u>54,971</u>	<u>55,394</u>	<u>57,462</u>	<u>43,918</u>

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.4 Schedule of fixed assets**

	Historical cost	Accu- mulated depre- ciation	Book value end of 2008	Investments in 2009	Net Disposal charge	Deprecia- tion of 2009	Book value end of 2009
Furniture fixtures	617	(364)	253	155	–	(119)	289
Motor vehicles	228	(145)	83	43	–	(61)	65
EDP Equipment & Software	3,958	(3,545)	413	40	–	(255)	198
Leasehold improvements	1,231	(931)	300	–	–	(154)	146
Other	1,060	–	1,060	5	–	–	1,065
Total	7,094	(4,985)	2,109	243	–	(589)	1,763

Fire insurance value of fixed assets is CHF 4,384 (2008: CHF 4,484).

Future leasing installments under operating leases are CHF 41 (2008: CHF 71)

3.5 Other assets and other liabilities

	2009		2008	
	Other assets	Other liabilities	Other assets	Other liabilities
Replacement values of Derivative instruments	43,220	43,856	101,362	109,504
Indirect taxes	13	192	15	1,341
Transitory accounts (*)	84	3,946	31	44,395
Others	94	68	589	–
Total	43,411	48,062	101,997	155,240

* Significant portion of the transitory accounts in other liabilities at 2008 are the margin balances paid by the Bank on behalf of the clients.

Notes to the Financial Statements

31 December 2009

(Amount expressed in Swiss Francs thousands unless otherwise stated)

3.6 Assets pledged

Included in 'Amounts due from Banks' is amount of CHF 76,577 (2008: CHF 230,885) held within margin accounts in relation to derivatives transactions. These amounts have various restrictions on withdrawals when there are open derivative transactions with the counterpart banks.

3.7 Repurchase and resale of securities transactions

No such positions existed at either December 31, 2009 or December 31, 2008 in relation to the account of the Bank.

3.8 Employees' benefits

The company has signed an affiliated contract with the collective foundation Winterthur-Columna in Lausanne, a collective pension fund applying the legal requirements on employees' benefits (LPP) in Switzerland. The Pension Fund is based on the principle of defined contributions. It is contributed to by the employer and the employees based on the contributions fixed in the pension plan rules.

The plan covers between the minimum salary of CHF 19.9 up to a maximum amount of CHF 150. As of December 31, 2009, 42 employees are covered (2008: 41 employees). The eleven employees based in the representative office in Istanbul are not covered by the Swiss scheme (2008: 11 employees).

The accounting treatment of the employee' benefits are based on the Swiss GAAP.

The employer's contributions are recognized in the profit and loss account as current charges for the period amounting to CHF 307 (2008: CHF 447).

Employer's contributions reserve

No employer's contributions reserve has been created.

Economical advantage / liability and pension plan costs

Each year the Bank must determine if the degree of coverage or the particular situation of the Pension Fund presents an economic advantage or obligation from the Bank's point of view.

As of December 31, 2009, the Bank held no reserves for contributions and had no liabilities towards the Pension Fund. The coverage ratio of the pension fund scheme is 100%.

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.9 Schedule of value adjustments and provisions**

	December 31, 2008	Specific use	Change in definition of purpose	Recoveries doubtful interest, exchange difference	New provision charges in 2009	Reversals credited to income in 2009	December 31, 2009
Value adjustments and provisions for default and other risk							
- Value adjustments and provisions for credit and country risks	19,991	-	-	36	8,982	-	29,009
- Other provisions	44,609	-	-	-	4,650	-	49,259
Sub-total	<u>64,600</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>13,632</u>	<u>-</u>	<u>78,268</u>
Less: Value adjustments Directly set-off against assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total value adjustments And provisions as per Balance sheet	<u>64,600</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>13,632</u>	<u>-</u>	<u>78,268</u>

As at December 31, 2009, in application of the country risk policy mentioned in note 2.10, the Bank has the following country risk reserves:

	2009	2008
Turkey	26,419	18,942
Other	249	944
Total	<u>26,668</u>	<u>19,886</u>

Other provisions are provisions set aside to cover other banking risks explicit to credit exposures, and no taxation has been made on these provisions, as the level is fiscally allowable.

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.10 Analysis of share capital**

	2009			2008		
	Total nominal value (CHF'000)	Number of shares	Capital with right to dividend (CHF'000)	Total nominal value (CHF'000)	Number of shares	Capital with right to dividend (CHF'000)
Share capital	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total share capital	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>

Significant shareholders with voting rights

	Type of shares	2009		2008	
		Nominal value	Percentage of ownership	Nominal value	Percentage of participation
With voting rights:					
Credit Europe Bank N.V.	Nominal	35,000	100%	35,000	100%
Main shareholders' of					
in %					
Credit Europe Bank N.V.					
Credit Europe Group N.V.			99.17		
<i>Of which:</i>					
<i>Fiba Holding A.S.</i>			95.00		
<i>Girisim Factoring A.S.</i>			5.00		
Third Parties			0.83		
Total			<u>100.00</u>		

Notes to the Financial Statements

31 December 2009

(Amount expressed in Swiss Francs thousands unless otherwise stated)

3.11 Statement of changes in shareholders' equity

Shareholders' equity at beginning of the year		
Share capital		35,000
General legal reserve		3,342
Retained earnings		<u>43,484</u>
Net shareholders' equity at beginning of the year		81,826
Net income for the year		<u>3,278</u>
Shareholders' equity at end of the year (before profit distribution)		<u>85,104</u>
of which:		
Share capital		35,000
General legal reserve		3,502
Retained earnings		46,602

3.12 Maturity structure of current assets, financial investments and borrowed funds

	Remaining maturity					Total
	On demand	Due 3 months	Due 3 to 12 months	Due 12 months to 5 years	Due after 5 years	
Current assets						
Liquid assets	320	–	–	–	–	320
Money market instruments	–	8,096	5,223	–	–	13,319
Amounts due from banks	120,748	4,020	1,240	13,062	–	139,070
Amounts due from customers	48,543	125,029	61,173	285,972	15,030	535,747
Securities held for trading purposes	–	49	–	5,456	13,706	19,211
Financial investments	12	–	885	26,977	27,097	54,971
Total current assets	169,623	137,194	68,521	331,467	55,833	762,638
<i>Total prior year</i>	<i>356,097</i>	<i>198,481</i>	<i>116,048</i>	<i>193,935</i>	<i>54,340</i>	<i>918,901</i>
Third party liabilities						
Amounts due to banks	21,826	333,750	61,480	–	–	417,056
Amounts due to customers	76,614	107,508	–	2,536	–	186,658
Total third party liabilities	98,440	441,258	61,480	2,536	–	603,714
<i>Total prior year</i>	<i>157,436</i>	<i>298,622</i>	<i>254,397</i>	<i>6,770</i>	<i>2,766</i>	<i>719,991</i>

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.13 Amounts due from and due to affiliated entities as well as loans and exposures to the members of the Bank's governing bodies**

	2009	2008
Assets		
Amounts due from customers	<u>3,175</u>	<u>5,632</u>
Total	<u>3,175</u>	<u>5,632</u>
Liabilities		
Amounts due to banks	65	163
Other amounts due to customers	<u>72,654</u>	<u>64,682</u>
Total	<u>72,719</u>	<u>64,845</u>
Bank's governing bodies		
Assets		
Amounts due from banks	2	2
Amounts due from customers	<u>7,282</u>	<u>9,352</u>
Total	<u>7,284</u>	<u>9,354</u>
Liabilities		
Other amounts due to customers	<u>650</u>	<u>1,019</u>
Total	<u>650</u>	<u>1,019</u>

Balances with the parent entities and shareholders owning directly or indirectly more than 10% of the Bank (see note 3.10 for details of the parent entities and shareholders), are disclosed separately on the foot of the balance sheet as balances due to and from 'group companies and holders of qualified participations'. Balances with these parties are excluded from the balances with affiliated entities and Bank's governing bodies disclosed above. Related parties comprise subsidiaries, parent entities, shareholders, affiliated entities and the Bank's governing bodies.

Amounts due from and due to related parties mainly include financing loans and short-term bank borrowings, respectively. The interest rates applied for all transactions entered with related parties are within market conditions.

Notes to the Financial Statements

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*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.13 Amounts due from and due to affiliated entities as well as loans and exposures to the members of the Bank's governing bodies (continuous)**

Total net interest income and net commission income generated from related parties was CHF 864 (2008: CHF 1,270) and CHF 3,800 (2008: CHF 5,754) respectively. Total net interest expense incurred on borrowings from related parties was CHF 8,539 (2008: CHF 20,263).

Total fiduciary deposits and underlying derivative transactions from related parties are CHF 824,779 (2008: CHF 1,223,234) and CHF 2,368,010 (2008: CHF 3,489,316) respectively.

As at December 31, 2009, the Bank had sold the credit risk to the related party on a silent basis, amounting to CHF 3,579 (2008: CHF 2,766).

3.14 Schedule of assets and liabilities by domicile

	2009				2008			
	Swiss	Turkish	CIS*	Other	Swiss	Turkish	CIS*	Other
Assets								
Liquid Assets	320	–	–	–	727	–	–	–
Money market instruments	–	9,536	–	3,783	–	15,379	–	710
Amounts due from banks	27,347	7,233	14,103	90,387	24,727	27,551	27,067	369,114
Amounts due from customers	37,908	377,595	22,715	97,529	27,090	249,394	15,944	77,335
Securities held for trading purposes	–	6,469	–	12,742	–	1,469	–	–
Financial investments	–	22,624	29,267	3,080	–	27,181	14,487	13,726
Participations	–	–	–	–	–	–	–	–
Fixed assets	1,763	–	–	–	2,109	–	–	–
Accrued income and prepaid expenses	10,762	–	–	–	8,424	593	–	175
Other assets	43,411	–	–	–	101,997	–	–	–
Total assets	121,511	423,457	66,085	207,521	165,074	321,567	57,498	488,060
Liabilities and shareholders' equity								
Amounts due to banks	15,341	310	9	401,396	5,098	4,037	9	576,049
Other amounts due to customers	1,446	143,199	1,503	40,510	4,660	87,625	209	42,304
Accrued expenses and deferred income	3,426	–	–	–	10,193	327	–	22
Other liabilities	48,062	–	–	–	155,240	–	–	–
Valuation adjustments and provisions	78,268	–	–	–	64,600	–	–	–
Share capital	35,000	–	–	–	35,000	–	–	–
General legal reserve	3,502	–	–	–	3,342	–	–	–
Retained earnings brought forward	43,324	–	–	–	40,293	–	–	–
Net income	3,278	–	–	–	3,191	–	–	–
Total Liabilities and shareholders' equity	231,647	143,509	1,512	441,906	321,617	91,989	218	618,375

* The Commonwealth of Independent States (CIS) comprises Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine.

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*(Amount expressed in Swiss Francs thousands unless otherwise stated)***3.15 Schedule of assets by regions and countries**

	2009		2008	
	<u>Value</u>	<u>In %</u>	<u>Value</u>	<u>In %</u>
Europe				
Turkey	423,457	51.7	321,567	31.2
Switzerland	121,511	14.8	165,074	16.0
United Kingdom	67,590	8.4	226,034	22.0
CIS	66,085	8.1	57,498	5.6
Romania	20,044	2.4	16,085	1.6
Netherlands	18,399	2.2	158,259	15.3
Luxembourg	6,341	0.8	1,889	0.2
Austria	3,563	0.4		
Germany	1,963	0.2	31,044	3.0
Malta	1,563	0.2	1,585	0.2
Ireland	53	0.0	53	0.0
Others	2,212	0.3	758	0.0
America				
United States of America	31,652	3.9	20,114	1.9
Virgin Islands	15,489	1.8	17,295	1.6
Others	22,987	2.9	5,026	0.5
Others				
Marshall Islands	9,818	1.2	1,946	0.2
Saudi Arabia	5,208	0.6	5,283	0.5
Others	639	0.1	2,689	0.2
Total	<u>818,574</u>	<u>100.0</u>	<u>1,032,199</u>	<u>100.0</u>

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31 December 2009

(Amount expressed in Swiss Francs thousands unless otherwise stated)

3.16 Balance sheet by currencies

	CHF	USD	TRY	EUR	GBP	JPY	Other	Total
Assets								
Liquid Assets	230	31	–	44	15	–	–	320
Money market instruments	–	8,486	–	4,833	–	–	–	13,319
Amounts due from banks	924	114,486	1,988	19,736	1,178	26	732	139,070
Amounts due from customers	4,074	276,645	35,312	219,667	47	1	1	535,747
Securities held for trading purposes	–	5,456	49	13,706	–	–	–	19,211
Financial investments	–	54,151	–	12	–	–	808	54,971
Fixed assets	1,763	–	–	–	–	–	–	1,763
Accrued income and prepaid expenses	49	4,760	338	5,572	–	–	43	10,762
Other assets	42,550	–	861	–	–	–	–	43,411
Total long positions on balance sheet	49,590	464,015	38,548	263,570	1,240	27	1,584	818,574
<i>Prior year</i>	<i>121,347</i>	<i>578,336</i>	<i>139,529</i>	<i>187,444</i>	<i>1,377</i>	<i>3,036</i>	<i>1,130</i>	<i>1,032,199</i>
Total long derivative positions	174,589	2,633,743	188,359	1,251,932	269,233	1,611	8,035	4,527,502
<i>Prior year</i>	<i>185,026</i>	<i>1,722,894</i>	<i>194,210</i>	<i>2,495,141</i>	<i>15,122</i>	<i>22,589</i>	<i>35,500</i>	<i>4,670,482</i>
Total long positions	224,179	3,097,758	226,907	1,515,502	270,473	1,638	9,619	5,346,076
<i>Prior year</i>	<i>306,373</i>	<i>2,301,230</i>	<i>333,739</i>	<i>2,682,585</i>	<i>16,499</i>	<i>25,625</i>	<i>36,630</i>	<i>5,702,681</i>
Liabilities and shareholders' equity								
Amounts due to banks	109	206,020	65	209,993	55	3	811	417,056
Other amounts due to customers	5,914	139,899	5,371	29,246	1,388	1,436	3,404	186,658
Accrued expenses and deferred income	2,351	689	–	343	–	–	43	3,426
Other liabilities	43,534	3,061	862	605	–	–	–	48,062
Valuation adjustments and provisions	76,047	2,221	–	–	–	–	–	78,268
Share capital	35,000	–	–	–	–	–	–	35,000
General legal reserve	3,502	–	–	–	–	–	–	3,502
Retained earnings brought forward	43,324	–	–	–	–	–	–	43,324
Net income	3,278	–	–	–	–	–	–	3,278
Total short positions on balance sheet	213,059	351,890	6,298	240,187	1,443	1,439	4,258	818,574
<i>Prior year</i>	<i>264,620</i>	<i>464,478</i>	<i>68,101</i>	<i>230,593</i>	<i>936</i>	<i>295</i>	<i>3,176</i>	<i>1,032,199</i>
Total short derivative positions	10,890	2,747,262	220,341	1,275,787	268,935	142	4,939	4,528,296
<i>Prior year</i>	<i>51,613</i>	<i>1,832,536</i>	<i>268,822</i>	<i>2,451,170</i>	<i>16,240</i>	<i>25,217</i>	<i>33,186</i>	<i>4,678,784</i>
Total short positions	223,949	3,099,152	226,639	1,515,974	270,378	1,581	9,197	5,346,870
<i>Prior year</i>	<i>316,233</i>	<i>2,297,014</i>	<i>336,923</i>	<i>2,681,763</i>	<i>17,176</i>	<i>25,512</i>	<i>36,362</i>	<i>5,710,983</i>
Total positions, net	230	(1,394)	268	(472)	95	57	422	(794)
<i>Prior year</i>	<i>(9,860)</i>	<i>4,216</i>	<i>(3,184)</i>	<i>822</i>	<i>(677)</i>	<i>113</i>	<i>268</i>	<i>(8,302)</i>

Notes to the Financial Statements

31 December 2009

*(Amount expressed in Swiss Francs thousands unless otherwise stated)***4. Information concerning off-balance sheet transactions****4.1 Analysis of contingent liabilities and irrevocable commitments**

	2009	2008
Letters of credit	29,559	11,401
Guarantees	8,866	15,300
Irrevocable commitments	<u>310</u>	<u>188</u>
Total	<u>38,735</u>	<u>26,889</u>

4.2 Analysis of commitment credits

	2009	2008
Obligations under deferred payments	32,426	51,313
Confirmed credits	<u>7,532</u>	<u>810</u>
Total	<u>39,958</u>	<u>52,123</u>

Notes to the Financial Statements

31 December 2009

(Amount expressed in Swiss Francs thousands unless otherwise stated)

4.3 Details of derivative instruments open at year-end

	Derivative Instrument for trading purposes			Derivative instruments for hedging purposes		
	Positive replacement value	Negative replacement value	Underlying amount	Positive replacement value	Negative replacement value	Underlying amount
Currencies						
Forward contracts	552	866	67,222	-	-	-
Swap contracts	4,213	4,441	1,702,632	-	-	-
Options (OTC)	36,434	36,528	2,740,370	-	-	-
Total	41,199	41,835	4,510,224	-	-	-
Securities						
Options (OTC)	2,021	2,021	12,863	-	-	-
Total	2,021	2,021	12,863	-	-	-
Total before netting contracts	43,220	43,856	4,523,087	-	-	-
<i>Prior year</i>	<u>101,362</u>	<u>109,505</u>	<u>4,678,783</u>	-	-	-
Total	<u>43,220</u>	<u>43,856</u>	<u>4,523,087</u>	-	-	-
<i>Prior year</i>	101,362	109,505	4,678,783	-	-	-

The significant part of the derivative instruments are either positions with clients per their demands or the offsetting of these client positions with other counterparts in the market.

4.4 Analysis of fiduciary transactions

	2009	2008
Fiduciary placements with		
Third party banks	39,482	95,231
Fiba Group	1,226,782	1,539,654
Fiduciary loans with		
Third party customers	<u>343,367</u>	<u>342,650</u>
Total	<u>1,609,631</u>	<u>1,977,535</u>

4.5 Clients Assets

The Bank does not meet the criteria for disclosing client assets due to the fact that its revenues are mostly consisting of interest and commissions on lending income.

Notes to the Financial Statements

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*(Amount expressed in Swiss Francs thousands unless otherwise stated)***5. Information concerning the Income statement****5.1 Analysis of profit and loss on trading transactions**

	2009	2008
Foreign exchange trading	1,232	4,069
Securities trading portfolios	<u>116</u>	<u>(1,355)</u>
Total	<u><u>1,348</u></u>	<u><u>2,714</u></u>

5.2 Analysis of personnel expenses

	2009	2008
Board of Directors fees	374	341
Salaries	5,897	7,316
Social charges		
A.V.S. contributions	225	241
L.P.P. contributions	307	447
Other social charges	379	414
Other personnel expenses	<u>182</u>	<u>301</u>
Total	<u><u>7,364</u></u>	<u><u>9,060</u></u>

Notes to the Financial Statements**31 December 2009***(Amount expressed in Swiss Francs thousands unless otherwise stated)***5.3 Analysis of other operating expenses**

	2009	2008
Premises expenses	1,409	1,073
Telecommunication expenses	243	320
IT, machinery, furniture and equipment expenses	2,701	2,684
Other operating expenses	<u>1,601</u>	<u>3,375</u>
Total other operating expenses	<u>5,954</u>	<u>7,452</u>

5.4 Commentaries concerning material losses, extraordinary income (notably subventions from shareholders) and expenses as well as material releases of silent reserves, reserves for general banking risks and valuation adjustments and provisions no longer required

Extraordinary income of CHF 240 (2008: CHF 37) consists of CHF 103 collection of health and accident insurance premium payments paid in advance for the previous years.

Notes to the Financial Statements**31 December 2009***(Amount expressed in Swiss Francs thousands unless otherwise stated)*

Board of Directors' Proposed Appropriation of Retained Earnings as at December 31, 2009.

In CHF

	2009	2008
Retained earnings available		
Net income for the year	3,278,281	3,191,270
Profit brought forward	<u>43,324,263</u>	<u>40,292,993</u>
	<u>46,602,544</u>	<u>43,484,263</u>
Proposition for distribution by the General Meeting of Shareholders		
To be transferred to the general legal reserve	164,000	160,000
To be carried forward	<u>46,438,544</u>	<u>43,324,263</u>
	<u>46,602,544</u>	<u>43,484,263</u>