

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3 Note I)*

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı  
and Its Financial Subsidiaries**

Consolidated Interim Financial Statements  
As at and for the Six-Month Period Ended  
30 June 2009

With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik AŞ  
27 August 2009

*This report contains "Independent Auditors' Review  
Report" comprising 1 page and; "Consolidated  
Financial Statements and Related Disclosures and  
Footnotes" comprising 66 pages.*

**Convenience Translation of the Auditors' Review Report  
Originally Prepared and Issued in Turkish (See Section 3 Note I)**

**To the Board of Directors of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı:**

We have reviewed the consolidated balance sheet of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı ("the Bank") and its financial subsidiaries as at 30 June 2009 and the related consolidated statement of income, statement of cash flows and statement of changes in shareholders' equity for the six-month period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these consolidated financial statements based on our review. We did not review the financial statements of certain consolidated companies as at 30 June 2009, which statements reflect total assets constituting 4.75 percent; and total operating income constituting 4.34 percent as at and for the six-month period ended 30 June 2009 of the related consolidated totals. Those statements were reviewed by other auditors whose reports have been furnished to us, and our review report, insofar as it relates to the amounts included for those companies is based solely on the reports of the other auditors.

We conducted our review in accordance with the uniform chart of accounts, accounting and auditing standards in conformity with the (Turkish) Banking Law No 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly the financial position of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and its financial subsidiaries as at 30 June 2009, and of the results of its operations and its cash flows for the six-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 and Article 38 of the (Turkish) Banking Law No 5411; and other communiqués, disclosures and directives announced by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

İstanbul,  
27 August 2009

Akis Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik  
Anonim Şirketi

Özkan Genç  
*Partner*  
*Certified Public Accountant*

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

As explained in Section 3 Note I, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
AND ITS FINANCIAL SUBSIDIARIES  
CONSOLIDATED INTERIM FINANCIAL REPORT  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2009**

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The consolidated interim financial report as at and for the six-month period ended 30 June 2009, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITORS' REVIEW REPORT

The subsidiaries and associates included in the consolidated financial report as at and for the six month period ended 30 June 2009 are as follows:

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**SUBSIDIARIES**

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Güneş Sigorta AŞ  
Vakıf Emeklilik AŞ  
Vakıfbank International AG  
Vakıf Finansal Kiralama AŞ  
Vakıf Deniz Finansal Kiralama AŞ  
Vakıf Finans Factoring Hizmetleri AŞ  
Vakıf Portföy Yönetimi AŞ  
World Vakıf UBB Ltd.  
Vakıf Yatırım Menkul Değerler AŞ

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**ASSOCIATES**

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Vakıf Gayrimenkul Yatırım Ortaklığı AŞ  
Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ  
Kıbrıs Vakıflar Bankası Ltd.  
Türkiye Sınai Kalkınma Bankası AŞ

The consolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying consolidated interim financial statements are presented in thousands of Turkish Lira (TL), and have been subjected to limited review.

27 August 2009

Yusuf BEYAZIT Board of Directors Chairman	Ragıp DOĐU Board Member Audit Committee Member	Sabahattin BİRDAL Board Member Audit Committee Member	Bilal KARAMAN General Manager and Executive Director of the Board
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Dr. Metin Recep ZAFER  
Executive Vice President

Ş. Mehmet BOZ  
Director of Accounting and  
Financial Affairs

The authorized contact person for questions on this financial report:

Name-Surname/Title :	A. Sonat ŞEN /Manager	S. Buğra SÜRÜEL /Assistant Manager
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# **Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Interim Financial Report as at and  
For the Six-Month Period Ended 30 June 2009

(Currency: Thousands of Turkish Lira (“TL”))

## **SECTION ONE**

### **General Information**

#### **I. History of the Parent Bank including its incorporation date, initial legal status, amendments to legal status**

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (“the Bank” or “the Parent Bank”) was established to operate as stated in the disclosure V of this section, under the authorization of a special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on 11 January 1954 within the framework of the authority granted to The General Directorate of the Foundations of Turkish Republic Prime Ministry (“The General Directorate of the Foundations”). The Bank’s statute has not been changed since its establishment.

#### **II. The Parent Bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on Bank’s risk group**

The shareholder having direct or indirect control over the shares of the Bank is the General Directorate of the Foundations.

As at 30 June 2009 and 31 December 2008, The Bank’s paid-in capital is TL 2,500,000, divided into 2.500.000.000 shares with each has a nominal value of 1 Turkish Lira.

As at 30 June 2009 and 31 December 2008, the Bank’s shareholders’ structure is disclosed below:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Nominal Value of the Shares – Thousands of TL</b>	<b>Share Percentage (%)</b>
The General Directorate of the Foundations (Group A)	1.075.058.640	1,075,059	43.00
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402.552.666	402,553	16.10
Foundations (Group B)	386.224.785	386,225	15.45
Other foundations (Group B)	4.681.052	4,681	0.19
Individuals and legal entities (Group C)	1.863.455	1,863	0.08
Publicly traded (Group D)	629.619.402	629,619	25.18
<b>Total</b>	<b>2.500.000.000</b>	<b>2,500,000</b>	<b>100.00</b>

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Interim Financial Report as at and

For the Six-Month Period Ended 30 June 2009

(Currency: Thousands of Turkish Lira ("TL"))

**III. Information on the Parent Bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the Bank**

<b>Name and Surname</b>	<b>Responsibility</b>	<b>Date of Appointment</b>	<b>Education</b>	<b>Experience in Banking</b>
<b><u>Board of Directors</u></b>				
Yusuf BEYAZIT	Chairman	21 March 2003	Master	12 years
Ragıp DOĞU <sup>(1)</sup>	Deputy Chairman	6 April 2005	University	35 years
Bilal KARAMAN	Member – General Manager	22 June 2005	University	31 years
Hasan ÖZER	Member	7 February 2003	University	24 years
Serdar TUNÇBİLEK	Member	24 July 2007	University	25 years
Sabahattin BİRDAL	Member	21 March 2008	University	24 years
İsmail ALPTEKİN <sup>(3)</sup>	Member	3 April 2009	University	10 years
Ramazan GÜNDÜZ <sup>(3)</sup>	Member	3 April 2009	University	30 years
Halim KANATÇI <sup>(2)</sup>	Member	28 April 2009	University	35 years
<b><u>Audit Committee</u></b>				
Ragıp DOĞU <sup>(1)</sup>	Member	7 April 2009	University	35 years
Sabahattin BİRDAL	Member	21 August 2008	University	24 years
<b><u>Auditors</u></b>				
Ahmet TANYOLAÇ	Auditor	21 March 2003	University	7 years
Faruk EROĞLU	Auditor	21 March 2003	University	9 years
<b><u>Executive Vice Presidents</u></b>				
Tanju YÜKSEL	International Relations and Investor Relations	1 May 2000	University	25 years
Şahin UĞUR	Support Services	9 August 2004	University	24 years
Feyzi ÖZCAN	Retail Banking, Pension Fund, Directorates of the Regions, Distribution Channels, Consumer Loans	20 September 2005	University	20 years
Doğan PENÇE	Corporate Loans and Directorates of Information	7 June 2006	University	18 years
Dr. Metin Recep ZAFER	Accounting and Financial Affairs, Planning and Performance, Human Resources, Investment Banking and Subsidiaries	13 June 2006	PHD	14 years
Birgül DENLİ	Treasury	15 June 2006	Master	15 years
İhsan ÇAKIR	Commercial Banking, Corporate Banking, Corporate Communication, Corporate Salary Payments, Commercial Centers and Cash Management Operations	30 November 2007	University	14 years
Dr. M. Kürşad DEMİRKOL	Software Development, Treasury and Foreign Operations, Banking Support, Ebis Operations, Ebis Support and Work Analysis, Alternative Distribution Channels Operations	3 December 2007	PHD	9 years
Mehmet CANTEKİN	Loans Follow-up	28 December 2007	Master	17 years
Ömer ELMAS <sup>(4)</sup>	Legal Services	5 January 2009	Master	7 years

## **Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Interim Financial Report as at and

For the Six-Month Period Ended 30 June 2009

(Currency: Thousands of Turkish Lira (“TL”))

(1) As per the 7 April 2009 dated resolution of the Board of Directors, Ragıp Doğu, the deputy chairman of the Board of Directors has also been appointed as a member of the Audit Committee of the Bank.

(2) Halim Kanatçı has been appointed as the member of the Bank’s Board of Directors to represent The General Directorate of the Foundations (A Group Shareholder), as per the article 15 of the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and has taken his duty on 28 April 2009.

(3) As per the resolution of 55<sup>th</sup> Annual General Assembly held on 3 April 2009, İsmail Alptekin and Ramazan Gündüz have been appointed as the member of the Bank’s Board of Directors and have taken up their duties on the same date.

(4) As per the 20 November 2008 dated resolution of the Board of Directors, Ömer Elmas has been appointed as Executive Vice President in charge of Legal Services and has taken his duty on 5 January 2009.

Cem Demirağ, who was also the member of Audit Committee of the Bank, Erkan Topal, and Mehmet Çekinmez have completed their Board membership period.

Hasan Özer, the member of the Bank's Board of Directors, holds a C group non-admissioned share of the Bank amounting of TL 0.60. The remaining members of the top management listed above do not hold any unquoted shares of the Bank.

#### **IV. Information on the Parent Bank’s qualified shareholders**

The shareholder holding direct or indirect control over the Parent Bank is The General Directorate of the Foundations having 43.00% of the Bank’s outstanding shares. Another organization holding qualified share in the Parent Bank is Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (the pension fund of the employees of the Bank), having 16.10% of outstanding shares of the Bank.

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

The Parent Bank was established under the authorization of special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on 11 January 1954 within the framework of the authority granted to The General Directorate of the Foundations. Operational activities of the Bank as stated at its Articles of Association are as follows:

- Lending loans by granting securities and real estates against,
- Establishing or participating in all kinds of insurance corporations already established,
- Trading real estates,
- Servicing all banking operations and services,
- Operating real estates and participating in industrial sectors for corporations handed over by foundations and General Directorate of the Foundations in line with conditions stipulated by agreements if signed.
- The Bank is established to render banking services to the foundations and carry out cashier transactions of the General Directorate of Foundations in compliance with the agreements signed by General Directorate of the Foundations.

As at 30 June 2009, the Parent Bank has 527 domestic, 2 foreign, in total 529 branches (31 December 2008: 523 domestic, 2 foreign, in total 525 branches). As at 30 June 2009, the Parent Bank has 9,493 employees (31 December 2008: 9,567 employees).



SECTION TWO – CONSOLIDATED FINANCIAL STATEMENTS

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Balance Sheet (Statement of Financial Position)

At 30 June 2009

(Thousands of Turkish Lira (TL))

Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes

Originally Issued in Turkish, See Section 3 Note 1

ASSETS	Notes	Reviewed Current Period 30 June 2009			Audited Prior Year 31 December 2008		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	V-I-1	<b>2,016,980</b>	<b>1,219,090</b>	<b>3,236,070</b>	<b>826,580</b>	<b>1,282,522</b>	<b>2,109,102</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	V-I-2	<b>113,002</b>	<b>39,192</b>	<b>152,194</b>	<b>70,307</b>	<b>75,359</b>	<b>145,666</b>
2.1 Financial assets held for trading purpose		113,002	39,192	152,194	70,307	75,359	145,666
2.1.1 Debt securities issued by the governments		107,573	16,727	124,300	62,178	21,217	83,395
2.1.2 Equity securities		27	-	27	487	-	487
2.1.3 Derivative financial assets held for trading purpose	V-I-2	5,136	22,465	27,601	6,901	54,142	61,043
2.1.4 Other securities		266	-	266	741	-	741
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Debt securities issued by the governments		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Other securities		-	-	-	-	-	-
2.2.4 Loans		-	-	-	-	-	-
<b>III. BANKS</b>	V-I-3	<b>164,820</b>	<b>4,948,565</b>	<b>5,113,385</b>	<b>124,071</b>	<b>2,711,543</b>	<b>2,835,614</b>
<b>IV. RECEIVABLES FROM INTERBANK MONEY MARKETS</b>		<b>2,500,693</b>	<b>-</b>	<b>2,500,693</b>	<b>3,201,833</b>	<b>-</b>	<b>3,201,833</b>
4.1 Interbank money market placements		2,500,608	-	2,500,608	3,201,333	-	3,201,333
4.2 Istanbul Stock Exchange money market placements		85	-	85	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	500	-	500
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	V-I-4	<b>8,280,912</b>	<b>1,803,638</b>	<b>10,084,550</b>	<b>6,702,787</b>	<b>1,676,383</b>	<b>8,379,170</b>
5.1 Equity securities		16,144	12,074	28,218	16,014	11,659	27,673
5.2 Debt securities issued by the governments		8,264,768	1,717,018	9,981,786	6,686,773	1,597,774	8,284,547
5.3 Other securities		-	74,546	74,546	-	66,950	66,950
<b>VI. LOANS AND RECEIVABLES</b>	V-I-5	<b>21,638,413</b>	<b>10,848,726</b>	<b>32,487,139</b>	<b>19,448,031</b>	<b>11,459,622</b>	<b>30,907,653</b>
6.1 Performing loans and receivables		21,451,678	10,844,675	32,296,353	19,354,976	11,455,563	30,810,539
6.1.1 Loans provided to the same risk group	V-V-1	6,523	6,901	13,424	434	8,003	8,437
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		21,445,155	10,837,774	32,282,929	19,354,542	11,447,560	30,802,102
6.2 Loans under follow-up		1,919,632	69,564	1,989,196	1,525,735	68,754	1,594,489
6.3 Specific provisions (-)		1,732,897	65,513	1,798,410	1,432,680	64,695	1,497,375
<b>VII. FACTORING RECEIVABLES</b>		<b>165,171</b>	<b>637</b>	<b>165,808</b>	<b>151,407</b>	<b>3,033</b>	<b>154,440</b>
<b>VIII. HELD-TO-MATURITY INVESTMENTS (Net)</b>	V-I-6	<b>2,620,056</b>	<b>1,584,778</b>	<b>4,204,834</b>	<b>2,049,320</b>	<b>1,634,600</b>	<b>3,683,920</b>
8.1 Debt securities issued by the governments		2,620,056	1,537,212	4,157,268	2,049,320	1,588,697	3,638,017
8.2 Other securities		-	47,566	47,566	-	45,903	45,903
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	V-I-7	<b>107,621</b>	<b>3</b>	<b>107,624</b>	<b>94,827</b>	<b>3</b>	<b>94,830</b>
9.1 Associates, consolidated per equity method		88,995	-	88,995	76,203	-	76,203
9.2 Unconsolidated associates		18,626	3	18,629	18,624	3	18,627
9.2.1 Financial associates		4,607	-	4,607	4,605	-	4,605
9.2.2 Non-Financial associates		14,019	3	14,022	14,019	3	14,022
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	V-I-8	<b>147,199</b>	<b>-</b>	<b>147,199</b>	<b>148,612</b>	<b>-</b>	<b>148,612</b>
10.1 Unconsolidated financial subsidiaries		2,477	-	2,477	1,281	-	1,281
10.2 Unconsolidated non-financial subsidiaries		144,722	-	144,722	147,331	-	147,331
<b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>	V-I-9	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2 Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1 Financial joint-ventures		-	-	-	-	-	-
11.2.2 Non-Financial joint-ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES</b>	V-I-10	<b>23,045</b>	<b>229,707</b>	<b>252,752</b>	<b>23,266</b>	<b>275,372</b>	<b>298,638</b>
12.1 Finance lease receivables		29,236	266,599	295,835	28,719	310,300	339,019
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		6,191	36,892	43,083	5,453	34,928	40,381
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE</b>	V-I-11	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		<b>1,130,425</b>	<b>2,045</b>	<b>1,132,470</b>	<b>1,080,769</b>	<b>2,176</b>	<b>1,082,945</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>		<b>35,183</b>	<b>61</b>	<b>35,244</b>	<b>33,333</b>	<b>76</b>	<b>33,409</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		35,183	61	35,244	33,333	76	33,409
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	V-I-12	<b>55,368</b>	<b>-</b>	<b>55,368</b>	<b>54,119</b>	<b>-</b>	<b>54,119</b>
<b>XVII. TAX ASSETS</b>		<b>107,996</b>	<b>913</b>	<b>108,909</b>	<b>86,087</b>	<b>1,932</b>	<b>88,019</b>
17.1 Current tax assets		1,060	-	1,060	1,253	-	1,253
17.2 Deferred tax assets	V-I-13	106,936	913	107,849	84,834	1,932	86,766
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)</b>	V-I-14	<b>2,664</b>	<b>-</b>	<b>2,664</b>	<b>1,558</b>	<b>-</b>	<b>1,558</b>
18.1 Assets held for sale		2,664	-	2,664	1,558	-	1,558
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	V-I-15	<b>1,056,489</b>	<b>256,234</b>	<b>1,312,723</b>	<b>980,397</b>	<b>341,682</b>	<b>1,322,079</b>
<b>TOTAL ASSETS</b>		<b>40,166,037</b>	<b>20,933,589</b>	<b>61,099,626</b>	<b>35,077,304</b>	<b>19,464,303</b>	<b>54,541,607</b>

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

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Balance Sheet (Statement of Financial Position)

At 30 June 2009

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes*

*Originally Issued in Turkish, See Section 3 Note I*

LIABILITIES AND SHAREHOLDERS' EQUITY		Notes	Reviewed Current Period 30 June 2009			Audited Prior Year 31 December 2008		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	V-II-1	<b>29,061,623</b>	<b>13,537,183</b>	<b>42,598,806</b>	<b>25,381,331</b>	<b>12,332,440</b>	<b>37,713,771</b>
1.1	Deposits of the same risk group	V-V-1	1,406,327	74,339	1,480,666	1,286,230	76,066	1,362,296
1.2	Other deposits		27,655,296	13,462,844	41,118,140	24,095,101	12,256,374	36,351,475
<b>II.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE</b>	V-II-2	<b>1,730</b>	<b>14,426</b>	<b>16,156</b>	<b>5,551</b>	<b>21,576</b>	<b>27,127</b>
<b>III.</b>	<b>FUNDS BORROWED</b>	V-II-3	<b>72,960</b>	<b>5,826,877</b>	<b>5,899,837</b>	<b>106,650</b>	<b>5,996,611</b>	<b>6,103,261</b>
<b>IV.</b>	<b>INTERBANK MONEY MARKET</b>		<b>1,905,057</b>	<b>680,237</b>	<b>2,585,294</b>	<b>1,039,798</b>	<b>693,360</b>	<b>1,733,158</b>
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		19,133	-	19,133	16,103	-	16,103
4.3	Obligations under repurchase agreements		1,885,924	680,237	2,566,161	1,023,695	693,360	1,717,055
<b>V.</b>	<b>SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
<b>VI.</b>	<b>FUNDS</b>		<b>93,609</b>	-	<b>93,609</b>	<b>99,056</b>	-	<b>99,056</b>
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		93,609	-	93,609	99,056	-	99,056
<b>VII.</b>	<b>MISCELLANEOUS PAYABLES</b>		<b>1,163,438</b>	<b>95,360</b>	<b>1,258,798</b>	<b>931,581</b>	<b>138,836</b>	<b>1,070,417</b>
<b>VIII.</b>	<b>OTHER EXTERNAL RESOURCES PAYABLE</b>	V-II-4	<b>187,801</b>	<b>176,565</b>	<b>364,366</b>	<b>118,283</b>	<b>239,903</b>	<b>358,186</b>
<b>IX.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X.</b>	<b>LEASE PAYABLES</b>	V-II-5	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses ( - )		-	-	-	-	-	-
<b>XI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE</b>	V-II-6	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XII.</b>	<b>PROVISIONS</b>	V-II-7	<b>1,312,333</b>	<b>38,064</b>	<b>1,350,397</b>	<b>1,249,513</b>	<b>54,214</b>	<b>1,303,727</b>
12.1	General provisions		286,348	4,162	290,510	253,982	4,925	258,907
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		260,664	609	261,273	270,801	534	271,335
12.4	Insurance technical provisions (Net)		598,780	11,082	609,862	597,984	11,981	609,965
12.5	Other provisions		166,541	22,211	188,752	126,746	36,774	163,520
<b>XIII.</b>	<b>TAX LIABILITIES</b>		<b>221,394</b>	<b>6,643</b>	<b>228,037</b>	<b>198,035</b>	<b>2,641</b>	<b>200,676</b>
13.1	Current tax liabilities	V-II-8	214,164	6,643	220,807	191,729	2,641	194,370
13.2	Deferred tax liabilities	V-I-13	7,230	-	7,230	6,306	-	6,306
<b>XIV.</b>	<b>PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)</b>	V-II-9	-	-	-	-	-	-
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
<b>XV.</b>	<b>SUBORDINATED LOANS</b>	V-II-10	-	-	-	-	-	-
<b>XVI.</b>	<b>EQUITY</b>		<b>6,630,031</b>	<b>74,295</b>	<b>6,704,326</b>	<b>5,915,071</b>	<b>17,157</b>	<b>5,932,228</b>
<b>16.1</b>	<b>Paid-in capital</b>	V-II-11	<b>2,500,000</b>	-	<b>2,500,000</b>	<b>2,500,000</b>	-	<b>2,500,000</b>
<b>16.2</b>	<b>Capital reserves</b>		<b>890,089</b>	<b>(18,769)</b>	<b>871,320</b>	<b>807,483</b>	<b>(76,723)</b>	<b>730,760</b>
16.2.1	Share premium		726,691	-	726,691	726,691	-	726,691
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	148,208	(18,769)	129,439	66,715	(76,723)	(10,008)
16.2.4	Revaluation surplus on tangible assets		13,639	-	13,639	12,526	-	12,526
16.2.5	Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6	Revaluation surplus on investment properties		-	-	-	-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures		1,551	-	1,551	1,551	-	1,551
16.2.8	Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
<b>16.3</b>	<b>Profit reserves</b>		<b>2,377,954</b>	<b>58,437</b>	<b>2,436,391</b>	<b>1,610,529</b>	<b>54,232</b>	<b>1,664,761</b>
16.3.1	Legal reserves		378,594	2,832	381,426	303,514	-	303,514
16.3.2	Status reserves		2,361	-	2,361	1,863	-	1,863
16.3.3	Extraordinary reserves		1,774,968	4,693	1,779,661	1,104,860	4,693	1,109,553
16.3.4	Other profit reserves		222,031	50,912	272,943	200,292	49,539	249,831
<b>16.4</b>	<b>Profit or loss</b>		<b>619,646</b>	<b>27,069</b>	<b>646,715</b>	<b>769,481</b>	<b>32,251</b>	<b>801,732</b>
16.4.1	Prior years' profit/loss		804	29,419	30,223	(19,053)	29,475	10,422
16.4.2	Current period's profit/loss		618,842	(2,350)	616,492	788,534	2,776	791,310
<b>16.5</b>	<b>Non-controlling interest</b>		<b>242,342</b>	<b>7,558</b>	<b>249,900</b>	<b>227,578</b>	<b>7,397</b>	<b>234,975</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>40,649,976</b>	<b>20,449,650</b>	<b>61,099,626</b>	<b>35,044,869</b>	<b>19,496,738</b>	<b>54,541,607</b>

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

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Off-Balance Sheet

As at 30 June 2009

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes*

*Originally Issued in Turkish, See Section 3 Note I*

		Reviewed Current Period 30 June 2009			Audited Prior Year 31 December 2008			
		Notes	TL	FC	TOTAL	TL	FC	TOTAL
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>11,508,947</b>	<b>8,029,828</b>	<b>19,538,775</b>	<b>9,676,978</b>	<b>7,646,890</b>	<b>17,323,868</b>
<b>I.</b>	<b>GUARANTEES AND SURETIES</b>	V-III-2-4	<b>3,600,604</b>	<b>4,960,934</b>	<b>8,561,538</b>	<b>3,455,387</b>	<b>4,645,223</b>	<b>8,100,610</b>
1.1.	Letters of guarantee	V-III-1	3,596,391	1,920,735	5,517,126	3,454,338	2,227,927	5,682,265
1.1.1.	Guarantees subject to State Tender Law		736,010	659,302	1,395,312	562,823	767,022	1,329,845
1.1.2.	Guarantees given for foreign trade operations		155,831	161	155,992	183,909	159	184,068
1.1.3.	Other letters of guarantee		2,704,550	1,261,272	3,965,822	2,707,606	1,460,746	4,168,352
1.2.	Bank acceptances		-	433,057	433,057	-	428,448	428,448
1.2.1.	Import letter of acceptance		-	44,086	44,086	-	192,409	192,409
1.2.2.	Other bank acceptances		-	388,971	388,971	-	236,039	236,039
1.3.	Letters of credit		3,596	2,595,714	2,599,310	-	1,971,383	1,971,383
1.3.1.	Documentary letters of credit		3,596	2,593,805	2,597,401	-	1,971,042	1,971,042
1.3.2.	Other letters of credit		-	1,909	1,909	-	341	341
1.4.	Guaranteed pre-financings		-	10,049	10,049	-	13,240	13,240
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Marketable securities underwriting commitments		-	-	-	-	-	-
1.7.	Factoring related guarantees		617	293	910	1,049	3,143	4,192
1.8.	Other guarantees		-	1,086	1,086	-	1,082	1,082
1.9.	Other sureties		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>		<b>6,865,370</b>	<b>633,124</b>	<b>7,498,494</b>	<b>6,060,850</b>	<b>219,160</b>	<b>6,280,010</b>
2.1.	Irrevocable commitments		6,857,634	633,124	7,490,758	6,053,114	218,945	6,272,059
2.1.1.	Asset purchase commitments	V-III-1	297,363	628,998	926,361	75,063	218,702	293,765
2.1.2.	Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4.	Loan granting commitments	V-III-1	1,782,993	4,046	1,787,039	1,273,207	-	1,273,207
2.1.5.	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Commitments for cheque payments	V-III-1	1,473,914	-	1,473,914	1,456,567	-	1,456,567
2.1.8.	Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9.	Commitments for credit card limits		-	-	-	-	-	-
2.1.10.	Commitments for credit card and banking operations promotions	V-III-1	3,124,091	-	3,124,091	3,050,410	-	3,050,410
2.1.11.	Receivables from "short" sale commitments on securities		177,845	-	177,845	197,148	-	197,148
2.1.12.	Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		1,428	80	1,508	719	243	962
2.2.	Revocable commitments		7,736	-	7,736	7,736	215	7,951
2.2.1.	Revocable loan granting commitments		7,736	-	7,736	7,736	215	7,951
2.2.2.	Other revocable commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>1,042,973</b>	<b>2,435,770</b>	<b>3,478,743</b>	<b>160,741</b>	<b>2,782,507</b>	<b>2,943,248</b>
3.1.	Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1.	Fair value hedges		-	-	-	-	-	-
3.1.2.	Cash flow hedges		-	-	-	-	-	-
3.1.3.	Net foreign investment hedges		-	-	-	-	-	-
3.2.	Trading derivatives		1,042,973	2,435,770	3,478,743	160,741	2,782,507	2,943,248
3.2.1.	Forward foreign currency purchases/sales		46,337	44,354	90,691	12,529	12,016	24,545
3.2.1.1.	Forward foreign currency purchases		23,175	22,177	45,352	6,266	6,008	12,274
3.2.2.2.	Forward foreign currency sales		23,162	22,177	45,339	6,263	6,008	12,271
3.2.2.	Currency and interest rate swaps		650,638	2,076,386	2,727,024	148,212	2,709,689	2,857,901
3.2.2.1.	Currency swaps-purchases		477,500	567,187	1,044,687	-	1,085,805	1,085,805
3.2.2.2.	Currency swaps-sales		-	1,035,715	1,035,715	-	1,069,121	1,069,121
3.2.2.3.	Interest rate swaps-purchases		66,509	262,980	329,489	72,059	285,643	357,702
3.2.2.4.	Interest rate swaps-sales		106,629	210,504	317,133	76,153	269,120	345,273
3.2.3.	Currency, interest rate and security options		268,748	193,030	461,778	-	2	2
3.2.3.1.	Currency call options		102,293	96,514	198,807	-	-	-
3.2.3.2.	Currency put options		102,293	96,514	198,807	-	-	-
3.2.3.3.	Interest rate call options		-	-	-	-	-	-
3.2.3.4.	Interest rate put options		-	-	-	-	-	-
3.2.3.5.	Security call options		29,162	2	29,164	-	2	2
3.2.3.6.	Security put options		35,000	-	35,000	-	-	-
3.2.4.	Currency futures		-	-	-	-	-	-
3.2.4.1.	Currency futures-purchases		-	-	-	-	-	-
3.2.4.2.	Currency futures-sales		-	-	-	-	-	-
3.2.5.	Interest rate futures		-	-	-	-	-	-
3.2.5.1.	Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sales		-	-	-	-	-	-
3.2.6.	Others		77,250	122,000	199,250	-	60,800	60,800
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>67,697,946</b>	<b>21,390,046</b>	<b>89,087,992</b>	<b>60,908,976</b>	<b>19,853,251</b>	<b>80,762,227</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>14,217,655</b>	<b>478,787</b>	<b>14,696,442</b>	<b>15,955,458</b>	<b>373,351</b>	<b>16,328,809</b>
4.1.	Customers' securities held		456,117	14,834	470,951	441,826	14,785	456,611
4.2.	Investment securities held in custody		11,824,421	3,614	11,828,035	14,325,828	3,602	14,329,430
4.3.	Checks received for collection		1,072,416	166,877	1,239,293	544,557	102,807	647,364
4.4.	Commercial notes received for collection		258,577	114,093	372,670	220,265	108,308	328,573
4.5.	Other assets received for collection		64,594	61	64,655	60,914	860	61,774
4.6.	Assets received through public offering		-	4,814	4,814	-	4,798	4,798
4.7.	Other items under custody		276,277	32,803	309,080	221,898	30,316	252,214
4.8.	Custodians		265,253	141,691	406,944	140,170	107,875	248,045
<b>V.</b>	<b>PLEDGED ITEMS</b>		<b>53,480,291</b>	<b>20,911,259</b>	<b>74,391,550</b>	<b>44,953,518</b>	<b>19,479,900</b>	<b>64,433,418</b>
5.1.	Securities		4,087,652	69,159	4,156,811	1,635,347	68,697	1,704,044
5.2.	Guarantee notes		344,080	314,989	659,069	756,285	307,161	1,063,446
5.3.	Commodities		8,621,252	46,042	8,667,294	7,885,064	30,400	7,915,464
5.4.	Warranties		-	-	-	-	-	-
5.5.	Real estates		36,596,368	18,065,635	54,662,003	31,696,546	17,194,560	48,891,106
5.6.	Other pledged items		3,467,469	2,342,699	5,810,168	2,626,751	1,815,280	4,442,031
5.7.	Pledged items-depository		363,470	72,735	436,205	353,525	63,802	417,327
<b>VI.</b>	<b>CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		-	-	-	-	-	-
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>			<b>79,206,893</b>	<b>29,419,874</b>	<b>108,626,767</b>	<b>70,585,954</b>	<b>27,500,141</b>	<b>98,086,095</b>

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

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Off-Balance Sheet

As at 30 June 2009

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes*

*Originally Issued in Turkish, See Section 3 Note I*

	Notes	Reviewed Current Period 1 January 2009 – 30 June 2009	Reviewed Prior Period 1 January 2008 – 30 June 2008	Reviewed Current Period 1 April 2009 – 30 June 2009	Reviewed Prior Period 1 April 2008 – 30 June 2008
<b>I. INTEREST INCOME</b>		<b>3,379,266</b>	<b>3,054,956</b>	<b>1,636,159</b>	<b>1,538,581</b>
1.1 Interest income from loans	V-IV-1	2,316,372	1,977,664	1,132,000	1,014,213
1.2 Interest income from reserve deposits		65,088	84,049	31,374	42,416
1.3 Interest income from banks	V-IV-1	17,397	69,259	8,409	34,468
1.4 Interest income from money market transactions		46,654	37,690	11,253	10,110
1.5 Interest income from securities portfolio		888,662	850,579	438,512	425,185
1.5.1 Trading financial assets		12,144	18,004	11,298	986
1.5.2 Financial assets at fair value through profit or loss		-	-	-	-
1.5.3 Available-for-sale financial assets		624,174	679,923	305,072	342,949
1.5.4 Held-to-maturity investments		252,344	152,652	122,142	81,250
1.6 Finance lease income		13,381	15,415	6,101	7,702
1.7 Other interest income		31,712	20,300	8,510	4,487
<b>II. INTEREST EXPENSE</b>		<b>1,796,056</b>	<b>2,055,828</b>	<b>846,816</b>	<b>1,041,222</b>
2.1 Interest expense on deposits		1,577,724	1,792,436	746,085	922,028
2.2 Interest expense on funds borrowed	V-IV-2	101,274	127,746	41,678	55,310
2.3 Interest expense on money market transactions		97,359	108,088	44,991	52,738
2.4 Interest expense on securities issued		-	-	-	-
2.5 Other interest expenses		19,699	27,558	14,062	11,146
<b>III. NET INTEREST INCOME (I – II)</b>		<b>1,583,210</b>	<b>999,128</b>	<b>789,343</b>	<b>497,359</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>219,942</b>	<b>234,888</b>	<b>118,253</b>	<b>124,470</b>
4.1 Fees and commissions received		290,125	311,901	150,272	163,338
4.1.1 Non-cash loans		36,263	26,852	16,955	13,831
4.1.2 Others		253,862	285,049	133,317	149,507
4.2 Fees and commissions paid		70,183	77,013	32,019	38,868
4.2.1 Non-cash loans		182	360	76	177
4.2.2 Others		70,001	76,653	31,943	38,691
<b>V. DIVIDEND INCOME</b>		<b>12,306</b>	<b>6,578</b>	<b>182</b>	<b>3,367</b>
<b>VI. TRADING INCOME/LOSSES (Net)</b>		<b>85,683</b>	<b>39,195</b>	<b>27,875</b>	<b>34,503</b>
6.1 Trading account income/losses	V-IV-3	52,792	21,597	18,619	6,233
6.2 Income/losses from derivative financial instruments	V-IV-3	12,144	(2,799)	9,319	(252)
6.3 Foreign exchange gains/losses	V-IV-3	20,747	20,397	(63)	28,522
<b>VII. OTHER OPERATING INCOME</b>		<b>321,759</b>	<b>395,732</b>	<b>177,384</b>	<b>197,394</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>2,222,900</b>	<b>1,675,521</b>	<b>1,113,037</b>	<b>857,093</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	V-IV-5	<b>447,315</b>	<b>223,727</b>	<b>257,528</b>	<b>69,465</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	V-IV-6	<b>1,025,921</b>	<b>834,336</b>	<b>490,849</b>	<b>442,517</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>749,664</b>	<b>617,458</b>	<b>364,660</b>	<b>345,111</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>		-	-	-	-
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>6,153</b>	<b>6,107</b>	<b>2,615</b>	<b>3,332</b>
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV. INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)</b>		<b>755,817</b>	<b>623,565</b>	<b>367,275</b>	<b>348,443</b>
<b>XVI. CONTINUING OPERATIONS PROVISION FOR TAXES</b>	V-IV-7	<b>(128,477)</b>	<b>(124,744)</b>	<b>(50,574)</b>	<b>(66,250)</b>
16.1 Current tax charges	V-IV-7	(152,957)	(132,593)	(62,588)	(71,022)
16.2 Deferred tax credits	V-IV-7	24,480	7,849	12,014	4,772
<b>XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)</b>	V-IV-8	<b>627,340</b>	<b>498,821</b>	<b>316,701</b>	<b>282,193</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
18.1 Income from investment properties		-	-	-	-
18.2 Income from sales of subsidiaries, affiliates and joint-ventures		-	-	-	-
18.3 Other income from discontinued activities		-	-	-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
19.1 Investment property expenses		-	-	-	-
19.2 Losses from sales of subsidiaries, affiliates and joint ventures		-	-	-	-
19.3 Other expenses from discontinued activities		-	-	-	-
<b>XX. INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>		-	-	-	-
<b>XXI. DISCONTINUED OPERATIONS PROVISION FOR TAXES (±)</b>		-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge		-	-	-	-
<b>NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-	-	-
<b>XXII. OPERATIONS (XX±XXI)</b>		-	-	-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	V-IV-8	<b>627,340</b>	<b>498,821</b>	<b>316,701</b>	<b>282,193</b>
23.1 Equity holders of the Bank		616,492	482,332	309,517	271,353
23.2 Non-controlling interest	V-IV-9	10,848	16,489	7,184	10,840
Earnings per Share (full TL)	III-XXIV	0.2509	0.1995	0.1267	0.1129

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

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Statement of Gains and Losses  
Recognized in Equity  
For The Six-Month Period Ended 30 June 2009  
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3 Note I*

GAINS AND LOSSES RECOGNIZED IN EQUITY		Reviewed	Reviewed	Reviewed	Reviewed
		Current Period 1 January 2009 – 30 June 2009	Prior Period 1 January 2008 – 30 June 2008	Current Period 1 April 2009 – 30 June 2009	Prior Period 1 April 2008 – 30 June 2008
I.	VALUATION DIFFERENCES OF AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF THE MARKETABLE SECURITIES	173,539	(316,490)	102,889	(187,832)
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-	-	-
IV.	CURRENCY TRANSLATION DIFFERENCES	1,375	9,784	(1,324)	(5,288)
V.	GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)	-	-	-	-
VI.	GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)	-	-	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS	-	-	-	-
VIII.	OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	(4,704)	(2,865)	(2,012)	127
IX.	DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(24,954)	61,560	(15,093)	36,324
X.	NET GAINS/(LOSSES) RECOGNIZED DIRECTLY IN EQUITY	145,256	(248,011)	84,460	(156,669)
XI.	CURRENT PERIOD'S PROFIT/(LOSS)	627,340	498,821	316,701	282,193
11.1	Change in fair value of securities (transfers to the statement of income)	(20,017)	17,294	(13,749)	9,957
11.2	Gains/Losses recognized in the statement of income due to reclassification of cash flow hedges	-	-	-	-
11.3	Gains/Losses recognized in the statement of income due to reclassification of net foreign investment hedges	-	-	-	-
11.4	Others	647,357	481,527	330,450	272,236
<b>XII.</b>	<b>TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD</b>	<b>772,596</b>	<b>250,810</b>	<b>401,161</b>	<b>125,524</b>

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

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**  
Consolidated Statement of Changes in Shareholders' Equity  
For the Six-Month Period Ended 30 June 2009  
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3 Note 1*

CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Capital Reserves from Inflation Adj.s to Paid in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period's Net Profit/(Loss)	Prior Years' Net Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Discount. Op.s	Shareholders' Equity before Minority Shares	Non-controlling Interest	Total Equity
<b>Previous period – 30 June 2008</b>																			
I.	Balances at the beginning of the period	2,500,000	-	726,687	-	197,941	-	338,246	197,974	1,030,521	6,389	118,889	10,149	12,051	-	-	5,138,847	209,466	5,348,313
II.	Corrections made as per TAS 8	-	-	4	-	2,477	1,245	8,323	245	2,746	16,541	(28,036)	2,377	(10,330)	-	-	(4,408)	2,270	(2,138)
2.1	Effect of correction of errors	-	-	4	-	2,477	1,245	8,323	245	2,746	16,541	(28,036)	2,377	(10,330)	-	-	(4,408)	2,270	(2,138)
2.2	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at the beginning of the period (I+II)	2,500,000	-	726,691	-	200,418	1,245	346,569	198,219	1,033,267	22,930	90,853	12,526	1,721	-	-	5,134,439	211,736	5,346,175
<b>Changes during the period</b>																			
IV.	Merges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Valuation differences of the marketable securities	-	-	-	-	-	-	-	-	-	-	(250,573)	-	-	-	-	(250,573)	(350)	(250,923)
VI.	Hedging reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedging net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	8,825	-	-	-	-	-	-	-	8,825	959	9,784
X.	Translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from disposal of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on the Group's equity	-	-	-	-	-	-	-	-	6,107	-	(6,253)	-	(170)	-	-	(316)	(449)	(765)
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current period's profit/loss	-	-	-	-	-	-	-	-	476,225	-	-	-	-	-	-	476,225	16,489	492,714
XX.	Profit distribution	-	-	-	-	103,019	618	761,771	36,877	(1,033,267)	(11,218)	-	-	-	-	-	(142,200)	(5,270)	(147,470)
20.1	Dividends	-	-	-	-	-	-	-	-	(142,200)	-	-	-	-	-	-	(142,200)	(5,270)	(147,470)
20.2	Transferred to reserves	-	-	-	-	103,019	618	761,771	36,877	(891,067)	(11,218)	-	-	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the end of the period</b>		<b>2,500,000</b>	<b>-</b>	<b>726,691</b>	<b>-</b>	<b>303,437</b>	<b>1,863</b>	<b>1,108,340</b>	<b>243,921</b>	<b>482,332</b>	<b>11,712</b>	<b>(165,973)</b>	<b>12,526</b>	<b>1,551</b>	<b>-</b>	<b>-</b>	<b>5,226,400</b>	<b>223,115</b>	<b>5,449,515</b>
<b>Current period – 30 June 2009</b>																			
I.	Balances at the beginning of the period	2,500,000	-	726,691	-	303,514	1,863	1,109,553	249,831	791,310	10,422	(10,008)	12,526	1,551	-	-	5,697,253	234,975	5,932,228
II.	Corrections made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at the beginning of the period (I+II)	2,500,000	-	726,691	-	303,514	1,863	1,109,553	249,831	791,310	10,422	(10,008)	12,526	1,551	-	-	5,697,253	234,975	5,932,228
<b>Changes during the period</b>																			
IV.	Merges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Valuation differences of marketable securities	-	-	-	-	-	-	-	-	-	-	135,262	-	-	-	-	135,262	3,994	139,256
VI.	Hedging Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedging net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	-	-	-	1,234	-	-	-	-	-	-	-	1,234	141	1,375
XI.	Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassifications of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on the Group's equity	-	-	-	-	-	-	-	-	6,153	-	4,185	-	-	-	-	10,338	440	10,778
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,282	1,282
XV.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current period's profit/loss	-	-	-	-	-	-	-	-	610,339	-	-	-	-	-	-	610,339	10,848	621,187
XX.	Profit distribution	-	-	-	-	77,912	498	670,108	21,878	(791,310)	19,801	-	1,113	-	-	-	(1,780)	(1,780)	(1,780)
20.1	Dividends	-	-	-	-	-	-	-	-	(791,310)	-	-	-	-	-	-	-	(1,780)	(1,780)
20.2	Transferred to reserves	-	-	-	-	77,912	498	670,108	21,878	(791,310)	19,801	-	1,113	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the end of the period</b>		<b>2,500,000</b>	<b>-</b>	<b>726,691</b>	<b>-</b>	<b>381,426</b>	<b>2,361</b>	<b>1,779,661</b>	<b>272,943</b>	<b>616,492</b>	<b>30,223</b>	<b>129,439</b>	<b>13,639</b>	<b>1,551</b>	<b>-</b>	<b>-</b>	<b>6,454,426</b>	<b>249,900</b>	<b>6,704,326</b>

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

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Statement of Cash Flows  
For the Six-Month Period Ended 30 June 2009  
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3 Note I*

	Reviewed Current Period 30 June 2009	Reviewed Prior Period 30 June 2008
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	<b>1,166,934</b>	<b>145,190</b>
1.1.1 Interests received	3,439,774	3,008,204
1.1.2 Interests paid	(1,889,890)	(2,114,472)
1.1.3 Dividends received	9,999	6,578
1.1.4 Fee and commissions received	219,942	234,888
1.1.5 Other income	284,834	273,467
1.1.6 Collections from previously written-off loans and other receivables	157,426	46,696
1.1.7 Payments to personnel and service suppliers	(1,011,961)	(818,350)
1.1.8 Taxes paid	(148,890)	(129,943)
1.1.9 Others	105,700	(361,878)
<b>1.2 Changes in operating assets and liabilities</b>	<b>3,632,243</b>	<b>1,006,823</b>
1.2.1 Net (increase) decrease in financial assets held for trading purpose	(25,844)	26,891
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss	-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions	343	(261,855)
1.2.4 Net (increase) decrease in loans	(2,165,334)	(4,890,838)
1.2.5 Net (increase) decrease in other assets	12,793	(111,523)
1.2.6 Net increase (decrease) in bank deposits	1,158,980	(144,264)
1.2.7 Net increase (decrease) in other deposits	3,737,373	6,176,536
1.2.8 Net increase (decrease) in funds borrowed	(194,784)	326,677
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	1,108,716	(114,801)
<b>I. Net cash flow from banking operations</b>	<b>4,799,177</b>	<b>1,152,013</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash flow from investing activities</b>	<b>(2,074,395)</b>	<b>(955,501)</b>
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	-	294
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Purchases of tangible assets	(35,155)	(81,169)
2.4 Proceeds from disposal of tangible assets	10,311	27,575
2.5 Cash paid for purchase of available-for-sale financial assets	(3,714,027)	(2,380,887)
2.6 Proceeds from disposal of available-for-sale financial assets	1,524,118	1,491,577
2.7 Cash paid for purchase of held-to-maturity investments	(99,953)	(116,064)
2.8 Proceeds from disposal of held-to-maturity investments	240,311	103,173
2.9 Others	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net cash flow from financing activities</b>	<b>-</b>	<b>(147,470)</b>
3.1 Cash obtained from funds borrowed and securities issued	-	-
3.2 Cash used for repayment of funds borrowed and securities issued	-	-
3.3 Equity instruments issued	-	-
3.4 Dividends paid	-	(147,470)
3.5 Re-payments for finance leases	-	-
3.6 Others	-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>2,724,782</b>	<b>49,042</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	<b>7,107,581</b>	<b>5,382,011</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	<b>9,832,363</b>	<b>5,431,053</b>

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

## **SECTION THREE**

### **Accounting Policies**

#### **I. Basis of presentation**

As per the Article 37 and 38 of “Accounting and Recording Rules” and “Consolidated Financial Reports”, respectively of the Turkish Banking Law no.5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, Türkiye Vakıflar Bankası TAO (“the Bank” or “the Parent Bank”) and its Financial Subsidiaries (“the Group”) keeps its accounting records and prepares its consolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulation and Supervision Agency (“BRSA”) and in effect since 1 November 2006, Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the related statements and guidance (collectively “Reporting Standards”).

The accompanying consolidated financial statements are prepared in accordance with the historical cost basis except for the items presented on a fair value basis that are financial assets at fair value through profit or loss, derivative financial assets and liabilities held for trading purpose, available-for-sale financial assets and unconsolidated investments in associates and subsidiaries whose fair value can be reliably measured.

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

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and jurisdictions other than Turkey.

#### **II. Strategy for the use of financial instruments and foreign currency transactions**

##### **Strategy for the use of financial instruments**

The Parent Bank’s core operations are based on retail banking, corporate banking, private banking, foreign exchange operations, money market operations, investment security transactions, and international banking. As a result of the nature of its operations, the Bank intensively utilizes financial instruments. The Bank funds itself through deposits with different maturities as the main funding resources that are invested in assets earning higher returns.

The most important fund sources of the Parent Bank other than the deposits are its equity and medium and long-term borrowings obtained from foreign financial institutions. The Parent Bank pursues an effective asset-liability management strategy by securing balance between funding resources and investments so as to reduce risks and increase returns. Accordingly, the Bank attaches great significance to long-term placements bearing higher interest rates.

It is essential to consider the maturity structure of assets and liabilities in liquidity management. The essence of asset liability management is the keep the liquidity risk, interest rate risk, exchange rate risk, and credit risk within reasonable limits; while enhancing profitability and strengthening the shareholders’ equity.

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Parent Bank’s operating activities on the basis of maturity structures and market conditions. When bank placements are considered, they have short term maturity in terms of liquidity management but earn lower return.

The Parent Bank takes position against short-term foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within specified limits set by regulations.



The Parent Bank hedges itself and controls its position against the foreign exchange risk being exposed due to foreign currency available-for-sale investments, investments in other portfolios and other foreign currency transactions by various derivative transactions and setting the equilibrium between foreign currency denominated assets and liabilities. The Parent Bank also hedges itself against the risk exposed due to net investment in foreign operations by the same manner.

In order to avoid interest rate risk, assets and liabilities having fixed and floating interest rates are kept in balance, taking the maturity structure into consideration.

### **Information on foreign currency transactions**

Transactions of the Bank and its consolidated subsidiaries located in Turkey are recorded in TL, the functional currency of the Bank and the related subsidiaries. Foreign currency transactions are recorded using the foreign exchange rates ruling at the transaction date. At the end of the periods, foreign currency denominated monetary assets and liabilities are measured at the Bank's spot purchase rates in the financial statements of the Bank; and at the spot purchase rates announced by the Central Bank of Turkey ("CBT") in the financial statements of the other subsidiaries. The foreign exchange rate differences are recognized as foreign exchange gains or losses in the statement of income.

If the net investments in associates and subsidiaries operating in foreign countries are measured at cost, they are reported as translated into TL by using the foreign exchange rate at the date of transaction. If related associates and subsidiaries are measured at fair value, net foreign operations are reported as translated into TL by the rates prevailing at the date of the determination of the fair value.

Foreign currency differences arising from the translation of the financial statements of the net investment in foreign operations into TL for consolidation purpose are classified as "foreign currency differences arising from associates, subsidiaries, and joint ventures" sub account under "other profit reserves" presented in the shareholders' equity.

### **III. Information on companies subject to consolidation**

As at and for the six-month period ended 30 June 2009, the financial statements of T. Vakıflar Bankası TAO, Vakıf International AG, World Vakıf UBB Ltd., Vakıf Finansal Kiralama AŞ, Vakıf Deniz Finansal Kiralama AŞ, Güneş Sigorta AŞ, Vakıf Emeklilik AŞ, Vakıf Finans Factoring Hizmetleri AŞ, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, Vakıf Yatırım Menkul Değerler AŞ, Vakıf Portföy Yönetimi AŞ, Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ, Kıbrıs Vakıflar Bankası Ltd. Şti., and Türkiye Sınai Kalkınma Bankası AŞ have been included in the consolidated financial statements of the Group.

*Vakıf International AG*, has been established in 1999 to operate in banking sector in foreign countries, in line with the Bank's globalization policy. Its head office is in Wien.

*World Vakıf Off Shore Banking Ltd.*, has been established in Turkish Republic of Northern Cyprus in 1993 for offshore banking operations. Its head office is in Lefkosa. The name of the Bank has been changed as World Vakıf UBB. Ltd. on 4 February 2009.

*Vakıf Finansal Kiralama AŞ*, has been established in 1988 to enter into finance lease operations and make related transactions and contracts. Its head office is in Istanbul.

*Vakıf Deniz Finansal Kiralama AŞ*, has been established in 1993 to enter into finance lease operations through the acquisition of vessels like cargo and ro-ro ships and make related transactions and contracts. The Company qualified for TS ISO 9002 Quality Assurance Certificate in 1995 and renewed it in 1998. Vakıf Deniz Finansal Kiralama AŞ is the first institution that has qualified for this certificate in finance sector. Its head office is in Istanbul. Activities regarding the merger of Vakıf Deniz Finansal Kiralama AŞ and Vakıf Finansal Kiralama AŞ, also consolidating subsidiary, have been initiated and as at the report date the merger process still continues.

*Güneş Sigorta AŞ*, has been established under the leadership of the Bank and Soil Products Office in 1957. The Company has been operating in nearly all non-life insurance branches like fire, accident, transaction, engineering, agriculture, health, forensic protection, and loan insurance. Its head office is in Istanbul.

*Vakıf Emeklilik AŞ*, has been established under the name Güneş Hayat Sigorta AŞ in 1992. In 2002 the Company has taken conversion permission from Treasury and started to operate in private pension system. Its head office is in Istanbul.

*Vakıf Finans Factoring Hizmetleri AŞ*, has been established in 1998 to perform factoring transactions and any kind of financing transactions. Factoring, the main operation of the Company, is a financing method that includes the trade receivables of production, distribution and service companies to be sold to intermediary institutions. Its head office is in Istanbul.

*Vakıf Gayrimenkul Yatırım Ortaklığı AŞ*, has been established as the first real estate investment partnership in finance sector under the adjudication of Capital Markets Law in 1996. The Company's main operation is in line with the scope in the Capital Markets Board's regulations relating to real estate investment trusts like, real estates, capital market tools based on real estates, real estate projects and investment on capital market tools. Its head office is in İstanbul.

*Vakıf Yatırım Menkul Değerler AŞ*, has been established in 1996 to provide service to investors through making capital markets transactions, issuance of capital market tools, commitment of repurchase and sales, and purchase and sales of marketable securities, operating as a member of stock exchange, investment consultancy, and portfolio management. Its head office is in Istanbul.

*Vakıf Portföy Yönetimi AŞ*, operates in investment fund management, portfolio management and pension fund management. Its head office is in Istanbul.

*Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ*, was established in 1991 in Istanbul. The main operation of the Company is to invest a portfolio including marketable debt securities, equity securities without having managerial power in the partnerships whose securities have been acquired; and gold and other precious metals traded in national and international stock exchange markets or active markets other than stock exchange markets, in accordance with the principles and regulations promulgated by Capital Markets Board. Its head office is in Istanbul.

*Kıbrıs Vakıflar Bankası Ltd. Şti.*, was established in 1982 in Turkish Republic of Northern Cyprus, mainly to encourage the credit cards issued by the Bank, and increase foreign exchange inflow, and carry on retail and commercial banking operations. Its head office is in Lefkosa.

*Türkiye Sınai Kalkınma Bankası AŞ*, was established in 1950 to support investments in all economical sectors. Its head office is in Istanbul.

In cases where the accounting policies for the preparation of the financial statements of Financial Subsidiaries are different than that of the Parent Bank, the differences have been adjusted to the accounting policies of the Parent Bank, taking the materiality principle into account. The financial statements of local Financial Subsidiaries, and foreign Financial Subsidiaries preparing their financial statements according to the principles of the countries which they are located in, have been adjusted in accordance with Reporting Standards as at 30 June 2009, 31 March 2009, 31 December 2008, 30 June 2008, 31 March 2008 and 31 December 2007. Inter-company balances and transactions, and any unrealized gains and losses arising from inter-company transactions, are eliminated in preparing these consolidated financial statements

#### **IV. Information on forwards, options and other derivative transactions**

The derivative transactions of the Group mainly consist of foreign currency and interest rate swaps and foreign currency forward contracts.

The Group has classified its derivative transactions, mentioned above, as "trading derivatives" in accordance with the TAS 39 – *Financial Instruments: Recognition and Measurement*. Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts as stated on the related derivative contracts. Subsequently, the derivative transactions are measured at their fair values and the changes in fair values are recorded in the balance sheet under "derivative financial assets held for trading purpose" or "derivative financial liabilities held for trading purpose". The subsequent fair value changes are recorded in the consolidated statement of income.

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

### **Banking activities**

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, emission or disposal of financial assets or liabilities.

The accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

### **Finance leasing activities**

The total of minimum rent amounts are recorded at “finance lease receivables” account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at “unearned income” account. As the rents are collected, “finance lease receivables” account is decreased by the rent amount; and the interest component is recorded in the consolidated statement of income as interest income.

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

Fee and commissions are recorded based on accrual basis. Financial service fees that are an integral part of the effective yield of an instrument are recognized as an adjustment to the effective interest rate of the instrument. Some fees are related to the execution of a significant act, rather than to the effective interest rate of an associated financial instrument or to a specific service period. Such fees are earned when the related significant act has been completed.

## **VII. Financial assets**

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

Financial assets are recognized initially with their transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets are classified in four categories; as financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments, and loans and receivables.

### **Financial assets at fair value through profit or loss**

Such assets are measured at their fair values and gain/loss arising is recorded in the consolidated statement of income. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the consolidated statement of income. The gains/losses in case of disposal of such securities before their maturities are recorded under trading income/losses in the consolidated statement of income.

### **Held to maturity investments, available-for-sale financial assets and loans and receivables**

*Held to maturity investments* are the financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables.

There are no financial assets that are not allowed to be classified as held-to-maturity investments for two years due to the tainting rules applied for the breach of classification rules.

Held-to-maturity investments are measured at amortized cost using effective interest method after deducting impairments, if any. Interest earned on held-to-maturity investments is recognized as interest income.

*Available-for-sale financial assets* are the financial assets other than assets held for trading purposes, held-to-maturity investments and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. However, assets that are not traded in an active market are measured by valuation techniques, including recent market transactions in similar financial instruments, adjusted for factors unique to the instrument being valued; or discounted cash flow techniques for the assets which do not have a fixed maturity. Unrecognized gains or losses derived from the difference between their fair value and the discounted values are recorded in “valuation differences of the marketable securities” under the shareholders’ equity. In case of sales, the realized gain or losses are recognized directly in the consolidated statement of income.

Purchase and sale transactions of securities are accounted at settlement dates.

*Loan and receivables* are the financial assets raised by the Bank providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recorded at cost and measured at amortized cost by using effective interest method. The duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

#### **Associates and subsidiaries**

Subsidiaries are the entities that the Group has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. Subsidiaries are accounted in accordance with TAS 39 – *Financial Instruments: Recognition and Measurement* in the unconsolidated financial statements of the Bank. Subsidiaries, which are traded in an active market or whose fair value can be reliably measured, recorded at their fair values. Subsidiaries which are not traded in an active market and whose fair value cannot be reliably measured are reflected in financial statements with their costs after deducting impairment losses, if any. The financial subsidiaries of the Group are consolidated in the accompanying consolidated financial statements and non-financial subsidiaries are accounted in accordance with TAS 39.

Associates have been reclassified under available-for-sale financial assets in the unconsolidated financial statements of the Bank and associates which are not traded in an active market and whose fair value cannot be reliably measured are reflected in the unconsolidated financial statements with their costs after deducting impairment losses, if any. In the consolidated financial statements, associates have been subject to consolidation based on equity method if the Group has the power to participate in determining the financial and operational policies. If the Group does not have this power, associates are accounted in accordance with TAS 39.

### **VIII. Impairment of financial assets**

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Group estimates the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no. 26333 dated 1 November 2006 and the amendments to this regulation. The allowances are recorded in the statement of income of the related period.

## **IX. Netting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right of the Group to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **X. Repurchase and resale agreements and securities lending**

Securities sold under repurchase agreements are recorded on the balance sheet. Government bonds and treasury bills sold to customers under repurchase agreements are classified as “Securities Subject to Repurchase Agreements” and measured based on their original portfolio, either at fair value or at amortized cost using the effective interest rate method. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis.

Securities purchased under resale agreements are classified under “Interbank Money Markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

## **XI. Information on assets and liabilities arising from assets held for sale and discontinued operations**

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) 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.

A discontinued operation is a part of the Group’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the consolidated income statement. The Group has no discontinued operations.

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

The Group’s intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the TAS 38 – *Intangible Assets*.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 – *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

**XIII. Information on tangible assets**

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives are:

<b>Tangible assets</b>	<b>Estimated useful lives (years)</b>	<b>Depreciation Rates (%)</b>
Buildings	50	2
Office equipment, furniture and fixture, and motor vehicles	5-10	10-20
Assets obtained through finance leases	4-5	20-25

If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 – *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

**XIV. Information on investment properties**

Investment property is a property held either to earn rental income or for capital appreciation or for both. The Group holds investment property as a consequence of operations of its real estate company and insurance companies, consolidated in the accompanying consolidated financial statements.

Investment properties are measured initially at cost including transaction costs.

Subsequent to initial recognition, the Group measured all investment property based on the cost model in accordance with the cost model for property and equipment (i.e. at cost less accumulated depreciation and less any accumulated impairment losses).

**XV. Information on leasing activities****Finance leasing activities as the lessee**

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the balance sheet of the Group. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through finance lease and in the expected future benefits, the leased assets are valued with net realizable value.

Depreciation for assets obtained through finance lease is calculated in the same manner as tangible assets.

**Finance leasing activities as the lessor**

The total of minimum rent amounts are recorded at "finance lease receivables" account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at "unearned income" account. As the rents are collected, "finance lease receivables" account is decreased by the rent amount; and the interest component is recorded at consolidated income statement as interest income.

**Operational leases**

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

**XVI. Information on provisions and contingent liabilities**

In the consolidated financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as at the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Group to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the consolidated financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in consolidated financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated 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 consolidated financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Group discloses the contingent asset.

**XVII. Information on obligations of the Group concerning employee rights****Reserve for employee termination benefits**

In accordance with existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at 30 June 2009 is TL 2.26 (31 December 2008: TL 2.17).

The Bank reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the TAS 19 – *Employee Benefits*.

As at 30 June 2009 and 31 December 2008, the major statistical assumptions used in the calculation of the total liability are as follows:

	<b>Current Period</b>	<b>Previous Period</b>
Discount rate	6.26%	6.26%
Expected rate of salary/limit increase	5.40%	5.40%
Estimated employee turnover rate	0.84%	0.84%

**Other benefits to employees**

The Group has provided for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with *TAS 19* in the accompanying consolidated financial statements.

**Pension fund**

The employees of the Bank are the members of “Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı” (“the Fund”) established on 15 May 1957 as per the temporary article no. 20 of the Social Security Law no. 506.

The first paragraph of the temporary article no. 23 which states the Banks should transfer pension funds to the Social Security Institution within three years after the issue date of the Banking Law no. 5411, issued in the 1 November 2005 dated and 25983 numbered Official Gazette, has been cancelled by the Constitutional Court’s 22 March 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on 15 December 2007 in the Official Gazette no. 26731.

Following the publication of the ruling, the Turkish Parliament started to work on new legal arrangements and the Social Security Law no. 5754 (“the Law”) has been approved on 17 April 2008. The Law is enacted by the approval of the President of Turkey and issued on the 8 May 2008 dated and 26870 numbered Official Gazette.

In accordance with the temporary article no. 20 of the Article no. 73 of the Law;

The discounted liability for each fund in terms of the persons transferred as at the transfer date, including the contributors left the fund, should be calculated by the assumptions below,

- a) The technical interest rate to be used for the actuarial calculation is 9.80%
- b) Income and expenditures in respect to fund's insurance division are considered in the calculation of discounted liability.

Law requires the transfer to be completed in three years beginning from 1 January 2008.

At 19 June 2008, Cumhuriyet Halk Partisi, opposition party, appealed to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. As at the report date, there is no arbitrement of the Constitutional Court published.

The employer of pension fund participants (the Banks) will continue to pay the non-transferable social rights, which are already disclosed in the article of association of the pension fund, to the pension participants and their right owners, even though the salary payment obligation has been transferred to the Social Security Foundation.

The technical financial statements of the Fund are audited by the certified actuary according to the the "Actuaries Regulation" which is issued as per the Article no.21 of the 5684 numbered Insurance Law. As per the actuarial report dated February 2009 which is prepared in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against.

## **XVIII. Taxation**

### **Corporate tax**

Corporate tax rate is 20% in Turkey. This rate is applied to the total income of the corporations adjusted for certain disallowable expenses, exempt income and any other allowances.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Except for the dividend payments to these institutions, the withholding tax rate on the dividend payments is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The corporate tax rate for the associate in the Turkish Republic of Northern Cyprus has been determined as 2% and this associate is exempted from stamp tax duty.

The corporate tax rate for the Group's subsidiary in Austria has been determined as 25%. Pre-paid corporate taxes for every three months are computed and paid using the related period's tax rate. Taxes which have been paid for the previous periods can be deducted from corporate taxes computed on annual taxable income. According to the Double Taxation Treaty Agreement between Turkey and Austria, Turkish corporations in Austria possess the right to benefit from tax returns of 10%.



### **Deferred taxes**

According to the TAS 12 – *Income Taxes*; deferred tax assets and liabilities are recognized, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

The deferred tax assets and liabilities are reported as net in the consolidated financial statements only if the Group has legal right to present the net value of current year tax assets and current year tax liabilities and the deferred tax assets and deferred tax liabilities are income taxes of the same taxable entity.

In case where gains/losses resulting from the subsequent measurement of financial assets are recognized in the consolidated statement of income, then the related current and/or deferred tax effects are also recognized in the consolidated statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

### **Transfer Pricing**

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

### **XIX. Funds borrowed**

Financial liabilities for trading purposes and derivative financial liabilities are valued at their fair values. All other financial liabilities are carried at amortized cost using effective interest method.

As at 30 June 2009 and 31 December 2008, there are no convertible bonds or any other securities issued by the Parent Bank.

### **XX. Issuance of equity securities**

The shares of the Bank having nominal value of TL 322,000,000, representing the 25.18% of the Bank's outstanding shares, was publicly offered at a price between TL 5.13-5.40 for each share having a nominal value of TL 1 on November 2005, and TL 1,172,347 was recorded as “Share Premiums” in shareholders' equity. TL 448,429 of this amount has been utilized in capital increase on 19 December 2006.

### **XXI. Confirmed bills of exchange and acceptances**

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any. As at the balance sheet date, there are no acceptances recorded as liability in return for assets.

### **XXII. Government incentives**

As at 30 June 2009 and 31 December 2008, the Group does not have any government incentives.

### **XXIII. Segment reporting**

Operational segments are determined based the structure of the Group's risks and benefits and presented in Section 4 Note VII.

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**

Consolidated Interim Financial Report as at and  
For the Six-Month Period Ended 30 June 2009  
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish, See Section 3 Note 1*

**XXIV. Other disclosures****Corrections to the prior periods' consolidated financial statements**

The Group has classified the shares of Türkiye Sınai Kalkınma Bankası AŞ ("TSKB"), which were previously presented under available-for-sale financial assets and measured with their fair values, as associate since the condition of being represented on the board of directors or equivalent governing body of the investee is fulfilled in accordance with TAS 28 – *Investment in associates*. TSKB has been accounted for in the accompanying consolidated financial statements using equity method. The effect of the change on the Group's consolidated shareholders' equity has been presented in the tables below.

	Share Premium	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period's Profit/(Loss)	Prior Year's Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries, and Joint-Ventures	Minority Shares	Total Shareholders' Equity
<b>31 December 2007</b>												
<i>Reported Balances</i>	726,687	197,941	-	338,246	197,974	1,030,521	6,389	118,889	10,149	12,051	209,466	5,348,313
Consolidation of TSKB per equity method	4	2,477	1,245	8,323	245	2,746	16,541	(28,036)	2,377	(10,330)	2,270	(2,138)
<b>Adjusted Balances</b>	<b>726,691</b>	<b>200,418</b>	<b>1,245</b>	<b>346,569</b>	<b>198,219</b>	<b>1,033,267</b>	<b>22,930</b>	<b>90,853</b>	<b>12,526</b>	<b>1,721</b>	<b>211,736</b>	<b>5,346,175</b>

	Share Premium	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period's Profit/(Loss)	Prior Year's Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries, and Joint-Ventures	Minority Shares	Total Shareholders' Equity
<b>31 March 2008</b>												
<i>Reported Balances</i>	726,687	298,041	-	1,098,876	247,560	208,393	(1,990)	(7,911)	10,149	12,051	214,431	5,306,287
Consolidation of TSKB per equity method	4	3,720	1,863	9,186	245	2,586	16,563	(6,866)	2,377	(10,330)	1,691	21,039
<b>Adjusted Balances</b>	<b>726,691</b>	<b>301,761</b>	<b>1,863</b>	<b>1,108,062</b>	<b>247,805</b>	<b>210,979</b>	<b>14,573</b>	<b>(14,777)</b>	<b>12,526</b>	<b>1,721</b>	<b>216,122</b>	<b>5,327,326</b>

**Earnings per shares**

As at and for the six-month period ended 30 June 2009, earnings per share is TL 0.2509 (30 June 2008: TL 0.1995).

**Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Shareholders, top executives and board members are accepted as related party personally, with their families and companies according to TAS 24 - *Related Party Disclosures Standard*. Transactions made with related parties are disclosed in Section 5 Note V.

**Cash and cash equivalents**

Cash and cash equivalents which is a base for preparation of cash flow statement includes cash in TL, cash in FC, cheques, demand deposits for both Central Bank of Turkey and other banks, money market placements and time deposits at banks and marketable securities whose original maturity is less than 3 months.

### **Insurance operations of the Group**

*Written Premiums:* Written premiums represent premiums on policies written during the period net of taxes and premiums of the cancelled policies which were produced in prior periods. Written premiums, net off ceded are recorded under other operating income in the accompanying consolidated statement of income.

*Reserve for unearned premiums:* Reserve for unearned premiums represents the proportions of the premiums written in a period that relate to the period of risk subsequent to the balance sheet date, without deductions of commission or any other expense. Reserve for unearned premiums is calculated for all contracts except for the insurance contracts for which the Group provides mathematical reserve. Reserve for unearned premiums is also calculated for the annual premiums of the annullay renewed long-term insurance contracts. Reserve for unearned premiums is presented under “insurance technical provisions” in the accompanying consolidated financial statements.

*Reserve for outstanding claims:* Reserve for the claims are provided in the year in which they incur, based on reported amounts or on the basis of estimates when the amounts could not be determined in certainty. Provision for outstanding claims represents the estimate of the total reported costs of notified claims on an individual case basis at the balance sheet date as well as the corresponding handling costs. Incurred but not reported claims (“IBNR”) are also provided for under provisions for outstanding claims. Reserve for outstanding claims is presented under “insurance technical provisions” in the accompanying consolidated financial statements.

*Mathematical provisions:* Mathematical provisions are the provisions recorded against the liabilities of the Group to the beneficiaries of long-term life, health and individual accident policies based on actuarial assumptions. Mathematical provisions consist of actuarial mathematical provisions and profit sharing reserves.

Actuarial mathematical provisions are calculated as the difference between the net present values of premiums written in return of the risk covered by the Group and the liabilities to policyholders for long-term insurance contracts based on the basis of actuarial mortality assumptions as approved by the Republic of Turkey Prime Ministry Undersecretariat of Treasury, which are applicable for Turkish insurance companies. Mathematical provision also includes the saving portion of the provisions for saving life product.

Profit sharing reserves are the reserves provided against income obtained from asset backing saving life insurance contracts. These contracts entitle the beneficiaries of those contracts to a minimum guaranteed crediting rate per annum or, when higher, a bonus rate declared by the Group from the eligible surplus available to date.

Mathematical provisions are presented under “insurance technical provisions” in the accompanying consolidated financial statements.

*Deferred acquisition cost and deferred commission income:* Commissions and other acquisition costs given to the intermediaries that vary with and are related to securing new contracts and renewing existing insurance contracts are capitalized as deferred acquisition cost. Deferred acquisition costs are amortized on a straight-line basis over the life of the contracts. Deferred acquisition costs are presented under “other assets” in the accompanying consolidated financial statements. Commission income obtained against premiums ceded to reinsurance firms are also deferred and amortized on a straight-line basis over the life of the contracts. Deferred commission income is presented under “other external resources payable” in the accompanying consolidated financial statements.

## **SECTION FOUR**

### **Information Related to Financial Position of the Group**

#### **I. Consolidated capital adequacy ratio**

The Bank's consolidated capital adequacy ratio is 14.50% (The Parent Bank: 14.62%).

##### **Risk measurement methods in calculation of capital adequacy ratio**

Consolidated capital adequacy ratio is calculated within the scope of the "Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no.26333 dated 1 November 2006, "Regulation for an Amendment for the Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no.26824 dated 22 March 2008 and "Regulation on the Equity of Banks".

In calculation of the consolidated capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used.

The items deducted from the capital base are not included in the calculation of risk weighted assets. In calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of the Banks".

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**Information related to consolidated capital adequacy ratio**

	Unconsolidated – Parent Bank’s Risk Weights – 30 June 2009							Consolidated – Group’s Risk Weights – 30 June 2009						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
<b>Balance Sheet Items (Net)</b>	<b>11,788,085</b>	-	<b>3,279,410</b>	<b>9,157,967</b>	<b>24,416,113</b>	<b>42,842</b>	<b>197</b>	<b>12,066,162</b>	-	<b>3,547,850</b>	<b>9,157,967</b>	<b>25,420,276</b>	<b>42,842</b>	<b>197</b>
Cash on hand	471,631	-	38	-	-	-	-	475,547	-	84	-	-	-	-
Securities in redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,961,833	-	-	-	-	-	-	1,961,833	-	-	-	-	-	-
Domestic and foreign banks, foreign head offices and branches	1,774,462	-	3,005,087	-	190,329	-	-	1,786,949	-	3,170,218	-	155,651	-	-
Interbank Money Market placements	2,500,000	-	-	-	-	-	-	2,500,085	-	-	-	-	-	-
Receivables from reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve deposits	767,233	-	-	-	-	-	-	767,233	-	-	-	-	-	-
Loans	217,541	-	199,780	9,027,733	22,045,115	42,842	197	264,383	-	282,804	9,027,733	22,220,345	42,842	197
Loans under follow-up (Net)	-	-	-	-	179,636	-	-	-	-	-	-	190,786	-	-
Lease Receivables	-	-	-	-	-	-	-	2,394	-	-	-	248,341	-	-
Available-for-sale financial assets	-	-	19,931	-	-	-	-	-	-	26,894	-	1,324	-	-
Held-to-maturity investments	3,753,089	-	36,600	-	-	-	-	3,934,071	-	47,354	-	-	-	-
Receivables from term sale of assets	-	-	-	-	136,978	-	-	-	-	-	-	136,978	-	-
Miscellaneous receivables	-	-	-	-	149,786	-	-	-	-	-	-	149,786	-	-
Accrued interests and income	239,077	-	17,974	130,234	319,791	-	-	258,462	-	20,496	130,234	326,735	-	-
Investments in associates, subsidiaries and joint-ventures (Net)	-	-	-	-	592,382	-	-	-	-	-	-	163,338	-	-
Tangible assets (Net)	-	-	-	-	765,787	-	-	-	-	-	-	919,633	-	-
Other assets	103,219	-	-	-	36,309	-	-	115,205	-	-	-	907,359	-	-
<b>Off-Balance Sheet Items</b>	<b>167,126</b>	-	<b>158,284</b>	<b>390,515</b>	<b>5,204,080</b>	-	-	<b>167,126</b>	-	<b>159,428</b>	<b>390,515</b>	<b>5,154,420</b>	-	-
Non-cash loans and commitments	167,126	-	143,174	390,515	5,199,727	-	-	167,126	-	143,174	390,515	5,150,067	-	-
Derivative financial instruments	-	-	15,110	-	4,353	-	-	-	-	16,254	-	4,353	-	-
<b>Total Risk-Weighted Assets</b>	<b>11,955,211</b>	-	<b>3,437,694</b>	<b>9,548,482</b>	<b>29,620,193</b>	<b>42,842</b>	<b>197</b>	<b>12,233,288</b>	-	<b>3,707,278</b>	<b>9,548,482</b>	<b>30,574,696</b>	<b>42,842</b>	<b>197</b>

**Summary information related to capital adequacy ratio**

	Unconsolidated		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	35,146,630	32,796,049	36,155,050	34,108,440
Value at Market Risk	1,150,500	755,100	1,220,888	834,638
Value at Operational Risk <sup>(*)</sup>	4,756,200	4,130,525	5,609,963	5,045,400
Equity	6,003,279	5,389,879	6,233,740	5,619,673
<b>Equity/ (VaCR+VaMR+VaOR)*100</b>	<b>14.62</b>	<b>14.30</b>	<b>14.50</b>	<b>14.05</b>

<sup>(\*)</sup> In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 31 December 2008 was measured by taking value at operational risk calculated based on average of gross incomes for the years ended 31 December 2005, 2006 and 2007 into consideration. For the year 2009, value at operational risk is being calculated based on average of gross incomes for the years ended 31 December 2006, 2007 and 2008.

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**Components of consolidated equity**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in capital	2,500,000	2,500,000
Nominal capital	2,500,000	2,500,000
Capital commitments (-)	-	-
Capital reserves from inflation adjustments to paid-in capital	-	-
Share premiums	726,691	726,691
Share cancellation profits	-	-
Legal reserves	381,426	303,514
I. Legal reserve (Turkish Commercial Code 466/1)	204,920	163,567
II. Legal reserve (Turkish Commercial Code 466/2)	-	-
Reserves allocated as per special legislations	176,506	139,947
Status reserves	2,361	1,863
Extraordinary reserves	2,052,604	1,359,384
Reserve allocated as per the decision held by the General Assembly	1,779,661	1,109,553
Retained earnings	272,943	249,831
Accumulated losses	-	-
Exchange rate differences on foreign currency capital	-	-
Reserves from inflation adjustments to legal, status and extraordinary reserves	-	-
Profit	646,715	801,732
Current period's profit	616,492	791,310
Prior years' profit	30,223	10,422
Free provision for possible losses (up to 25% of Core Capital)	-	-
Income on sale of equity shares and real estates to be used up for capital increase	1,138	25
Primary subordinated loans (up to 15% of Core Capital)	-	-
Non-controlling interest	230,261	219,329
Loss excess of reserves (-)	-	-
Current year's loss	-	-
Prior years' loss	-	-
Leasehold improvements (-) <sup>(*)</sup>	87,106	-
Prepaid expenses (-) <sup>(*)</sup>	274,675	286,135
Intangible assets (-) <sup>(*)</sup>	35,244	33,409
Deferred tax asset excess of 10% of core capital (-)	-	-
Limit excesses as per the 3 <sup>rd</sup> paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (net) (-)	-	-
<b>Total core capital</b>	<b>6,144,171</b>	<b>5,912,538</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General provisions	290,510	258,907
45% of revaluation surplus on movables	5,625	5,625
Bonus shares of associates, subsidiaries and joint-ventures	1,551	1,551
Primary subordinated loans excluding the portion included in core capital	-	-
Secondary subordinated loans	-	-
45% of securities value increase fund	58,247	(10,008)
Associates and subsidiaries	2,115	9,715
Available-for-sale financial assets	56,132	(19,723)
Inflation adjustment differences of capital reserves, profit reserves and prior years' profit/(loss)	-	-
Non-controlling interest	8,884	12,196
<b>Total supplementary capital</b>	<b>364,817</b>	<b>268,271</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>6,508,988</b>	<b>6,180,809</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>275,248</b>	<b>561,136</b>
Unconsolidated investments in entities (domestic/foreign) operating in banking and financial sectors exceeding 10% of ownership	2,490	1,292
Investments in entities (domestic/foreign) operating in banking and financial sectors at less than 10% exceeding 10% or more of the total core and supplementary capitals	88,995	76,203
Loans to banks, financial institutions (domestic/foreign) or qualified shareholders in the form of secondary subordinated loans and debt instruments purchased from such parties qualified as primary or secondary subordinated debts	-	-
Loan granted to customer against the Articles 50 and 51 of the Banking Law	-	-
Net book values of immovables exceeding 50% of the capital and of assets acquired against overdue receivables and held for sale as per the Article 57 of the Banking Law but retained more than five years	183,763	164,097
Others	-	-
<b>TOTAL EQUITY</b>	<b>6,233,740</b>	<b>5,619,673</b>

<sup>(\*)</sup> In accordance with the Temporary Article 1, explaining adaptation period of "Regulation on Equities of the Banks", published in Official Gazette no. 26333 dated 1 November 2006, leasehold improvements, prepaid expenses and intangible assets had been considered as "deductions from capital" till 1 January 2009, although they were presented within "core capital". By the end of the adaptation period, these items have started to be deducted from "core capital".

## II. Consolidated market risk

The Parent Bank has defined its risk management procedures and has taken necessary precaution in order to avoid market risk, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006.

The market risk is defined as the potential risk of loss due to changes in interest rates, foreign exchange rates and equity prices on balance sheet and off-balance sheet positions of the banks.

The capital need for general market risk and specific risks is calculated using the standard method defined by the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” and reported monthly.

In addition to the standard method, the Bank also uses internal models like Historical and Monte Carlo Simulations in measuring market risk. The Bank also performs daily back-testing in order to measure the reliability of the models. Besides, scenario analyses are implemented in order to support the Standard Method and internal models. In order to monitor the maturity structure of the asset and liability accounts, liquidity analysis are performed and the duration of the Bank’s assets and liabilities is calculated.

The market risk analysis of the Parent Bank is reported monthly and sent to the related regulatory institutions.

### Value at market risk

	<b>Amount</b>
(I) Capital obligation against general market risk - standard method	79,004
(II) Capital obligation against specific risks - standard method	6,541
(III) Capital obligation against currency risk - standard method	9,532
(IV) Capital obligation against stocks risks - standard method	-
(V) Capital obligation against exchange risks - standard method	-
(VI) Capital obligation against market risks of options - standard method	2,594
(VII) Capital obligation against market risks of banks applying risk measurement models	-
(VIII) Total capital obligations against market risk (I+II+III+IV+V+VI)	97,671
<b>(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))</b>	<b>1,220,888</b>

### Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of the changes in the levels of equity indices and the value of individual stocks.

The effect on equity of the Group as a result of change in the fair value of equity instruments quoted to İstanbul Stock Exchange (“ISE”) held as available-for-sale financial assets, associates and subsidiaries due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	Change in index	30 June 2009	30 June 2008
		Equity	Equity
ISE – 100 (IMKB - 100)	10%	94	128

**III. Consolidated operational risk**

The Group calculated the value at operational risk in accordance with the fourth section published in the Official Gazette date 1 June 2007 related to the “Computation of Value of Operational Risk” of the circular, “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette numbered 26333 and dated 1 November 2006.

The amount calculated as TL 448,797 (31 December 2008: TL 403,632) from gross income for the years ended 31 December 2006, 2007 and 2008 and used for the calculation of capital adequacy ratio as at 30 June 2009, represents the operational risk that the Bank may expose and the amount of minimum capital requirement to eliminate this risk. Value at operational risk amounting to TL 5,609,963 (31 December 2008: TL 5,045,400) presented in the table included in Note I of this section is calculated as 12.5 times of the operational risk.

**IV. Consolidated foreign currency exchange risk****Foreign exchange risk that the Parent Bank exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the Parent Bank for the positions being monitored on a daily basis**

The Standard Method which is also used in the legal reporting is used in measuring the currency risk of the Bank.

All of the foreign currency assets and liabilities and the forward foreign-currency transactions are taken into consideration in calculating the capital obligation for the currency risk. The net long and short positions are calculated in Turkish Lira equivalent of the each currency. The position with the biggest absolute value is determined as the base amount for the capital obligation. The capital obligation is calculated at that amount.

**The magnitude of hedging foreign currency debt instruments and net investment in foreign operations by using derivatives**

As at 30 June 2009 and 31 December 2008, the Group does not have derivate financial instruments held for risk management purpose.

**Foreign exchange risk management policy**

Risk policy of the Bank is based on the transactions within the limits and keeping the currency position well-balanced.

In the light of the national legislations and international applications, the Parent Bank has established a foreign currency risk management policy that enables the Bank to take position between lower and upper limits determined in respect of the current equity profile. Speculative position is not held by the Bank.

The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	<b>US Dollar</b>	<b>Euro</b>
<b>The Bank’s foreign currency purchase rate at the balance sheet date</b>	1.5250	2.1503
<u>Foreign currency rates for the days before balance sheet date:</u>		
Day 1	1.4900	2.0875
Day 2	1.4900	2.0909
Day 3	1.5000	2.0945
Day 4	1.5100	2.1262
Day 5	1.5300	2.1158
<hr/>		
	<b>US Dollar</b>	<b>Euro</b>
<b>Last 30-days arithmetical average rate</b>	1.4963	2.0926



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**Information on currency risk**

<b>Current Period</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Japanese Yen</b>	<b>Other FCs</b>	<b>Total</b>
<b>Assets:</b>					
Cash and balances with the Central Bank of Turkey	44,522	1,169,069	151	5,348	<b>1,219,090</b>
Banks	1,290,168	3,612,145	4,575	41,677	<b>4,948,565</b>
Financial assets at fair value through profit or loss	2,889	36,303	-	-	<b>39,192</b>
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	636,660	1,166,978	-	-	<b>1,803,638</b>
Loans and receivables <sup>(*)</sup>	4,216,585	6,651,774	8,049	63,332	<b>10,939,740</b>
Associates, subsidiaries and joint-ventures	3	-	-	-	<b>3</b>
Held-to-maturity investments	376,320	1,208,458	-	-	<b>1,584,778</b>
Derivative financial assets held for risk management purpose	-	-	-	-	-
Tangible assets	1,368	677	-	-	<b>2,045</b>
Intangible assets	61	-	-	-	<b>61</b>
Other assets <sup>(**)</sup>	188,977	276,365	-	1,835	<b>467,177</b>
<b>Total assets</b>	<b>6,757,553</b>	<b>14,121,769</b>	<b>12,775</b>	<b>112,192</b>	<b>21,004,289</b>
<b>Liabilities:</b>					
Bank deposits	189,390	407,137	-	415	<b>596,942</b>
Foreign currency deposits	4,393,452	8,498,540	3,269	44,980	<b>12,940,241</b>
Interbank money market takings	113,919	566,318	-	-	<b>680,237</b>
Funds borrowed <sup>(***)</sup>	2,345,383	3,432,192	-	50,134	<b>5,827,709</b>
Securities issued	-	-	-	-	-
Miscellaneous payables	34,254	60,805	1	300	<b>95,360</b>
Derivative financial liabilities held for risk management purpose	-	-	-	-	-
Other liabilities <sup>(****)</sup>	94,491	92,188	69	7,172	<b>193,920</b>
<b>Total liabilities</b>	<b>7,170,889</b>	<b>13,057,180</b>	<b>3,339</b>	<b>103,001</b>	<b>20,334,409</b>
<b>Net 'on balance sheet' position</b>	<b>(413,336)</b>	<b>1,064,589</b>	<b>9,436</b>	<b>9,191</b>	<b>669,880</b>
<b>Net 'off-balance sheet' position</b>	<b>563,331</b>	<b>(1,049,477)</b>	<b>(6,154)</b>	<b>-</b>	<b>(492,300)</b>
Derivative assets	586,181	361,419	-	1,260	<b>948,860</b>
Derivative liabilities	22,850	1,410,896	6,154	1,260	<b>1,441,160</b>
Non-cash loans <sup>(*****)</sup>	1,937,992	2,856,884	18,225	147,833	<b>4,960,934</b>
<b>Prior Period</b>					
<b>Total assets</b>	<b>6,460,351</b>	<b>12,981,008</b>	<b>11,442</b>	<b>115,680</b>	<b>19,568,481</b>
<b>Total liabilities</b>	<b>7,417,532</b>	<b>11,904,555</b>	<b>2,582</b>	<b>108,356</b>	<b>19,433,025</b>
<b>Net 'on balance sheet' position</b>	<b>(957,181)</b>	<b>1,076,453</b>	<b>8,860</b>	<b>7,324</b>	<b>135,456</b>
<b>Net 'off-balance sheet' position</b>	<b>1,081,896</b>	<b>(1,042,489)</b>	<b>(6,198)</b>	<b>-</b>	<b>33,209</b>
Derivative assets	1,107,676	269,338	-	444	<b>1,377,458</b>
Derivative liabilities	25,780	1,311,827	6,198	444	<b>1,344,249</b>
Non-cash loans <sup>(*****)</sup>	1,840,874	2,636,954	38,146	129,249	<b>4,645,223</b>

<sup>(\*)</sup> Foreign currency indexed loans amounting to TL 91,014 which are presented in TL column in the consolidated balance sheet are included in the table above. In accordance with the agreements signed with customers, the customers have to compensate the losses of the Parent Bank due to decline in foreign exchange rates. Accordingly, foreign currency indexed loans amounting to TL 91,014 results position for the Group when foreign exchange rates increase.

<sup>(\*\*)</sup> Prepaid expenses amounting to TL 20,314 are not included.

<sup>(\*\*\*)</sup> Foreign currency indexed funds borrowed amounted to TL 832, presented in TL column in the accompanying consolidated balance sheet are included.

<sup>(\*\*\*\*)</sup> Unearned income amounting to TL 41,778 is not included.

<sup>(\*\*\*\*\*)</sup> Non-cash loans are not taken into consideration in the calculation of the net 'off-balance sheet' position.

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**Exposure to currency risk**

A 10 percent devaluation of the TL against the following currencies as at and for six-month period ended 30 June 2009 and 30 June 2008 would have effect on consolidated equity and consolidated profit or loss (without tax effects) by the amounts shown below.

The effect of a 10 percent revaluation of the TL against the following currencies will be at the same amount in the opposite direction.

This analysis assumes that all other variables, in particular interest rates, remain constant.

	30 June 2009		30 June 2008	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
US Dollar	2,140	2,319	7,352	3,276
EUR	5,782	9,088	4,961	5,388
Other currencies	927	927	798	798
<b>Total, net</b>	<b>8,849</b>	<b>12,334</b>	<b>13,111</b>	<b>9,462</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

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**V. Consolidated interest rate risk**

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

The Parent Bank's interest rate risk is measured by the standard method.

Measurements for standard method are carried out monthly using the maturity ladder table.

**Interest rate sensitivity of assets, liabilities and off balance sheet items (based on re-pricing dates)**

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets:</b>							
Cash and balances with CBT	1,609,287	-	-	-	-	1,626,783	<b>3,236,070</b>
Banks	4,693,295	113,852	21,919	-	-	284,319	<b>5,113,385</b>
Financial assets at fair value through profit/loss	7,363	58,296	52,867	16,914	16,727	27	<b>152,194</b>
Interbank money market placements	2,500,693	-	-	-	-	-	<b>2,500,693</b>
Available-for-sale financial assets	1,690,016	2,747,993	3,247,487	1,510,557	860,279	28,218	<b>10,084,550</b>
Loans and receivables	8,383,602	9,511,468	6,942,455	5,296,641	2,162,187	190,786	<b>32,487,139</b>
Held-to-maturity investments	586,314	1,089,200	845,370	434,095	1,249,855	-	<b>4,204,834</b>
Other assets (*)	23,577	192,790	104,437	294,037	7,195	2,698,725	<b>3,320,761</b>
<b>Total assets</b>	<b>19,494,147</b>	<b>13,713,599</b>	<b>11,214,535</b>	<b>7,552,244</b>	<b>4,296,243</b>	<b>4,828,858</b>	<b>61,099,626</b>
<b>Liabilities:</b>							
Bank deposits	1,663,367	217,018	18,671	-	-	11,490	<b>1,910,546</b>
Other deposits	24,951,202	9,054,294	1,105,183	238,009	619	5,338,953	<b>40,688,260</b>
Interbank money market takings	1,261,697	424,060	824,770	74,767	-	-	<b>2,585,294</b>
Miscellaneous payables	-	11,946	40,135	-	-	1,206,717	<b>1,258,798</b>
Securities issued	-	-	-	-	-	-	<b>-</b>
Funds borrowed	1,521,147	2,903,086	1,451,363	24,241	-	-	<b>5,899,837</b>
Other liabilities (**)	2,616	1,682	49,622	23,445	16,163	8,663,363	<b>8,756,891</b>
<b>Total liabilities</b>	<b>29,400,029</b>	<b>12,612,086</b>	<b>3,489,744</b>	<b>360,462</b>	<b>16,782</b>	<b>15,220,523</b>	<b>61,099,626</b>
On balance sheet long position	-	1,101,513	7,724,791	7,191,782	4,279,461	-	<b>20,297,547</b>
On balance sheet short position	(9,905,882)	-	-	-	-	(10,391,665)	<b>(20,297,547)</b>
Off-balance sheet long position	66,509	122,705	76,250	64,025	-	-	<b>329,489</b>
Off-balance sheet short position	(76,860)	(11,946)	(131,934)	(96,393)	-	-	<b>(317,133)</b>
<b>Position, Net</b>	<b>(9,916,233)</b>	<b>1,212,272</b>	<b>7,669,107</b>	<b>7,159,414</b>	<b>4,279,461</b>	<b>(10,391,665)</b>	<b>12,356</b>

(\*) Subsidiaries, associates and tangible and intangible assets are included in non-interest bearing column.

(\*\*) Shareholders' equity is included in non-interest bearing column in other liabilities line.

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<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets:</b>							
Cash and balances with CBT	450,536	-	-	-	-	1,658,566	<b>2,109,102</b>
Banks	2,512,108	82,349	51,345	-	-	189,812	<b>2,835,614</b>
Financial assets at fair value through profit/loss	40,518	26,027	32,636	24,781	21,217	487	<b>145,666</b>
Interbank money market placements	3,201,833	-	-	-	-	-	<b>3,201,833</b>
Available-for-sale financial assets	574,690	2,484,788	3,732,742	918,760	640,517	27,673	<b>8,379,170</b>
Loans and receivables	8,894,317	9,141,754	5,756,017	4,761,099	2,257,352	97,114	<b>30,907,653</b>
Held-to-maturity investments	110,734	1,063,486	704,184	547,204	1,258,312	-	<b>3,683,920</b>
Other assets <sup>(*)</sup>	70,991	184,620	120,615	320,454	-	2,581,969	<b>3,278,649</b>
<b>Total assets</b>	<b>15,855,727</b>	<b>12,983,024</b>	<b>10,397,539</b>	<b>6,572,298</b>	<b>4,177,398</b>	<b>4,555,621</b>	<b>54,541,607</b>
<b>Liabilities:</b>							
Bank deposits	1,454,791	16,668	-	-	-	1,825	<b>1,473,284</b>
Other deposits	16,817,071	11,570,841	1,609,370	913,901	3,059	5,326,245	<b>36,240,487</b>
Interbank money market takings	538,458	70,236	278,786	845,678	-	-	<b>1,733,158</b>
Miscellaneous payables	196	14,153	46,675	-	-	1,009,393	<b>1,070,417</b>
Securities issued	-	-	-	-	-	-	<b>-</b>
Fund borrowed	1,219,784	3,352,804	1,288,615	242,058	-	-	<b>6,103,261</b>
Other liabilities <sup>(**)</sup>	12,162	99,380	6,364	8,892	-	7,794,202	<b>7,921,000</b>
<b>Total liabilities</b>	<b>20,042,462</b>	<b>15,124,082</b>	<b>3,229,810</b>	<b>2,010,529</b>	<b>3,059</b>	<b>14,131,665</b>	<b>54,541,607</b>
On balance sheet long position	-	-	7,167,729	4,561,769	4,174,339	-	<b>15,903,837</b>
On balance sheet short position	(4,186,735)	(2,141,058)	-	-	-	(9,576,044)	<b>(15,903,837)</b>
Off-balance sheet long position	114,619	94,856	76,000	72,227	-	-	<b>357,702</b>
Off-balance sheet short position	(82,992)	(14,153)	(165,231)	(82,897)	-	-	<b>(345,273)</b>
<b>Position, Net</b>	<b>(4,155,108)</b>	<b>(2,060,355)</b>	<b>7,078,498</b>	<b>4,551,099</b>	<b>4,174,339</b>	<b>(9,576,044)</b>	<b>12,429</b>

<sup>(\*)</sup> Subsidiaries, associates and tangible and intangible assets are stated in non-interest bearing column.

<sup>(\*\*)</sup> Shareholders' equity is included in non-interest bearing column in other liabilities line.

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**Average interest rates applied to monetary financial instruments**

<b>Current Period</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Japanese Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets:</b>				
Cash and balance with CBT	-	-	-	7.00
Banks	0.45	0.41	-	9.63
Financial assets at fair value through profit/loss	-	11.88	-	13.60
Interbank money market placements	-	-	-	8.75
Available-for-sale financial assets	5.57	6.66	-	15.49
Loans and receivables	5.76	6.22	6.33	18.61
Held-to-maturity investments	6.87	7.45	-	16.33
<b>Liabilities:</b>				
Bank deposits	1.50	1.31	-	11.43
Other deposits	2.99	3.71	-	11.86
Interbank money market takings	1.40	2.11	-	12.78
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	2.67	1.86	-	12.89
<b>Prior Period</b>				
	<b>Euro</b>	<b>US Dollar</b>	<b>Japanese Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets:</b>				
Cash and balance with CBT	-	-	-	12.00
Banks	2.13	2.45	-	22.47
Financial assets at fair value through profit/loss	5.50	11.88	-	18.88
Interbank money market placements	-	-	-	15.00
Available-for-sale financial assets	6.06	6.45	-	19.24
Loans and receivables	7.48	6.00	6.77	21.91
Held-to-maturity investments	6.89	7.43	-	19.37
<b>Liabilities:</b>				
Bank deposits	2.70	1.34	-	17.49
Other deposits	3.48	3.43	-	15.18
Interbank money market takings	5.27	3.66	-	17.71
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	4.65	3.29	-	17.43

**Interest sensitivity**

Interest rate sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the fair values of financial assets at fair value through profit or loss held as at 30 June 2009 and six month effect on net interest income of floating rate non-trading financial assets and financial liabilities held at 30 June 2009.

Interest rate sensitivity of equity is calculated by considering the effects of the assumed changes in interest rates on the fair values of fixed rate available-for-sale financial assets as at 30 June 2009.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

This analysis is performed on the same basis for 30 June 2008.

	Profit or loss		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>30 June 2009</b>				
Financial assets at fair value through profit or loss	(5,981)	6,318	(5,981)	6,318
Available-for-sale financial assets	19,665	(19,732)	(120,909)	128,780
Floating rate financial assets	108,544	(108,544)	108,544	(108,544)
Floating rate financial liabilities	(32,607)	32,607	(32,607)	32,607
<b>Total, net</b>	<b>89,621</b>	<b>(89,351)</b>	<b>(50,953)</b>	<b>59,161</b>

	Profit or loss		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>30 June 2008</b>				
Financial assets at fair value through profit or loss	(16,593)	18,916	(16,593)	18,916
Available-for-sale financial assets	15,887	(15,940)	(126,026)	136,194
Floating rate financial assets	97,103	(97,103)	97,103	(97,103)
Floating rate financial liabilities	(29,838)	29,838	(29,838)	29,838
<b>Total, net</b>	<b>66,559</b>	<b>(64,289)</b>	<b>(75,354)</b>	<b>87,845</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of 100 bp increase or decrease in interest rates.

## VI. Consolidated liquidity risk

In order to avoid the liquidity risk, the Parent Bank diverts funding resources as customer deposits and foreign borrowings, considers the maturity mismatch between assets and liabilities and maintains liquid assets to guarantee sufficient liquidity during market fluctuations.

While the Parent Bank's short term liquidity need is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndication and securitization transactions. There are no significant idle liquidity resources.

Maturity analysis of assets and liabilities according to remaining maturities:

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Undistributed (*)</b>	<b>Total</b>
<i>Assets:</i>								
Cash and balance with CBT	3,236,070	-	-	-	-	-	-	<b>3,236,070</b>
Banks	2,046,182	2,931,432	113,852	21,919	-	-	-	<b>5,113,385</b>
Financial assets at fair value through profit/loss	-	2,685	58,146	52,871	17,060	21,139	293	<b>152,194</b>
Interbank money market placements	-	2,500,693	-	-	-	-	-	<b>2,500,693</b>
Available-for-sale financial assets	-	119,929	259,057	2,481,706	6,335,361	860,279	28,218	<b>10,084,550</b>
Loans and receivables	-	5,183,618	2,460,036	7,583,586	13,380,764	3,688,349	190,786	<b>32,487,139</b>
Held-to-maturity investments	-	46,189	327,128	1,076,996	1,504,666	1,249,855	-	<b>4,204,834</b>
Other assets	-	195,409	243,104	146,384	401,886	7,195	2,326,783	<b>3,320,761</b>
<b>Total assets</b>	<b>5,282,252</b>	<b>10,979,955</b>	<b>3,461,323</b>	<b>11,363,462</b>	<b>21,639,737</b>	<b>5,826,817</b>	<b>2,546,080</b>	<b>61,099,626</b>
<i>Liabilities:</i>								
Bank deposits	11,490	1,663,367	217,018	18,671	-	-	-	<b>1,910,546</b>
Other deposits	5,338,953	24,951,202	9,054,294	1,105,183	238,009	619	-	<b>40,688,260</b>
Funds borrowed	-	1,109,557	235,837	1,544,418	1,580,582	1,429,443	-	<b>5,899,837</b>
Interbank money market takings	-	1,261,697	365,594	883,236	74,767	-	-	<b>2,585,294</b>
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	595,649	38,725	25,746	59,933	-	538,745	<b>1,258,798</b>
Other liabilities	-	290,611	72,465	57,909	33,144	16,880	8,285,882	<b>8,756,891</b>
<b>Total liabilities</b>	<b>5,350,443</b>	<b>29,872,083</b>	<b>9,983,933</b>	<b>3,635,163</b>	<b>1,986,435</b>	<b>1,446,942</b>	<b>8,824,627</b>	<b>61,099,626</b>
<b>Net Liquidity gap</b>	<b>(68,191)</b>	<b>(18,892,128)</b>	<b>(6,522,610)</b>	<b>7,728,299</b>	<b>19,653,302</b>	<b>4,379,875</b>	<b>(6,278,547)</b>	<b>-</b>
<i>Prior Period</i>								
<b>Prior Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Undistributed (*)</b>	<b>Total</b>
Total assets	3,833,168	7,779,025	3,124,467	11,079,438	19,624,599	6,828,231	2,272,679	<b>54,541,607</b>
Total liabilities	5,368,468	19,436,491	11,798,468	4,749,914	2,280,207	2,970,309	7,937,750	<b>54,541,607</b>
<b>Net Liquidity gap</b>	<b>(1,535,300)</b>	<b>(11,657,466)</b>	<b>(8,674,001)</b>	<b>6,329,524</b>	<b>17,344,392</b>	<b>3,857,922</b>	<b>(5,665,071)</b>	<b>-</b>

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash on short period such as tangible assets, intangible assets, associates, subsidiaries, miscellaneous receivables and shareholder's equity are included in this column.

## VII. Consolidated segment reporting

The Parent Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; time and demand deposit, accumulating account, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account, cheques, safety boxes, bill payments, tax collections, payment orders.

The Parent Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

Additionally, the Parent Bank provides "small business" banking service to enterprises in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, TL and foreign currency deposits, investment accounts, internet banking and call-center, debit card, and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.

*Major financial statement items according to business lines:*

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
Operating profit	244,596	321,071	895,340	406,960	1,867,967
Undistributed expenses	-	-	-	(1,130,609)	(1,130,609)
<b>Operating profit</b>	<b>244,596</b>	<b>321,071</b>	<b>895,340</b>	<b>(723,649)</b>	<b>737,358</b>
Income from associates	-	-	-	-	18,459
Income before taxes	-	-	-	-	755,817
Provision for taxes	-	-	-	-	(128,477)
<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>627,340</b>
Segment assets	9,316,448	25,920,008	21,515,219	1,175,289	57,926,964
Investments in associates and subsidiaries	-	-	-	254,823	254,823
Undistributed assets	-	-	-	2,917,839	2,917,839
<b>Total assets</b>	<b>9,316,448</b>	<b>25,920,008</b>	<b>21,515,219</b>	<b>4,347,951</b>	<b>61,099,626</b>
Segment liabilities	13,976,136	28,622,670	8,245,185	401,795	51,245,786
Equity	-	-	-	6,704,326	6,704,326
Undistributed liabilities	-	-	-	3,149,514	3,149,514
<b>Total liabilities and equity</b>	<b>13,976,136</b>	<b>28,622,670</b>	<b>8,245,185</b>	<b>10,255,635</b>	<b>61,099,626</b>



## SECTION FIVE

### Disclosure and Footnotes on Consolidated Financial Statements

#### I. Information and disclosures related to consolidated assets

##### 1. Information on cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	407,647	67,293	375,956	67,431
Central Bank of Turkey <sup>(*)</sup>	1,609,287	1,151,152	450,536	1,214,603
Others	46	645	88	488
<b>Total</b>	<b>2,016,980</b>	<b>1,219,090</b>	<b>826,580</b>	<b>1,282,522</b>

<sup>(\*)</sup> TL 767,233 (31 December 2008: TL 815,223) of the foreign currency deposit at Central Bank of Turkey is comprised of foreign currency reserve; TL 31,373 (31 December 2008: TL 48,601) of Turkish Lira balances is comprised of interest income accruals from unrestricted portion of the deposit at Central Bank of Turkey held as reserve requirement.

According to the no. 2005/1 announcement of the CBT, "Announcement on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to 6% (31 December 2008: 6%) of the liabilities in Turkish Lira and 9% (31 December 2008: 9%) of the liabilities in foreign currencies.

As at 30 June 2009, interest rate given by CBT is 7% for TL reserve deposits and interest rate is nil for foreign currency reserve deposits as at 30 June 2009 (31 December 2008: TL 12%, FC nil).

##### *Balances with the Central Bank of Turkey*

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	1,577,914	383,919	401,935	399,380
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
<b>Total</b>	<b>1,577,914</b>	<b>383,919</b>	<b>401,935</b>	<b>399,380</b>

##### 2. Further information on financial assets at fair value through profit/loss

##### *Financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral or blocked*

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity shares	-	-	27	-
Bonds, treasury bills and similar marketable securities	90	-	49	-
Others	-	-	-	-
<b>Total</b>	<b>90</b>	<b>-</b>	<b>76</b>	<b>-</b>

##### *Trading securities subject to repurchase agreements*

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,564	-	813	-
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>1,564</b>	<b>-</b>	<b>813</b>	<b>-</b>

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**Trading purpose derivative financial assets**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	707	-	410	-
Swap transactions	4,413	21,986	6,491	54,142
Futures	-	-	-	-
Options	16	479	-	-
Others	-	-	-	-
<b>Total</b>	<b>5,136</b>	<b>22,465</b>	<b>6,901</b>	<b>54,142</b>

**3. Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	164,820	4,948,565	124,071	2,711,543
Domestic	135,370	352,436	122,667	52,974
Foreign	29,450	4,596,129	1,404	2,658,569
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>164,820</b>	<b>4,948,565</b>	<b>124,071</b>	<b>2,711,543</b>

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

**Available-for-sale financial assets given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	1,972,113	301,821	2,190,248	488,711
Others	-	-	-	-
<b>Total</b>	<b>1,972,113</b>	<b>301,821</b>	<b>2,190,248</b>	<b>488,711</b>

**Available-for-sale financial assets given as collateral against repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,902,528	-	1,125,762	146,155
Treasury bills	-	-	-	-
Other debt securities	-	384,643	-	361,499
Bonds issued or guaranteed by banks	-	-	-	43,124
Asset backed securities	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>1,902,528</b>	<b>384,643</b>	<b>1,125,762</b>	<b>550,778</b>

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

	Current Period	Prior Period
<b>Debt securities</b>	<b>10,098,914</b>	<b>8,428,325</b>
Quoted	10,098,914	8,428,325
Unquoted	-	-
<b>Equity securities</b>	<b>80,711</b>	<b>80,495</b>
Quoted	1,631	1,308
Unquoted	79,080	79,187
<b>Provision for impairment on available-for-sale financial assets (-)</b>	<b>95,075</b>	<b>129,650</b>
<b>Total</b>	<b>10,084,550</b>	<b>8,379,170</b>

**5. Information on loans**

*Information on all types of loans and advances given to shareholders and employees of the Bank*

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct loans provided to the shareholders</b>	<b>6,223</b>	<b>471</b>	<b>-</b>	<b>668</b>
Legal entities	6,223	471	-	668
Real persons	-	-	-	-
<b>Indirect loans provided to the shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans provided to the employees</b>	<b>48,831</b>	<b>32</b>	<b>40,844</b>	<b>44</b>
<b>Total</b>	<b>55,054</b>	<b>503</b>	<b>40,844</b>	<b>712</b>

*Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled*

	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
<b>Cash Loans</b>				
<b>Loans</b>	<b>29,655,218</b>	<b>-</b>	<b>2,282,495</b>	<b>277,244</b>
Discounted bills	200,125	-	135	16
Export loans	2,239,853	-	99,241	158,683
Import loans	-	-	-	132
Loans to the financial sectors	1,437,791	-	-	-
Overseas loans	79,011	-	2,645	-
Consumer loans	8,042,266	-	370,611	4,853
Credit cards	833,893	-	42,528	897
Precious metal loans	-	-	-	-
Others	16,822,279	-	1,767,335	112,663
<b>Specialization loans</b>	<b>77,373</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>	<b>4,023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29,736,614</b>	<b>-</b>	<b>2,282,495</b>	<b>277,244</b>

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**Consumer loans, retail credit cards, personnel loans and personnel credit cards:**

	Short-Term	Medium and Long-Term	Total
<b>Consumer loans – TL</b>	<b>282,933</b>	<b>7,504,121</b>	<b>7,787,054</b>
Housing loans	20,376	3,283,798	3,304,174
Automobile loans	3,292	138,136	141,428
General purpose loans	197,179	4,081,775	4,278,954
Others	62,086	412	62,498
<b>Consumer loans – FC indexed</b>	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Others	-	-	-
<b>Consumer loans – FC</b>	<b>725</b>	<b>3,515</b>	<b>4,240</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	725	3,515	4,240
Others	-	-	-
<b>Retail credit cards – TL</b>	<b>824,706</b>	<b>289</b>	<b>824,995</b>
With installment	267,042	-	267,042
Without installment	557,664	289	557,953
<b>Retail credit cards – FC</b>	<b>1,933</b>	-	<b>1,933</b>
With installment	-	-	-
Without installment	1,933	-	1,933
<b>Personnel loans – TL</b>	<b>1,279</b>	<b>25,199</b>	<b>26,478</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	1,279	25,199	26,478
Others	-	-	-
<b>Personnel loans – FC indexed</b>	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Others	-	-	-
<b>Personnel loans – FC</b>	<b>315</b>	-	<b>315</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	315	-	315
Others	-	-	-
<b>Personnel credit cards – TL</b>	<b>21,993</b>	-	<b>21,993</b>
With installment	9,081	-	9,081
Without installment	12,912	-	12,912
<b>Personnel credit cards – FC</b>	<b>45</b>	-	<b>45</b>
With installment	-	-	-
Without installment	45	-	45
<b>Deposit accounts– TL (real persons)</b>	<b>599,643</b>	-	<b>599,643</b>
<b>Deposit accounts– FC (real persons)</b>	-	-	-
<b>Total</b>	<b>1,733,572</b>	<b>7,533,124</b>	<b>9,266,696</b>

***Installment based commercial loans and corporate credit cards***

	Short-Term	Medium and Long-Term	Total
<b>Installment-based commercial loans – TL</b>	<b>209,827</b>	<b>4,314,854</b>	<b>4,524,681</b>
Real estate loans	117	91,671	91,788
Automobile loans	18,304	385,976	404,280
General purpose loans	191,406	3,837,207	4,028,613
Others	-	-	-
<b>Installment-based commercial loans – FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Others	-	-	-
<b>Installment-based commercial loans – FC</b>	<b>257</b>	<b>262,895</b>	<b>263,152</b>
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	216,388	216,388
Others	257	46,507	46,764
<b>Corporate credit cards – TL</b>	<b>27,951</b>	<b>8</b>	<b>27,959</b>
With installment	832	8	840
Without installment	27,119	-	27,119
<b>Corporate credit cards – FC</b>	<b>393</b>	<b>-</b>	<b>393</b>
With installment	-	-	-
Without installment	393	-	393
<b>Overdraft accounts – TL (corporate)</b>	<b>144,712</b>	<b>-</b>	<b>144,712</b>
<b>Overdraft accounts – FC (corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>383,140</b>	<b>4,577,757</b>	<b>4,960,897</b>

***Allocation of domestic and overseas loans***

	Current Period	Prior Period
Domestic loans	32,110,317	30,612,647
Overseas loans	186,036	197,892
<b>Total</b>	<b>32,296,353</b>	<b>30,810,539</b>

***Loans to associates and subsidiaries***

As at 30 June 2009 and 31 December 2008 there are no loans given to the associates and subsidiaries by the Group.

***Specific provisions for loans***

Specific Provisions	Current Period	Prior Period
Loans and receivables with limited collectibility	45,236	21,272
Loans and receivables with doubtful collectibility	436,685	274,052
Uncollectible loans and receivables	1,316,489	1,202,051
<b>Total</b>	<b>1,798,410</b>	<b>1,497,375</b>

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

*Information on non-performing loans and other receivables restructured or rescheduled*

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
<b>Current period</b>	-	-	<b>28,214</b>
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	28,214
<b>Prior period</b>	-	-	<b>87,748</b>
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	87,748

*Movements in non-performing loan groups:*

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
<b>Balance at the beginning of the period</b>	<b>109,758</b>	<b>274,052</b>	<b>1,210,679</b>
Additions (+)	580,697	7,431	8,029
Transfers from other categories of loans under follow-up (+)	-	374,053	161,111
Transfers to other categories of loans under follow-up (-)	403,330	176,235	-
Collections (-)	60,676	42,233	54,517
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Others	-	-	-
Currency differences (+)	-	-	377
<b>Balance at the end of the period</b>	<b>226,449</b>	<b>437,068</b>	<b>1,325,679</b>
Specific provision (-)	45,236	436,685	1,316,489
<b>Net Balance on balance sheet</b>	<b>181,213</b>	<b>383</b>	<b>9,190</b>

*Information on non-performing loans and other receivables in foreign currencies*

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
Balance at the end of the period	18,609	55,381	301,926
Specific provision (-)	3,722	55,381	292,889
<b>Net balance on balance sheet</b>	<b>14,887</b>	<b>-</b>	<b>9,037</b>
<b>Prior Period</b>			
Balance at the end of the period	393	58,733	301,806
Specific provision (-)	79	58,733	291,654
<b>Net balance on balance sheet</b>	<b>314</b>	<b>-</b>	<b>10,152</b>

***Write-off policy for uncollectible loans and receivables***

The Group writes off a loan balance (and any related allowances for impairment losses) when it is concluded that those loans are uncollectible. This conclusion is given after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardized loans, charge off decisions generally are based on a product specific past due status.

***Loan customer concentration of non-performing loans:***

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>	<b>181,213</b>	<b>383</b>	<b>9,190</b>
Consumer and commercial loans (Gross)	223,423	434,979	1,228,196
Specific provision (-)	44,685	434,979	1,225,680
Consumer and commercial loans (Net)	178,738	-	2,516
Banks (Gross)	-	-	4,607
Specific provision (-)	-	-	3,072
Banks (Net)	-	-	1,535
Other loans and receivables (Gross)	3,026	2,089	92,876
Specific provision (-)	551	1,706	87,737
Other loans and receivables (Net)	2,475	383	5,139
<b>Prior Period (Net)</b>	<b>88,486</b>	<b>-</b>	<b>8,628</b>
Consumer and commercial loans (Gross)	105,650	273,599	1,114,448
Specific provision (-)	21,130	273,599	1,111,914
Consumer and commercial loans (Net)	84,520	-	2,534
Banks (Gross)	-	-	4,602
Specific provision (-)	-	-	3,077
Banks (Net)	-	-	1,525
Other loans and receivables (Gross)	4,108	453	91,629
Specific provision (-)	142	453	87,060
Other loans and receivables (Net)	3,966	-	4,569

**6. Information on held-to-maturity investments**

*Held-to-maturity debt securities issued by the governments*

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	2,620,056	-	2,033,789	45,126
Treasury bills	-	-	15,531	-
Other securities issued by the governments	-	1,537,212	-	1,543,571
<b>Total</b>	<b>2,620,056</b>	<b>1,537,212</b>	<b>2,049,320</b>	<b>1,588,697</b>

*Information on held-to-maturity investment securities*

	Current Period	Prior Period
<b>Debt Securities</b>	<b>4,217,317</b>	<b>3,688,585</b>
Quoted at stock exchanges	4,180,698	3,653,500
Unquoted at stock exchanges	36,619	35,085
<b>Impairment losses (-)</b>	<b>12,483</b>	<b>4,665</b>
<b>Total</b>	<b>4,204,834</b>	<b>3,683,920</b>

*The movement table of the held-to-maturity investments*

	Current Period	Prior Period
<b>Balances at the beginning of the period</b>	<b>3,683,920</b>	<b>1,664,351</b>
Foreign currency differences on monetary assets	11,259	64,305
Acquisitions during the period	710,114	2,949,375
Disposals through sales/redemptions	(240,311)	(1,060,406)
Impairment losses	(9,877)	(4,511)
Change in amortized costs of the securities (*)	49,729	70,806
<b>Balances at the end of the period</b>	<b>4,204,834</b>	<b>3,683,920</b>

(\*) Differences in the amortized costs of the marketable securities are included in this column.

The Parent Bank reclassified certain investment securities that were previously classified in financial assets at fair value through profit or loss to its held-to-maturity investment securities portfolio in 2008. These investment securities have been included in held-to-maturity investment securities portfolio with their fair values as at the reclassification dates. These reclassifications are presented in "acquisitions during the period" line in the movement table of investments held-to-maturity.

Date of reclassification	Foreign currencies	Face value (FC'000)	Fair value as at reclassification date (FC'000)
31 October 2008	US Dollar	99,386	145,760
		<b>99,386</b>	<b>145,760</b>
31 October 2008	Euro	40,066	45,867
		<b>40,066</b>	<b>45,867</b>



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The Parent Bank reclassified certain investment securities that were previously classified in available-for-sale portfolio with total face value of TL 675,000,000 (full TL) to its held-to-maturity investment securities portfolio at their fair values of TL 610,160,500 (full TL) as of their reclassification dates, in 2009. These reclassifications are presented in “purchases during the period” line in the movement table of held-to-maturity investment securities. The value increases of such securities amounting TL 1,118,492 (full TL) are recorded under the shareholders’ equity and will be amortized through the statement of income until their maturities.

Additionally, the Parent Bank reclassified certain investment securities that were previously classified in available-for-sale portfolio with total face value of TL 1,325,000,000 (full TL), US Dollar 610,000,000 (full US Dollar), and EUR 75,000,000 (full EUR) to its held-to-maturity investment securities portfolio at their fair values of TL 1,213,358,500 (full TL), US Dollar 590,404,170 (full US Dollar), and EUR 68,996,250 (full EUR) respectively as at their reclassification dates, in 2008. These reclassifications are presented in “purchases during the period” line in the movement table of held-to-maturity investment securities. The value increases of such securities amounting TL (9,529,171) (full TL), US Dollar (13,044,045) (full US Dollar), and EUR (5,325,575) (full EUR) respectively, are recorded under the shareholders’ equity and will be amortized through the statement of income until their maturities

**Information about held-to-maturity investments**

Current Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	1,288,325	36,600	1,408,430	36,619
Investments subject to repurchase agreements	227,500	552,786	234,431	561,479
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others <sup>(*)</sup>	919,661	968,326	977,195	986,680
<b>Total</b>	<b>2,435,486</b>	<b>1,557,712</b>	<b>2,620,056</b>	<b>1,584,778</b>

Prior Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	1,330,165	80,408	1,442,356	82,312
Investments subject to repurchase agreements	58,494	388,511	62,044	400,326
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others <sup>(*)</sup>	535,006	1,122,063	544,920	1,151,962
<b>Total</b>	<b>1,923,665</b>	<b>1,590,982</b>	<b>2,049,320</b>	<b>1,634,600</b>

<sup>(\*)</sup> The securities held as free that are not subject to collateral/blockage or other transactions are presented in the “Others” line.

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**7. Investments in associates**

*Unconsolidated investments in associates*

Title	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 İşkur İşçi İşadamı Kimya Kuruluşları AŞ	In liquidation	25.00	25.13
2 Roketsan Roket Sanayi ve Ticaret AŞ	Ankara/Turkey	10.00	10.00
3 Bankalararası Kart Merkezi AŞ	İstanbul/ Turkey	9.70	9.70
4 Kredi Kayıt Bürosu AŞ	İstanbul/ Turkey	9.09	9.09
5 Güçbirliği Holding AŞ	İzmir/ Turkey	0.07	0.07
6 İzmir Enternasyonel Otelcilik AŞ	İstanbul/ Turkey	5.00	5.00

Total Assets	Shareholders' Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Year's Profit/Loss	Company's Fair Value (if available)
1 -	-	-	-	-	-	-	-
2 479,594	144,339	211,599	3,613	-	(2,277)	23,706	-
3 15,555	13,241	5,763	512	-	(91)	1,042	-
4 21,140	18,650	2,343	1,141	19	4,713	2,361	-
5 109,473	32,745	90,860	108	-	(3,052)	(3,609)	-
6 109,025	48,521	102,635	-	-	(1,662)	(1,792)	-

In 2008, Bankalararası Kart Merkezi AŞ, Kredi Kayıt Bürosu AŞ, Güçbirliği Holding AŞ and İzmir Enternasyonel Otelcilik AŞ shares which were previously presented as “Equity securities” under “Financial assets available for sale” with total carrying value of TL 3,031 have been reclassified as investment in associates in accordance with the directives of BRSA.

As per the resolution of the Board of Directors of the Bank dated 3 April 2008, it has been decided to work on disposal process of Roketsan Roket Sanayi AŞ (“Roketsan”), that the Bank owns 10% shares representing TL 14,600 nominal shares of its capital of TL 146,000 to the third parties or other shareholders of Roketsan.

*Unconsolidated associates, reasons for not consolidating such investments and accounting treatments applied for such investments*

Since the Bank does not have significant influence on İşkur İşçi İşadamı Kimya Kuruluşları AŞ, Roketsan Roket Sanayi ve Ticaret AŞ, Güçbirliği Holding AŞ and İzmir Enternasyonel Otelcilik AŞ, Bankalararası Kart Merkezi AŞ and Kredi Kayıt Bürosu AŞ, these associates have not been consolidated. Associates whose fair value cannot be reliably set are reflected in the consolidated financial statements with their costs after deducting impairment losses, if any.

*Consolidated investments in associates*

Title	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Kıbrıs Vakıflar Bankası Ltd.	Lefkosa/NCTR	15.00	15.00
2 Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ	İstanbul/Turkey	11.75	21.77
3 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	İstanbul/Turkey	27.63	29.47
4 Türkiye Sınai Kalkınma Bankası AŞ	İstanbul/Turkey	8.38	8.38

Total Assets	Shareholders' Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/Loss	Prior Years' Profit/Loss	Company's Fair Value
1 624,947	45,596	5,544	38,673	8,195	5,617	6,209	-
2 14,252	13,035	57	-	479	1,488	(3,019)	943
3 75,006	74,544	36,776	633	2,121	3,729	2,917	9,322
4 6,455,948	946,283	286,395	145,353	133,272	91,006	66,165	44,484

***Movement of consolidated investments in associates***

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at beginning of the period</b>	<b>46,155</b>	<b>81,887</b>
<b>Movements during the period</b>	<b>12,613</b>	<b>(35,732)</b>
Acquisitions and capital increases	-	294
Bonus shares received	9,691	8,604
Dividends from current year profit	-	-
Sales/liquidations	-	-
Fair value changes	2,922	(44,630)
Impairment losses	-	-
<b>Balance at the end of the period</b>	<b>58,768</b>	<b>46,155</b>
<b>Capital commitments</b>	-	-
<b>Share percentage at the end of period (%)</b>	-	-

Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) shares which were previously presented as “Equity securities” under “Financial assets available for sale” have been reclassified as investment in associates in 2008. In the table presented above, the beginning balance of the year 2008 has been restated according to TSKB’s fair value as at the related period.

***Sectoral distribution of consolidated investments and associates***

	<b>Current Period</b>	<b>Prior Period</b>
Banks	48,503	40,231
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial associates	10,265	5,924
<b>Total</b>	<b>58,768</b>	<b>46,155</b>

***Quoted associates***

	<b>Current Period</b>	<b>Prior Period</b>
Quoted at domestic stock exchanges	54,750	43,036
Quoted at international stock exchanges	-	-
<b>Total</b>	<b>54,750</b>	<b>43,036</b>

***Investments in associates disposed during the period***

There is not any associate disposed in the current period.

***Investments in associates acquired during the period***

There is not any associate purchased in the current period.

In 2009, Türkiye Sınai Kalkınma Bankası AŞ, an associate of the Bank, increased its paid-in capital from TL 500,000 to TL 600,000. The share of the Bank amounting to TL 8,377 is presented in the movement table of consolidated investments in associates as bonus shares received.

In 2009, Kıbrıs Vakıflar Bankası Ltd, an associate of the Bank, increased its paid-in capital from TL 20,000 to TL 26,000. The share of the Bank amounting to TL 900 is presented in the movement table of consolidated investments in associates as bonus shares received.

In 2009, subsequent to the approval of the decision to increase the paid-in capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, an associate of the Bank, from TL 19,300 to TL 20,800, by the General Assembly of the company, the share of the Bank amounting to TL 414 is presented in the movement table of consolidated investments in associates as bonus shares received.

In 2008, Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ, an associate of the Bank, increased its paid-in capital by TL 2,500 from TL 5,000 to TL 7,500. The share of the Bank amounting to TL 294 is presented as acquisitions in year 2008 in the movement table of consolidated investments in associates.

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In 2008, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ increased its paid-in capital from TL 18,480 to TL 19,300. The share of the Bank amounting to TL 227 is presented as bonus shares received in the movement table of consolidated investments in associates.

In 2008, Türkiye Sınai Kalkınma Bankası AŞ increased its paid-in capital from TL 400,000 to TL 500,000 by a way of stock split. The share of the Bank amounting to TL 8,377 is presented as bonus shares received in the movement table of consolidated investments in associates.

**8. Investments in subsidiaries*****Unconsolidated investments in subsidiaries***

Title	Address (City / Country)	Bank's Share –If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1 Vakıf Enerji ve Madencilik AŞ	Ankara/ Turkey	65.50	84.92
2 Taksim Otelcilik AŞ	Istanbul/ Turkey	51.00	51.52
3 Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ	Ankara/ Turkey	31.00	31.09
4 Vakıf Sistem Pazarlama Yazılım Servis ve Ticaret AŞ	Ankara/ Turkey	73.00	79.85
5 Vakıf Gayrimenkul Değerleme AŞ	Ankara/ Turkey	54.29	58.54

	Total Assets	Shareholder's Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Years' Profit/(Loss)	Company's Fair Value
1	8,583	8,424	2,639	244	2	(658)	(2,385)	21,722
2	214,023	211,735	94,138	5,230	34	(1,843)	8,925	-
3	4,624	4,584	10	303	-	81	133	2,477
4	14,306	7,650	399	450	74	748	2,112	9,188
5	10,270	8,024	610	616	29	1,815	-	15,440

Since the Parent Bank's share in Vakıf Gayrimenkul Değerleme AŞ has increased to 54.29% in 2008, it has been reclassified to "Investment in subsidiaries" which was previously classified as "Investment in associates".

As per the 23 July 2009 dated resolution of the Board of Directors, it has been decided to dispose the shares of Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ held by the Parent Bank, that comprise 31% of the company's paid-in capital.

***Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments:***

As at 30 June 2009, Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ has not been consolidated and has been accounted at its fair value in the accompanying consolidated financial statements since the Bank does not have significant influence on the related subsidiary.

Vakıf Enerji ve Madencilik AŞ, Taksim Otelcilik AŞ, Vakıf Sistem Pazarlama Yazılım Servis ve Ticaret AŞ and Vakıf Gayrimenkul Değerleme AŞ have not been consolidated since they are not among the financial subsidiaries of the Parent Bank. Therefore, they have been accounted either according to their fair values, if can be reliably set, or according to their costs.

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**Investments in consolidated subsidiaries**

Title	Address(City / Country)	Bank's Share –If Different Voting Rights (%)	Bank's Risk Group Share (%)
1- Güneş Sigorta AŞ	Istanbul/Turkey	36.35	36.35
2- Vakıf Emeklilik AŞ	Istanbul/Turkey	53.90	75.30
3- Vakıf Finans Factoring Hizmetleri AŞ	Istanbul/Turkey	78.39	86.97
4- Vakıf Finansal Kiralama AŞ	Istanbul/Turkey	58.71	64.40
5- Vakıf Deniz Finansal Kiralama AŞ <sup>(*)</sup>	Istanbul/Turkey	68.55	73.95
6- Vakıf Yatırım Menkul Değerler AŞ	Istanbul/Turkey	99.00	99.44
7- Vakıfbank International AG	Vienna/Austria	90.00	90.00
8- World Vakıf Offshore Banking Ltd.	Lefkosa/NCTR	82.00	85.24
9- Vakıf Portföy Yönetimi AŞ	Istanbul/Turkey	99.99	99.99

Total Assets	Shareholder's Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit / (Loss)	Prior Year's Profit / (Loss)	Company's Fair Value
1- 609,883	237,639	155,896	364	12,651	23	17,027	94,163
2- 920,381	115,299	36,504	4,008	30,532	8,473	7,325	73,223
3- 173,552	60,642	64	14,535	-	6,824	4,725	33,708
4- 255,270	50,978	6,299	10,261	7	13,504	781	36,680
5- 86,207	1,942	231	4,292	-	2,582	1,411	0
6- 74,721	52,549	9,026	4,217	119	2,976	3,221	-
7- 957,252	105,116	1,432	18,130	4,566	(1,367)	6,314	100,158
8- 9,004	(19,999)	-	574	-	(983)	(836)	0
9- 5,078	4,947	21	324	5	719	353	-

<sup>(\*)</sup> Vakıf Deniz Finansal Kiralama AŞ's fair value is TL 0 according to valuation report of another independent audit firm.

As per the resolution no.74887 of the Bank's Board of Directors dated 22 August 2006, it has been decided to merge Vakıf Deniz Finansal Kiralama AŞ and Vakıf Finansal Kiralama AŞ. In accordance with the "Regulation on Establishment and Operations of Leasing, Factoring and Finance Companies", temporary 1st clause and 4th subclause, permission for operations of Vakıf Deniz Finansal Kiralama AŞ has been revoked on 25 June 2009. As at the report date, activities regarding the merger of Vakıf Finansal Kiralama AŞ and Vakıf Deniz Finansal Kiralama AŞ still continue.

According to the resolution of the Bank's Board of Directors dated 15 May 2008, it has been decided to sell the shares of consolidated subsidiaries Güneş Sigorta AŞ and Vakıf Emeklilik AŞ partially or entirely, however after resolution date, sales transaction of related subsidiaries has been cancelled due to global economic crisis. Therefore, sale oriented operations has been stopped and the process has been ended.

**Movement table of consolidated investments in subsidiaries**

	Current Period	Prior Period
<b>Balance at the beginning of the period</b>	<b>333,977</b>	<b>367,243</b>
<b>Movements during the period</b>	<b>44,290</b>	<b>(33,266)</b>
Acquisitions and capital increases	-	-
Bonus shares received	4,436	-
Dividends from current year profit	-	-
Sales and liquidations	-	-
Fair value changes	39,854	(33,266)
Impairment losses	-	-
<b>Balance at the end of the period</b>	<b>378,267</b>	<b>333,977</b>
<b>Capital commitments</b>	-	-
<b>Share percentage at the end of the period (%)</b>	-	-

***Methods to measure consolidated investments in subsidiaries***

	<b>Current Period</b>	<b>Prior Period</b>
Measured at cost	40,335	40,335
Measured at fair value	337,932	293,642
Equity method of accounting	-	-
<b>Total</b>	<b>378,267</b>	<b>333,977</b>

***Sectoral distribution of consolidated investments in subsidiaries***

	<b>Current Period</b>	<b>Prior Period</b>
Banks	100,158	100,158
Insurance companies	167,386	144,922
Factoring companies	33,708	33,708
Leasing companies	36,680	14,854
Finance companies	-	-
Other financial subsidiaries	40,335	40,335
<b>Total</b>	<b>378,267</b>	<b>333,977</b>

***Quoted subsidiaries***

	<b>Current Period</b>	<b>Prior Period</b>
Quoted at domestic stock exchanges	130,843	86,553
Quoted at international stock exchanges	-	-
<b>Total</b>	<b>130,843</b>	<b>86,553</b>

***Investments in subsidiaries disposed during the period***

There is not any disposal in consolidated subsidiaries in the current period.

***Consolidated investments in subsidiaries acquired during the period***

There is not any consolidated subsidiary acquired in the current period.

In 2009, Vakıf Finansal Kiralama AŞ, one of the subsidiaries, has increased its paid-in capital from TL 20,000 to TL 25,000. The share of the Bank amounting to TL 2,936 is presented in the movement table of consolidated investments in subsidiaries as bonus shares received.

In 2009, Vakıf Portföy Yönetimi AŞ, one of the subsidiaries, has increased its paid-in capital from TL 1,500 to TL 3,000. The share of the Bank amounting to TL 1,500 is presented in the movement table of consolidated investments in subsidiaries as bonus shares received.

**9. Investments in joint-ventures**

There is not any investment in joint-ventures of the Group.

**10. Information on finance lease receivables**

*Finance lease receivables disclosed according to remaining maturities*

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	93,969	80,516	113,188	99,168
Between 1-4 years	184,738	157,115	215,063	188,930
Longer than 4 years	17,128	15,121	10,768	10,540
<b>Total</b>	<b>295,835</b>	<b>252,752</b>	<b>339,019</b>	<b>298,638</b>

*Net investments in finance lease receivables*

	Current period	Prior Period
Gross finance lease receivables	295,835	339,019
Unearned income on finance lease receivables (-)	(43,083)	(40,381)
Terminated lease contracts (-)	-	-
<b>Net finance lease receivables</b>	<b>252,752</b>	<b>298,638</b>

*Finance lease agreements*

Sum of the minimum lease payments including interest and principal amounts are stated under the “finance lease receivables” as gross. The difference between the total of rent payments and the cost of the related fixed assets is reflected to the “unearned income” account. If the lease payments are made, the lease principal amount is deducted from the “finance lease receivables” as the interest component of the payment is reflected to interest income on the consolidated statement of income.

**11. Information on derivative financial instruments held for risk management purposes**

*Positive differences on derivative financial instruments held for risk management purposes*

None.

**12. Information on investment properties**

As at 30 June 2009, The Group has investment property amounting to TL 55,368 (31 December 2008: TL 54,119) in total which consists of the net book value amounting to TL 36,681 for the subsidiaries operating in the field of real estate investment sector and the net book value amounting to TL 18,687 for the subsidiaries operating in the insurance business.

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**13. Information on deferred tax assets**

Items generating deferred tax assets or liabilities are listed below as at 30 June 2009 and 31 December 2008:

	<b>Current period</b>	<b>Prior Period</b>
Provision for employee termination benefits and unused vacations	37,704	34,521
Reporting Standarts - Tax Code depreciation differences	19,156	18,903
Other provisions	18,201	8,570
Valuation differences of financial assets and liabilities	16,877	11,455
Valuation difference for associates and subsidiaries	15,991	16,807
Others	6,331	4,255
<b>Deferred tax assets, (net)</b>	<b>114,260</b>	<b>94,511</b>
Net-off of the deferred tax assets and liabilities from the same entity	(6,411)	(7,745)
<b>Deferred tax assets, (net)</b>	<b>107,849</b>	<b>86,766</b>
	<b>Current period</b>	<b>Prior Period</b>
Valuation differences of financial assets and liabilities	2,966	2,583
Valuation difference for associates and subsidiaries	951	1,435
Others	9,724	10,033
<b>Deferred tax liabilities, net</b>	<b>13,641</b>	<b>14,051</b>
Net-off of the deferred tax assets and liabilities from the same entity	(6,411)	(7,745)
<b>Deferred tax liabilities, (net)</b>	<b>7,230</b>	<b>6,306</b>

**14. Information on assets held for sale and assets related to the discontinued operations**

As at 30 June 2009, net book value of asset held for sale of the Group is amounting to TL 2,664 (31 December 2008: TL 1,558).

**15. Information on other assets**

As at 30 June 2009 and 31 December 2008, other assets are as follows:

	<b>Current period</b>	<b>Prior Period</b>
Receivables from insurance operations	680,718	605,411
Prepaid expenses	274,675	286,135
Receivables from term sale of assets	136,978	158,266
Receivables from derivative financial instruments	68,192	84,558
Receivables from credit cards	37,692	52,416
Receivables from lawsuit and court expenses	37,444	30,691
Deferred acquisition costs	16,939	11,740
Others	60,085	92,862
<b>Total</b>	<b>1,312,723</b>	<b>1,322,079</b>



## II. Information and disclosures related to consolidated liabilities

### 1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	1,041,838	-	982,655	6,710,581	131,211	9,271	26,140	-	8,901,696
Foreign currency deposits	1,075,198	-	4,124,875	5,803,239	557,246	83,760	1,295,923	-	12,940,241
Residents in Turkey	1,034,248	-	4,111,869	5,793,724	552,929	83,709	584,962	-	12,161,441
Residents in abroad	40,950	-	13,006	9,515	4,317	51	710,961	-	778,800
Public sector deposits	1,010,665	-	765,311	2,745,233	132,256	631	2,561	-	4,656,657
Commercial deposits	880,404	-	2,490,998	5,721,934	250,917	7,151	1,074	-	9,352,478
Others	1,330,848	-	698,790	2,469,469	326,057	1,148	10,876	-	4,837,188
Precious metal deposits	-	-	-	-	-	-	-	-	-
Bank deposits	11,490	-	1,199,570	529,796	121,832	29,191	18,667	-	1,910,546
Central Bank	194	-	-	-	-	-	-	-	194
Domestic banks	4,151	-	1,010,290	478,440	4,312	-	-	-	1,497,193
Foreign banks	7,101	-	189,280	51,356	117,520	29,191	18,667	-	413,115
Participation banks	44	-	-	-	-	-	-	-	44
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,350,443</b>	<b>-</b>	<b>10,262,199</b>	<b>23,980,252</b>	<b>1,519,519</b>	<b>131,152</b>	<b>1,355,241</b>	<b>-</b>	<b>42,598,806</b>

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	839,372	-	732,245	6,924,356	168,677	10,169	28,087	-	8,702,906
Foreign currency deposits	1,108,645	-	2,552,843	5,646,991	870,682	431,140	1,166,730	-	11,777,031
Residents in Turkey	1,077,544	-	2,544,377	5,625,775	866,969	279,838	652,349	-	11,046,852
Residents in abroad	31,101	-	8,466	21,216	3,713	151,302	514,381	-	730,179
Public sector deposits	1,078,139	-	1,041,733	1,721,947	123,714	71	1,370	-	3,966,974
Commercial deposits	819,772	-	1,873,345	3,369,546	116,177	40,508	1,172	-	6,220,520
Others	1,480,317	-	525,034	3,420,681	136,301	413	10,310	-	5,573,056
Precious metal deposits	-	-	-	-	-	-	-	-	-
Bank deposits	1,825	-	1,068,819	402,640	-	-	-	-	1,473,284
Central Bank	65	-	-	-	-	-	-	-	65
Domestic banks	134	-	1,021,638	398,603	-	-	-	-	1,420,375
Foreign banks	1,366	-	47,181	4,037	-	-	-	-	52,584
Participation banks	260	-	-	-	-	-	-	-	260
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,328,070</b>	<b>-</b>	<b>7,794,019</b>	<b>21,486,161</b>	<b>1,415,551</b>	<b>482,301</b>	<b>1,207,669</b>	<b>-</b>	<b>37,713,771</b>

### Information on saving deposits insured by Saving Deposit Insurance Fund and the total amounts of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	4,669,196	4,549,510	4,232,500	4,153,396
Foreign currency saving deposits	1,326,364	1,341,128	3,036,504	2,739,340
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
<b>Total</b>	<b>5,995,560</b>	<b>5,890,638</b>	<b>7,269,004</b>	<b>6,892,736</b>

***Saving deposits out of insurance coverage limits***

	<b>Current Period</b>	<b>Prior Period</b>
Deposits and other accounts at foreign branches	2,468	591
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	2,729	2,792
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9/2004	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	6,052	6,661

**2. Information on derivative financial liabilities held for trading purpose**

<b>Negative differences related to the derivative financial liabilities held for trading purpose</b>	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forwards	527	-	406	-
Swaps	1,169	13,395	5,145	21,576
Futures	-	-	-	-
Options	34	1,031	-	-
Others	-	-	-	-
<b>Total</b>	<b>1,730</b>	<b>14,426</b>	<b>5,551</b>	<b>21,576</b>

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Central Bank of Turkey	-	-	-	-
Domestic banks and institutions	72,960	138,971	106,650	345,265
Foreign banks, institutions and funds	-	5,687,906	-	5,651,346
<b>Total</b>	<b>72,960</b>	<b>5,826,877</b>	<b>106,650</b>	<b>5,996,611</b>

***Maturity information of funds borrowed***

	<b>Current period</b>		<b>Prior period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term <sup>(*)</sup>	72,960	2,079,005	106,650	1,940,515
Medium and Long term <sup>(*)</sup>	-	3,747,872	-	4,056,096
<b>Total</b>	<b>72,960</b>	<b>5,826,877</b>	<b>106,650</b>	<b>5,996,611</b>

<sup>(\*)</sup> Maturity profile of funds borrowed has been prepared in accordance with their original maturities.

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for 10.8% (31 December 2008: 12.6%) of the Group's liabilities. There is no risk concentration on funding sources of the Group.

On 23 July 2008, the Parent Bank has obtained the syndication loan at the amount of US Dollar 390 million and Euro 226 million with interest rates of US Libor + 0.77 % and Euribor + 0.77 %, with the participation of 25 banks. On 19 August 2009, the Parent Bank has obtained the syndication loan at the amount of US Dollar 203.5 million and Euro 372.5 million with interest rates of US Libor + 2.50 % and Euribor + 2.50 %, with the participation of 29 banks.

On 19 December 2008, the Parent Bank has obtained syndication loan of US Dollar 80 million and Euro 180 million with cost of US Libor+2% and Euribor+2%, with the participation of 12 banks.

**4. Components of other liabilities, those that exceed 10% of total liabilities or those that exceed 20% of the individual liability items in the consolidated balance sheet**

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items.

**5. Criteria used in the determination of lease installments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**

*Obligations under finance leases*

None.

**6. Information on derivative financial liabilities held for risk management purpose**

*Negative differences related to the derivative financial liabilities held for risk management purpose*

None.

**7. Information on provisions**

*Information on general provisions*

	<b>Current Period</b>	<b>Prior period</b>
Provisions for loans and receivables in Group I	218,229	202,266
Provisions for loans and receivables in Group II	48,361	36,860
Provisions for non-cash loans	23,761	19,531
Others	159	250
<b>Total</b>	<b>290,510</b>	<b>258,907</b>

*Provision for currency exchange gain/loss on foreign currency indexed loans*

None.

*Information on other provisions*

The Group does not have general reserves for possible losses.

*Information on other provisions exceeding 10% of total provisions*

	<b>Current Period</b>	<b>Prior period</b>
Specific provisions for non-cash loans	110,634	105,463
Provisions for law suits against the Group	33,702	32,602
Provisions for credit card promotions	8,953	9,022
Others	35,463	16,433
<b>Total</b>	<b>188,752</b>	<b>163,520</b>

**8. Taxation**

***Current Taxes***

*Tax provision*

As at 30 June 2009, Group has corporate tax payable amounting to TL 71,080 (31 December 2008: TL 50,112), after the deduction of prepaid taxes.

*Information on taxes payable*

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	71,080	50,112
Taxation on securities	102,727	91,324
Capital gains tax on property	860	663
Banking and Insurance Transaction Tax (BITT)	24,326	32,546
Taxes on foreign exchange transactions	-	-
Value added tax payable	1,304	1,173
Others	18,215	16,538
<b>Total</b>	<b>218,512</b>	<b>192,356</b>

*Information on premiums payable*

	<b>Current Period</b>	<b>Prior Period</b>
Social security premiums- employee share	524	447
Social security premiums- employer share	677	444
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	352	376
Unemployment insurance- employer share	707	745
Others	35	2
<b>Total</b>	<b>2,295</b>	<b>2,014</b>

*Information on deferred tax liabilities*

Disclosed in Note 13 of information and disclosures for consolidated assets.

**9. Information on payables for assets held for resale and tangible assets related to discounted activities**

None.

**10. Information on subordinated loans**

None.

**11. Information on shareholders' equity**

***Paid-in capital***

	<b>Current Period</b>	<b>Prior Period</b>
Common stock	2,500,000	2,500,000
Preferred stock	-	-

Paid-in capital of the Parent Bank amounted to TL 2,500,000 is divided into groups comprised of 43.0% Group (A), 15.6 % Group (B), 16.2% Group (C) and 25.2% Group (D).

Board of Directors' members; one member appointed by the Prime Minister representing The General Directorate of the Foundations (Group A), three members representing Group (A), one member representing Group (B), and two members representing Group (C); among the nominees shown by the majority of each group, and one member among the nominees offered by the shareholders at the General Assembly are selected. Preference of Group (D) is primarily taken into account in the selection of the last mentioned member.

***Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital***

<b>Capital System</b>	<b>Paid-in Capital</b>	<b>Ceiling per Registered Share Capital</b>
Registered capital system	2,500,000	5,000,000

The registered capital ceiling was increased from TL 1,300,000 to TL 5,000,000 as per the resolution no.74202 dated 16 February 2006 by the Board of Directors.

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

There is no share capital increase in the current period and previous period.

***Information on share capital increases from revaluation funds***

None.

***Capital commitments for current financial year and following period***

None.

***Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators***

None.

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

None.

***Valuation differences of the securities***

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Associates, subsidiaries and joint ventures	4,701	-	9,715	-
Fair value differences of available-for-sale securities	143,507	(18,769)	57,000	(76,723)
Foreign exchange differences	-	-	-	-
<b>Total</b>	<b>148,208</b>	<b>(18,769)</b>	<b>66,715</b>	<b>(76,723)</b>

### III. Information and disclosures related to consolidated off-balance sheet items

#### 1. Disclosures related to other contingent liabilities

##### *Type and amount of irrevocable commitments*

	Current Period	Prior period
Commitments for credit card limits	3,124,091	3,050,410
Loan granting commitments	1,787,039	1,273,207
Commitments for cheque payments	1,473,914	1,456,567
Asset purchase commitments	926,361	293,765
<b>Total</b>	<b>7,311,405</b>	<b>6,073,949</b>

##### *Type and amount of possible losses from off-balance sheet items including those referred to below*

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

The Bank provided specific provision amounting to TL 110,634 (31 December 2008: TL 105,463) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 122,636.

##### *Final guarantees, provisional guarantees, sureties and similar transactions*

	Current Period	Prior Period
Provisional letters of guarantee	73,552	102,621
Final letters of guarantee	3,161,474	4,112,388
Letters of guarantee for advances	1,037,074	1,035,225
Letters of guarantee given to custom offices	155,992	182,196
Other letters of guarantee	1,089,034	249,835
<b>Total</b>	<b>5,517,126</b>	<b>5,682,265</b>

#### 2. Non-cash loans

	Current Period	Prior Period
Non-cash loans given for cash loan risks	519,971	405,492
With original maturity of 1 year or less	305,124	132,743
With original maturity of more than 1 year	214,847	272,749
Other non-cash loans	8,041,567	7,695,118
<b>Total</b>	<b>8,561,538</b>	<b>8,100,610</b>

**3. Sectoral risk concentrations of non-cash loans**

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>40,818</b>	<b>1.13</b>	<b>147,031</b>	<b>2.96</b>	<b>30,209</b>	<b>0.87</b>	<b>57,063</b>	<b>1.23</b>
Farming and cattle	34,376	0.95	108,865	2.19	22,881	0.66	37,906	0.82
Forestry	4,990	0.14	23,120	0.47	4,980	0.14	3,705	0.08
Fishing	1,452	0.04	15,046	0.30	2,348	0.07	15,452	0.33
<b>Manufacturing</b>	<b>1,473,699</b>	<b>40.93</b>	<b>2,318,213</b>	<b>46.72</b>	<b>1,341,409</b>	<b>38.83</b>	<b>1,827,785</b>	<b>39.34</b>
Mining	41,344	1.15	139,509	2.81	34,613	1.00	119,474	2.57
Production	1,092,866	30.35	1,848,865	37.26	953,207	27.60	1,523,671	32.80
Electric, gas and water	339,489	9.43	329,839	6.65	353,589	10.23	184,640	3.97
<b>Construction</b>	<b>573,429</b>	<b>15.93</b>	<b>970,842</b>	<b>19.57</b>	<b>581,153</b>	<b>16.82</b>	<b>1,083,182</b>	<b>23.32</b>
<b>Services</b>	<b>1,237,025</b>	<b>34.35</b>	<b>720,276</b>	<b>14.53</b>	<b>1,203,179</b>	<b>34.81</b>	<b>846,803</b>	<b>18.23</b>
Wholesale and retail trade	436,858	12.13	293,039	5.91	466,892	13.51	260,919	5.62
Hotel, food and beverage services	40,246	1.12	12,732	0.26	32,832	0.95	12,380	0.27
Transportation and telecommunication	203,281	5.65	388,236	7.83	205,056	5.93	356,329	7.66
Financial institutions	524,528	14.56	5,525	0.11	466,926	13.51	197,217	4.25
Real estate and renting services	1,209	0.03	-	-	4,898	0.14	65	0.00
Self-employment services	-	-	-	-	-	-	-	-
Education services	5,637	0.16	552	0.01	5,092	0.15	2,293	0.05
Health and social services	25,266	0.70	20,192	0.41	21,483	0.62	17,600	0.38
<b>Others</b>	<b>275,633</b>	<b>7.66</b>	<b>804,572</b>	<b>16.22</b>	<b>299,437</b>	<b>8.67</b>	<b>830,390</b>	<b>17.88</b>
<b>Total</b>	<b>3,600,604</b>	<b>100.00</b>	<b>4,960,934</b>	<b>100.00</b>	<b>3,455,387</b>	<b>100.00</b>	<b>4,645,223</b>	<b>100.00</b>

**4. Information on the first and second group of non-cash loans**

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of guarantee	3,427,527	1,829,742	112,149	32,318
Confirmed bills of exchange and acceptances	-	413,714	-	13,315
Letters of credit	3,596	2,584,827	-	10,882
Endorsements	-	-	-	-
Purchase guarantees for securities issued	-	-	-	-
Factoring guarantees	617	293	-	-
Other guarantees and sureties	-	9,922	-	-
<b>Total</b>	<b>3,431,740</b>	<b>4,838,498</b>	<b>112,149</b>	<b>56,515</b>

**5. Contingent assets and liabilities**

None

**6. Services rendered on behalf of third parties**

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

The Parent Bank's custody services and banking transactions on behalf of individuals and corporate customers does not present a material portion.

#### **IV. Information on disclosures related to the consolidated statement of income**

##### **1. Interest income**

###### *Information on interest income received from loans*

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	842,557	143,423	977,827	84,003
Medium and long-term loans	1,103,124	196,211	702,550	178,903
Loans under follow-up	31,057	-	34,381	-
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>1,976,738</b>	<b>339,634</b>	<b>1,714,758</b>	<b>262,906</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	1,723
Domestic banks	7,024	1,426	14,464	1,962
Foreign banks	1,038	7,909	21,621	29,489
Foreign head office and branches	-	-	-	-
<b>Total</b>	<b>8,062</b>	<b>9,335</b>	<b>36,085</b>	<b>33,174</b>

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

	Current Period	Prior Period
Interests received from the associates and subsidiaries	26	-

##### **2. Interest Expense**

###### *Interest expenses on funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>6,374</b>	<b>94,841</b>	<b>3,270</b>	<b>124,467</b>
Central Bank of Turkey	-	-	-	-
Domestic banks	6,374	3,081	3,270	3,207
Foreign banks	-	89,784	-	121,260
Foreign head offices and branches	-	1,976	-	-
<b>Other institutions</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>Total</b>	<b>6,433</b>	<b>94,841</b>	<b>3,270</b>	<b>124,476</b>

###### *Interest expenses paid to associates and subsidiaries*

	Current Period	Prior Period
Interests paid to the associates and subsidiaries	8,785	11,845

###### *Interest expense on securities issued*

None.



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**3. Trading income/losses (net)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>1,359,390</b>	<b>726,743</b>
Income from capital market transactions	285,050	26,006
Income from derivative financial instruments	38,734	35,314
Foreign exchange gains	1,035,606	665,423
<b>Losses</b>	<b>(1,273,707)</b>	<b>(687,548)</b>
Losses from capital market transactions	(232,258)	(4,409)
Losses from derivative financial instruments	(26,590)	(38,113)
Foreign exchange losses	(1,014,859)	(645,026)
<b>Trading income/(losses), net</b>	<b>85,683</b>	<b>39,195</b>

Net profit arising from changes in foreign exchange rate that relate to the Group's derivative financial instruments based on foreign exchange rate is TL 3,049 as at and for the six-month period ended 30 June 2009 (30 June 2008: TL 2,895).

**4. Other operating income**

	<b>Current Period</b>	<b>Prior Period</b>
Earned insurance premiums (net of reinsurance share)	199,472	180,417
Communication income	42,328	35,024
Income from reversal of the impairment losses	30,718	114,261
Change in life mathematical provisions	13,946	14,756
Income from private pension business	8,174	6,541
Gain on sale of assets	4,989	5,670
Rent income	3,593	3,573
Other income	18,539	35,490
<b>Total</b>	<b>321,759</b>	<b>395,732</b>

**5. Provision expenses for losses on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Specific provisions on loans and other receivables	323,459	73,387
<i>Loans and receivables in Group III</i>	40,644	22,008
<i>Loans and receivables in Group IV</i>	167,014	23,955
<i>Loans and receivables in Group V</i>	115,801	27,424
Non-performing commissions and other receivables	-	-
General provision expenses	32,367	54,543
Provision for possible losses	-	-
Impairment losses on securities:	6,748	18,770
<i>Trading securities</i>	134	932
<i>Investment Securities available-for-sale</i>	6,614	17,838
Other impairment losses:	9,877	504
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint ventures</i>	-	-
<i>Investment securities held-to-maturity</i>	9,877	504
Others	74,864	76,523
<b>Total</b>	<b>447,315</b>	<b>223,727</b>

**6. Other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel costs	351,112	298,445
Reserve for employee termination benefits	14,984	13,667
Provision for deficit in pension funds	-	-
Impairment losses on tangible assets	-	-
Depreciation expenses on tangible assets	53,440	46,291
Impairment losses on intangible assets	-	-
Amortization Expenses on Intangible Assets	2,781	1,826
Impairment losses on assets to be disposed	-	-
Depreciation expenses on assets to be disposed	17	6
Impairment losses on assets held for sale	-	-
Other operating expenses	299,871	216,897
<i>Operational lease related expenses</i>	36,762	31,006
<i>Repair and maintenance expenses</i>	8,727	6,993
<i>Advertisement expenses</i>	20,517	18,688
<i>Other expenses</i>	233,865	160,210
Loss on sale of assets	560	230
Others	303,156	256,974
<b>Total</b>	<b>1,025,921</b>	<b>834,336</b>

**7. Provision for taxes on income**

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

In the current period, the Group recorded a tax provision of TL 152,957 (30 June 2008: TL 132,593) from the operating profit in accordance with the Corporate Tax Law and other laws and regulations.

*Deferred tax charge arising from temporary differences, tax losses and unused tax credits*

	<b>Current Period</b>	<b>Prior Period</b>
<b>Sources of deferred tax benefit/charge</b>		
Arising from origination (+)/ reversal (-) of deductible temporary differences	20,448	(4,022)
Arising from origination (+)/ reversal (-) of taxable temporary differences	(504)	11,871
Arising from origination (+)/ reversal (-) of tax losses	4,536	-
Arising from tax rate change	-	-
<b>Total</b>	<b>24,480</b>	<b>7,849</b>

**8. Net profit and loss**

*Any further explanation on operating results needed for a proper understanding of the Bank's performance*

None.

**9. Income/loss related to non-controlling interest**

	<b>Current Period</b>	<b>Prior Period</b>
Income/(losses) related to non-controlling interest	10,848	16,489

**10. Information related to the components of other items in the statement of income exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group**

None.

**V. Information and disclosures related to the Parent Bank's risk group**

**1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period**

Current Period	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables:						
Balance at the beginning of the period	-	9,098	-	668	8,437	5,881
Balance at the end of the period	-	72,822	6,223	471	7,201	5,172
Interest and commission income	26	24	68	-	487	67

Prior Period	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables:						
Balance at the beginning of the period	-	6,974	-	669	4,119	5,488
Balance at the end of the period	-	9,098	-	668	8,437	5,881
Interest and commission income	-	5	-	-	362	127

**Information on deposits held by the Parent Bank's risk group**

The Parent Bank's Risk Group	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits:						
Balance at the beginning of the period	176,458	212,360	977,811	918,176	208,027	143,867
Balance at the end of the period	199,601	176,458	1,078,058	977,811	203,007	208,027
Interest on deposits	8,785	11,845	54,290	64,856	390	487

**Information on forward and option agreements and similar agreements made with the Parent Bank's risk group**

None.

**2. Disclosures of transactions with the Parent Bank's risk group**

**Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

**In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other**

The pricing and other conditions of transactions with the risk group companies are set and impied in compliance with the market conditions.

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<b>Current Period</b>	<b>Amount</b>	<b>Compared With the Financial Statement Amount (%)</b>
Cash loans	13,424	0.04
Non-cash loans	78,465	0.92
Deposits	1,480,666	3.48
Derivative transactions	-	-

<b>Prior Period</b>	<b>Amount</b>	<b>Compared With the Financial Statement Amount (%)</b>
Cash loans	8,437	0.03
Non-cash loans	15,647	0.19
Deposits	1,362,296	3.61
Derivative transactions	-	-

*Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts*

None.

## SECTION SIX

### Other Disclosures and Footnotes

#### I. Other disclosures on the Parent Bank's activity

- As per the 9 July 2009 dated resolution of the Board of Directors, the Parent Bank has given up from its decision to buy the 6 % of shares of Turkish Derivative Exchange Market held by Vakıf Yatırım Menkul Değerler AŞ at nominal value of TL 540 as per the 13 October 2006 dated resolution of the Board of Directors.
- Based on the resolution of 55th Annual General Assembly of the Bank held on 3 April 2009, net profit of the year 2008 has been distributed as follows:

<b>Profit Distribution Table of Year 2008</b>	
<b>Current year's profit of the Parent Bank's unconsolidated financial statements</b>	<b>753,198</b>
Deferred tax income not subject to dividend distribution	(22,009)
<b>Net profit of the year subject to distribution before legal reserves</b>	<b>731,189</b>
Legal reserves	73,119
<i>First Legal Reserves</i>	36,560
<i>Reserves allocated, according to banking law and articles of association.</i>	36,559
<b>Net profit of the year subject to distribution</b>	<b>658,070</b>
Other Reserves	1,113
Extraordinary reserves	656,957
<b>Dividends to the shareholders</b>	<b>-</b>

- The monetary losses amounting TL 379,000 incurred in the 2001 financial year as a result of the inflation accounting applied in compliance with the Temporary article no.4 added to the Banks Law no.4389 through the Law no.4743, the tax returns of 2002, 2003 and 2004 were submitted with a condition stating that such losses should have been deducted and the Bank may appeal to the tax court for the tax return. The Parent Bank appealed to the tax court for the corporate tax return on 22 February 2007. Ankara 5. Tax court decided in favor of the Bank and TL 125,187 was transferred to the Parent Bank's accounts on 5 September 2007. The related tax administration has filled an appeal that is still in process.

“The Law on the Collection of Some of the Public Receivables by Reconciliation” no.5736 has passed on 20 February 2008 in the Parliament and approved on 26 February 2008 by the President of the Turkish Republic. In accordance with this law's first sub clause of the third article, with the banks will not be sustained; if the banks take into consideration of 65 percent of these losses in the determination of revenues for the year 2001 as previous year losses, and admit to correct taxable income for the subsequent years and declare they have abnegated from all of the courts related to this matter in one month after this law come into effect.

As per the 27 March 2008 dated resolution of the Board of Directors 2008, The Bank management has taken no decision for any reconcilements for the point in dispute as stated in the second paragraph specified in the first paragraph above.

**II. Information on the Parent Bank's rating given by international institutions**

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<b>November 2008</b> (*)	<b>Standard Poors</b>
Foreign Currency credit rating	BB- / Negative / B
Local currency credit rating	BB- / Negative / B
National	trA / -- / trA-1
Continuance rating	BBB-/--/--

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<b>November 2008</b> (*)	<b>Moody's Investors' Service</b>
Financial strength rating	D+
Local currency deposit rating	Baa1 / P-2
Foreign currency deposit rating	B1 / NP
Outlook	Stable

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<b>August 2008</b> (*)	<b>Fitch Rating</b>
Long-term foreign currency	BB-
Short-term foreign currency	B
Foreign currency outlook	Stable
Long-term local currency	BB
Short-term local currency	B
Foreign currency outlook	Stable
National long-term	AA (tur)
National outlook	Stable
Individual	C/D
Support	4
Base support rating	B+

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<b>December 2008</b> (*)	<b>Capital Intelligence</b>
Financial strength rate	BBB-
Short-term foreign currency	B
Long-term foreign currency	BB-
Support rating	2
Outlook	Stable

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(\*) Dates represent the last change dates of credit ratings and outlook.

**III. Significant events and matters subsequent to balance sheet date that are not resulted**

None.

**IV. Significant foreign currency exchange rate fluctuations that are subsequent to balance sheet date**

None.

## **SECTION SEVEN**

### **Independent Auditors' Review Report**

#### **I. Information on the independent auditors' review report**

The consolidated financial statements and footnotes of the Bank and its financial subsidiaries as at and for the six-month period ended 30 June 2009, have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the member firm of KPMG International). It was noted in their review report dated 27 August 2009 that nothing material has come to their attention that caused them to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the Group's financial position and results of its operations as at and for the six-month period ended 30 June 2009.