

*(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
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
13 August 2009

*This report contains "Independent Auditors' Review
Report" comprising 1 page and; "Unconsolidated
Financial Statements and Related Disclosures and
Footnotes" comprising 61 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 unconsolidated balance sheet of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı ("the Bank") as at 30 June 2009 and the related unconsolidated statement of income, changes in shareholders' equity and cash flows for the six-month period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the uniform chart of accounts, accounting and audit standards in conformity with the (Turkish) Banking Law No 5411. These standards 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 unconsolidated financial statements do not present fairly the financial position of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı 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 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,
13 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 unconsolidated 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
UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2009

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The unconsolidated 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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITORS' REVIEW REPORT

The unconsolidated 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 unconsolidated interim financial statements are presented in thousands of Turkish Lira (TL), and have been subjected to limited review.

13 August 2009

Yusuf BEYAZIT Board of Directors Chairman	Ragıp DOĞU 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:

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Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated 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 Bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (“the 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 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.

The Bank’s shareholder structure is stated below:

Shareholders	Number of Shares	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
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
Total	2.500.000.000	2,500,000	100.00

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

<u>Name and Surname</u>	<u>Responsibility</u>	<u>Date of Appointment</u>	<u>Education</u>	<u>Experience in Banking</u>
<u>Board of Directors</u>				
Yusuf BEYAZIT	Chairman	21 March 2003	Master	12 years
Ragıp DOĞU ⁽¹⁾	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 ⁽³⁾	Member	3 April 2009	University	10 years
Ramazan GÜNDÜZ ⁽³⁾	Member	3 April 2009	University	30 years
Halim KANATÇI ⁽²⁾	Member	28 April 2009	University	35 years
<u>Audit Committee</u>				
Ragıp DOĞU	Member	7 April 2009	University	35 years
Sabahattin BİRDAL	Member	21 August 2008	University	24 years
<u>Auditors</u>				
Ahmet TANYOLAÇ	Auditor	21 March 2003	University	7 years
Faruk EROĞLU	Auditor	21 March 2003	University	9 years
<u>Executive Vice Presidents</u>				
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 ⁽⁴⁾	Legal Services	5 January 2009	Master	7 years

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated 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 Board of Directors representing 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 55th 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 Bank's qualified shareholders

The shareholder holding direct or indirect control over the Bank is The General Directorate of the Foundations having 43.00% of the Bank's outstanding shares. Another organization holding qualified share in the 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 Bank

The 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 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 Bank has 9,493 employees (31 December 2008: 9,567 employees).

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Balance Sheet (Statement of Financial Position)
At 30 June 2009
(Thousands of Turkish Lira (TL))

SECTION TWO – FINANCIAL STATEMENTS
*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 Period 31 December 2008		
ASSETS	Notes	TL	FC	Total	TL	FC	Total	
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	2,016,818	1,215,290	3,232,108	825,741	1,279,045	2,104,786	
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	5,136	37,708	42,844	6,901	40,146	47,047	
2.1 Financial assets held for trading purpose		5,136	37,708	42,844	6,901	40,146	47,047	
2.1.1 Debt securities issued by the governments		-	16,727	16,727	-	15,634	15,634	
2.1.2 Equity securities		-	-	-	-	-	-	
2.1.3 Derivative financial assets held for trading purpose	V-I-2	5,136	20,981	26,117	6,901	24,512	31,413	
2.1.4 Other securities		-	-	-	-	-	-	
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		-	-	-	-	-	-	
III. BANKS	V-I-3	93,024	4,877,003	4,970,027	2,648	2,554,652	2,557,300	
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		2,500,608	-	2,500,608	3,201,333	-	3,201,333	
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		-	-	-	-	-	-	
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-	
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	8,002,185	1,716,841	9,719,026	6,397,648	1,583,997	7,981,645	
5.1 Equity securities		9,181	10,750	19,931	9,181	10,750	19,931	
5.2 Debt securities issued by the governments		7,993,004	1,684,791	9,677,795	6,388,467	1,566,288	7,954,755	
5.3 Other securities		-	21,300	21,300	-	6,959	6,959	
VI. LOANS AND RECEIVABLES	V-I-5	21,727,304	10,439,818	32,167,122	19,512,373	10,989,926	30,502,299	
6.1 Performing loans and receivables		21,547,668	10,439,818	31,987,486	19,427,285	10,989,926	30,417,211	
6.1.1 Loans provided to risk group	V-V-1	106,555	62,944	169,499	74,388	60,510	134,898	
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-	
6.1.3 Others		21,441,113	10,376,874	31,817,987	19,352,897	10,929,416	30,282,313	
6.2 Loans under follow-up		1,849,589	-	1,849,589	1,455,822	-	1,455,822	
6.3 Specific provisions (-)		1,669,953	-	1,669,953	1,370,734	-	1,370,734	
VII. FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	2,486,487	1,507,125	3,993,612	1,915,921	1,555,417	3,471,338	
8.1 Debt securities issued by the governments		2,486,487	1,470,506	3,956,993	1,915,921	1,520,332	3,436,253	
8.2 Other securities		-	36,619	36,619	-	35,085	35,085	
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	69,393	-	69,393	56,780	-	56,780	
9.1 Associates, consolidated per equity method		-	-	-	-	-	-	
9.2 Unconsolidated associates		69,393	-	69,393	56,780	-	56,780	
9.2.1 Financial associates		61,799	-	61,799	49,186	-	49,186	
9.2.2 Non-Financial associates		7,594	-	7,594	7,594	-	7,594	
X. INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	425,308	100,158	525,466	382,431	100,158	482,589	
10.1 Unconsolidated financial subsidiaries		280,586	100,158	380,744	235,100	100,158	335,258	
10.2 Unconsolidated non-financial subsidiaries		144,722	-	144,722	147,331	-	147,331	
XI. INVESTMENTS IN JOINT-VENTURES (Net)	V-I-9	-	-	-	-	-	-	
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		-	-	-	-	-	-	
XII. LEASE RECEIVABLES	V-I-10	-	-	-	-	-	-	
12.1 Finance lease receivables		-	-	-	-	-	-	
12.2 Operational lease receivables		-	-	-	-	-	-	
12.3 Others		-	-	-	-	-	-	
12.4 Unearned income (-)		-	-	-	-	-	-	
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE	V-I-11	-	-	-	-	-	-	
13.1 Fair value hedges		-	-	-	-	-	-	
13.2 Cash flow hedges		-	-	-	-	-	-	
13.3 Hedges of net investment in foreign operations		-	-	-	-	-	-	
XIV. TANGIBLE ASSETS (Net)		1,033,173	677	1,033,850	983,954	716	984,670	
XV. INTANGIBLE ASSETS (Net)		31,812	-	31,812	30,774	-	30,774	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Other intangibles		31,812	-	31,812	30,774	-	30,774	
XVI. INVESTMENT PROPERTIES	V-I-12	-	-	-	-	-	-	
XVII. TAX ASSETS		96,923	-	96,923	86,057	-	86,057	
17.1 Current tax assets		-	-	-	-	-	-	
17.2 Deferred tax assets		96,923	-	96,923	86,057	-	86,057	
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS	V-I-14	-	-	-	-	-	-	
18.1 Assets held for sale		-	-	-	-	-	-	
18.2 Assets related to the discontinued operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	V-I-15	371,151	232,774	603,925	372,956	313,919	686,875	
TOTAL ASSETS		38,859,322	20,127,394	58,986,716	33,775,517	18,417,976	52,193,493	

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

LIABILITIES AND SHAREHOLDERS' EQUITY		Notes	Reviewed Current Period 30 June 2009			Audited Prior Period 31 December 2008		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	29,111,152	12,986,528	42,097,680	25,420,833	11,699,444	37,120,277
1.1	Deposits of the risk group	V-V-1	1,454,751	104,977	1,559,728	1,325,732	123,825	1,449,557
1.2	Other deposits		27,656,401	12,881,551	40,537,952	24,095,101	11,575,619	35,670,720
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING							
	PURPOSE	V-II-2	1,730	14,426	16,156	5,551	21,576	27,127
III.	FUNDS BORROWED	V-II-3	62,107	5,636,001	5,698,108	74,719	5,695,675	5,770,394
IV.	INTERBANK MONEY MARKET		1,884,500	680,237	2,564,737	1,023,695	663,407	1,687,102
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		1,884,500	680,237	2,564,737	1,023,695	663,407	1,687,102
V.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		93,609	-	93,609	99,056	-	99,056
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		93,609	-	93,609	99,056	-	99,056
VII.	MISCELLANEOUS PAYABLES		711,390	59,022	770,412	525,088	71,150	596,238
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	193,214	171,030	364,244	116,652	234,306	350,958
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES	V-II-5	-	3,736	3,736	-	16,427	16,427
10.1	Finance lease payables		-	3,801	3,801	-	16,947	16,947
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		-	65	65	-	520	520
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK							
	MANAGEMENT PURPOSE	V-II-6	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	V-II-7	701,592	20,560	722,152	653,999	20,508	674,507
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		251,076	-	251,076	261,621	-	261,621
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		164,168	16,398	180,566	138,396	15,583	153,979
XIII.	TAX LIABILITIES		204,144	6,631	210,775	177,913	2,495	180,408
13.1	Current tax liabilities	V-II-8	204,144	6,631	210,775	177,913	2,495	180,408
13.2	Deferred tax liabilities	V-I-13	-	-	-	-	-	-
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS							
	RELATED TO DISCONTINUED OPERATIONS	V-II-9	-	-	-	-	-	-
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	V-II-10	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY		6,404,199	40,908	6,445,107	5,683,305	(12,306)	5,670,999
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		1,036,482	40,908	1,077,390	909,517	(12,306)	897,211
16.2.1	Share premium		723,918	-	723,918	723,918	-	723,918
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	244,896	40,908	285,804	120,115	(12,306)	107,809
16.2.4	Revaluation surplus on tangible assets		1,138	-	1,138	25	-	25
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		66,530	-	66,530	65,459	-	65,459
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		-	-	-	-	-	-
16.3	Profit reserves		2,272,675	-	2,272,675	1,520,590	-	1,520,590
16.3.1	Legal reserves		353,012	-	353,012	279,893	-	279,893
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		1,713,233	-	1,713,233	1,056,276	-	1,056,276
16.3.4	Other profit reserves		206,430	-	206,430	184,421	-	184,421
16.4	Profit or loss		595,042	-	595,042	753,198	-	753,198
16.4.1	Prior years' profit/loss		-	-	-	-	-	-
16.4.2	Current period's profit/loss		595,042	-	595,042	753,198	-	753,198
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			39,367,637	19,619,079	58,986,716	33,780,811	18,412,682	52,193,493

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Off-Balance Sheet
At 30 June 2009
(Thousands of Turkish Lira (TL))

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

		Reviewed Current Period 30 June 2009			Audited Prior Period 31 December 2008			
		Notes	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES		11,519,718	7,906,155	19,425,873	9,670,279	7,131,591	16,801,870
I.	GUARANTEES AND SURETIES	V-III-2-4	3,612,799	4,979,000	8,591,799	3,449,407	4,561,670	8,011,077
1.1.	Letters of guarantee		3,609,203	1,865,558	5,474,761	3,449,407	2,063,290	5,512,697
1.1.1.	Guarantees subject to State Tender Law		736,010	659,302	1,395,312	553,624	767,022	1,320,646
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		2,717,362	1,206,095	3,923,457	2,711,874	1,296,109	4,007,983
1.2.	Bank acceptances		-	507,673	507,673	-	513,161	513,161
1.2.1.	Import letter of acceptance		-	44,086	44,086	-	192,409	192,409
1.2.2.	Other bank acceptances		-	463,587	463,587	-	320,752	320,752
1.3.	Letters of credit		3,596	2,594,634	2,598,230	-	1,970,897	1,970,897
1.3.1.	Documentary letters of credit		3,596	2,594,634	2,598,230	-	1,970,897	1,970,897
1.3.2.	Other letters of credit		-	-	-	-	-	-
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		-	-	-	-	-	-
1.8.	Other guarantees		-	1,086	1,086	-	1,082	1,082
1.9.	Other sureties		-	-	-	-	-	-
II.	COMMITMENTS		6,863,946	628,998	7,492,944	6,060,131	219,160	6,279,291
2.1.	Irrevocable commitments		6,856,210	628,998	7,485,208	6,052,395	218,945	6,271,340
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	-	1,782,993	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		4	-	4	-	243	243
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		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		1,042,973	2,298,157	3,341,130	160,741	2,350,761	2,511,502
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	2,298,157	3,341,130	160,741	2,350,761	2,511,502
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.	Forward foreign currency sales		23,162	22,177	45,339	6,263	6,008	12,271
3.2.2.1.	Currency and interest rate swaps		650,638	1,938,775	2,589,413	148,212	2,277,945	2,426,157
3.2.2.2.	Currency swaps-purchases		477,500	497,663	975,163	-	855,118	855,118
3.2.2.3.	Currency swaps-sales		-	967,628	967,628	-	868,064	868,064
3.2.2.4.	Interest rate swaps-purchases		66,509	262,980	329,489	72,059	285,643	357,702
3.2.2.5.	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	193,028	461,776	-	-	-
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	-	29,162	-	-	-
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.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		66,692,157	21,370,937	88,063,094	59,877,902	19,836,062	79,713,964
IV.	ITEMS HELD IN CUSTODY		13,644,706	473,096	14,117,802	15,408,119	370,231	15,778,350
4.1.	Customers' securities held		-	14,834	14,834	-	14,785	14,785
4.2.	Investment securities held in custody		11,810,811	3,614	11,814,425	14,312,854	3,602	14,316,456
4.3.	Checks received for collection		1,082,235	161,564	1,243,799	522,369	101,000	623,369
4.4.	Commercial notes received for collection		253,222	114,093	367,315	213,041	107,369	320,410
4.5.	Other assets received for collection		2,426	61	2,487	4,993	860	5,853
4.6.	Assets received through public offering		-	4,814	4,814	-	4,798	4,798
4.7.	Other items under custody		230,759	32,425	263,184	214,692	29,942	244,634
4.8.	Custodians		265,253	141,691	406,944	140,170	107,875	248,045
V.	PLEDGED ITEMS		53,047,451	20,897,841	73,945,292	44,469,783	19,465,831	63,935,614
5.1.	Securities		3,710,280	55,741	3,766,021	1,215,495	55,497	1,270,992
5.2.	Guarantee notes		344,080	314,989	659,069	748,070	306,292	1,054,362
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		36,540,906	18,065,635	54,606,541	31,640,884	17,194,560	48,835,444
5.6.	Other pledged items		3,467,463	2,342,699	5,810,162	2,626,745	1,815,280	4,442,025
5.7.	Pledged items-depository		363,470	72,735	436,205	353,525	63,802	417,327
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)			78,211,875	29,277,092	107,488,967	69,548,181	26,967,653	96,515,834

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

		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
	Notes				
I.	INTEREST INCOME	3,304,606	2,986,426	1,594,526	1,499,252
1.1	Interest income from loans	V-IV-1 2,310,806	1,969,962	1,129,211	1,010,325
1.2	Interest income from reserve deposits	65,088	84,049	31,374	42,416
1.3	Interest income from banks	V-IV-1 6,751	59,247	3,056	29,519
1.4	Interest income from money market transactions	46,647	37,677	11,251	10,102
1.5	Interest income from securities portfolio	860,243	822,427	419,617	406,706
1.5.1	Trading financial assets	1,675	13,838	1,334	6,486
1.5.2	Financial assets at fair value through profit or loss	-	-	-	-
1.5.3	Available-for-sale financial assets	621,664	667,366	303,562	324,862
1.5.4	Held-to-maturity investments	236,904	141,223	114,721	75,358
1.6	Finance lease income	-	-	-	-
1.7	Other interest income	15,071	13,064	17	184
II.	INTEREST EXPENSE	1,773,692	2,037,191	835,640	1,032,173
2.1	Interest expense on deposits	1,563,809	1,784,801	739,196	917,978
2.2	Interest expense on funds borrowed	V-IV-2 94,574	117,072	38,709	50,218
2.3	Interest expense on money market transactions	96,249	106,574	44,486	52,167
2.4	Interest expense on securities issued	-	-	-	-
2.5	Other interest expenses	19,060	28,744	13,249	11,810
III.	NET INTEREST INCOME (I – II)	1,530,914	949,235	758,886	467,079
IV.	NET FEES AND COMMISSIONS INCOME	218,761	231,856	118,078	124,622
4.1	Fees and commissions received	291,117	315,178	151,300	167,433
4.1.1	Non-cash loans	36,628	26,852	17,160	13,831
4.1.2	Others	254,489	288,326	134,140	153,602
4.2	Fees and commissions paid	72,356	83,322	33,222	42,811
4.2.1	Non-cash loans	10	1	6	1
4.2.2	Others	72,346	83,321	33,216	42,810
V.	DIVIDEND INCOME	24,265	25,273	13,057	22,994
VI.	TRADING INCOME/LOSSES (Net)	62,084	13,183	24,534	31,078
6.1	Trading account income/losses	V-IV-3 30,569	4,208	12,256	751
6.2	Income/losses from derivative financial instruments	V-IV-3 11,976	(3,421)	8,648	60
6.3	Foreign exchange gains/losses	V-IV-3 19,539	12,396	3,630	30,267
VII.	OTHER OPERATING INCOME	85,648	170,738	50,607	67,760
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)	1,921,672	1,390,285	965,162	713,533
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	444,544	215,379	257,879	69,029
X.	OTHER OPERATING EXPENSES (-)	752,300	580,647	349,862	303,150
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)	724,828	594,259	357,421	341,354
XII.	INCOME RESULTED FROM MERGERS	-	-	-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING	-	-	-	-
XIV.	GAIN/LOSS ON NET MONETARY POSITION	-	-	-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)	724,828	594,259	357,421	341,354
XVI.	CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-7 (129,786)	(121,523)	(56,593)	(65,015)
16.1	Current tax charges	V-IV-7 (145,176)	(128,588)	(58,996)	(69,195)
16.2	Deferred tax credits	V-IV-7 15,390	7,065	2,403	4,180
XVII.	NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)	V-IV-8 595,042	472,736	300,828	276,339
XVIII.	INCOME FROM DISCONTINUED OPERATIONS	-	-	-	-
18.1	Income from investment properties	-	-	-	-
18.2	Income from sales of subsidiaries, affiliates and joint-ventures	-	-	-	-
18.3	Other income from discontinued activities	-	-	-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS	-	-	-	-
19.1	Investment property expenses	-	-	-	-
19.2	Losses from sales of subsidiaries, affiliates and joint ventures	-	-	-	-
19.3	Other expenses from discontinued activities	-	-	-	-
XX.	INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES	-	-	-	-
XXI.	DISCONTINUED OPERATIONS PROVISION FOR TAXES	-	-	-	-
21.1	Current tax charge	-	-	-	-
21.2	Deferred tax charge	-	-	-	-
XXII.	NET INCOME/LOSS AFRET TAXES FROM DISCONTINUED OPERATIONS	-	-	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	V-IV-8 595,042	472,736	300,828	276,339
	Earnings per Share (full TL)	0.2380	0.1891	0.1203	0.1105

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Gains and Losses
Recognized in Shareholder's Equity
For The Six-Month Period Ended 30 June 2009
(Thousands of Turkish Lira (TL))

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

GAINS AND LOSSES RECOGNIZED IN SHAREHOLDERS' EQUITY		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
I.	VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN SECURITIES VALUATION DIFFERENCES	159,163	(307,168)	91,997	(182,965)
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-	-	-
IV.	CURRENCY TRANSLATION DIFFERENCES	-	-	-	-
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	43,934	(31,189)	60,688	92,380
IX.	DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(24,031)	60,629	(15,082)	32,631
X.	NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY	179,066	(277,728)	137,603	(57,954)
XI.	CURRENT PERIOD'S PROFIT/(LOSS)	595,042	472,736	300,828	276,339
11.1	Change in fair value of securities (transfers to the statement of income)	(19,776)	16,558	(13,576)	9,165
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	614,818	456,178	314,404	267,174
XII.	TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD	774,108	195,008	438,431	218,385

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

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

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

CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period 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 Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD – 30 June 2008																		
I. Balances at the beginning of the period	2,500,000	-	723,918	-	179,631	-	296,122	148,451	1,030,700	7,886	275,430	25	64,119	-	-	5,226,282	-	5,226,282
II. Changes during the period																		
II. Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	(279,068)	-	-	-	-	(279,068)	-	(279,068)
IV. Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	1,340	-	-	1,340	-	1,340
VIII. Translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes resulted from disposal of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on the Bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period's net profit/loss	-	-	-	-	-	-	-	-	472,736	-	-	-	-	-	-	472,736	-	472,736
XVIII. Profit distribution	-	-	-	-	100,262	-	760,154	35,970	(1,030,700)	(7,886)	-	-	-	-	-	(142,200)	-	(142,200)
18.1 Dividends	-	-	-	-	-	-	-	-	(142,200)	-	-	-	-	-	-	(142,200)	-	(142,200)
18.2 Transferred to reserves	-	-	-	-	100,262	-	760,154	35,970	(888,500)	(7,886)	-	-	-	-	-	-	-	-
18.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period	2,500,000	-	723,918	-	279,893	-	1,056,276	184,421	472,736	-	(3,638)	25	65,459	-	-	5,279,090	-	5,279,090
CURRENT PERIOD – 30 June 2009																		
I. Balances at the beginning of the period	2,500,000	-	723,918	-	279,893	-	1,056,276	184,421	753,198	-	107,809	25	65,459	-	-	5,670,999	-	5,670,999
II. Changes during the period																		
II. Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	177,995	-	-	-	-	177,995	-	177,995
IV. Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	1,071	-	-	1,071	-	1,071
VIII. Translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes resulted from disposal of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on the Bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period's net profit/loss	-	-	-	-	-	-	-	-	595,042	-	-	-	-	-	-	595,042	-	595,042
XVIII. Profit distribution	-	-	-	-	73,119	-	656,957	22,009	(753,198)	-	-	1,113	-	-	-	-	-	-
18.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transferred to reserves	-	-	-	-	73,119	-	656,957	22,009	(753,198)	-	-	1,113	-	-	-	-	-	-
18.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period	2,500,000	-	723,918	-	353,012	-	1,713,233	206,430	595,042	-	285,804	1,138	66,530	-	-	6,445,107	-	6,445,107

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

	Reviewed Current Period 30 June 2009	Reviewed Prior Period 30 June 2008
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1,144,005	568,902
1.1.1 Interests received	3,408,190	3,042,711
1.1.2 Interests paid	(1,869,241)	(2,103,697)
1.1.3 Dividends received	9,446	25,273
1.1.4 Fee and commissions received	218,761	315,178
1.1.5 Other income	55,043	183,921
1.1.6 Collections from previously written-off loans and other receivables	155,770	58,886
1.1.7 Payments to personnel and service suppliers	(741,710)	(264,244)
1.1.8 Taxes paid	(141,491)	(42,030)
1.1.9 Others	49,237	(647,096)
1.2 Changes in operating assets and liabilities	3,867,301	678,764
1.2.1 Net (increase) decrease in financial assets held for trading purpose	-	4,138
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	5,416	(132,477)
1.2.4 Net (increase) decrease in loans	(2,282,365)	(4,846,958)
1.2.5 Net (increase) decrease in other assets	83,457	(182,047)
1.2.6 Net increase (decrease) in bank deposits	578,370	(212,103)
1.2.7 Net increase (decrease) in other deposits	4,418,293	6,073,807
1.2.8 Net increase (decrease) in funds borrowed	(67,173)	309,898
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	1,131,303	(335,494)
I. Net cash flow from banking operations	5,011,306	1,247,666
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(2,133,058)	(1,173,905)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	-	(293)
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Purchases of tangible assets	(28,811)	(77,635)
2.4 Proceeds from disposal of tangible assets	8,363	54,824
2.5 Cash paid for purchase of available-for-sale financial assets	(3,642,676)	(1,152,855)
2.6 Proceeds from disposal of available-for-sale financial assets	1,398,762	-
2.7 Cash paid for purchase of held-to-maturity investments	(89,861)	-
2.8 Proceeds from disposal of held-to-maturity investments	221,165	2,054
2.9 Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities	(12,691)	(144,028)
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	-	(142,200)
3.5 Re-payments for finance leases	(12,691)	(6,770)
3.6 Others	-	4,942
IV. Effect of change in foreign exchange rates on cash and cash equivalents	-	-
V. Net increase (decrease) in cash and cash equivalents	2,865,557	(70,267)
VI. Cash and cash equivalents at the beginning of the period	6,847,846	5,259,888
VII. Cash and cash equivalents at the end of the period	9,713,403	5,189,621

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

SECTION THREE

Accounting Policies

I. Basis of presentation

As per the Article 37 of “Accounting and Recording Rules” of the Turkish Banking Law no.5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its unconsolidated 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 unconsolidated financial statements are prepared in accordance with the historical cost basis except for the financial assets at fair value through profit or loss, derivative financial assets and liabilities held for trading purpose, available-for-sale financial assets and investments in associates and subsidiaries that are quoted on the stock exchanges and assets available for sale, which are measured at their fair values.

Additional paragraph for convenience translation to English

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

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

Strategy for the use of financial instruments

The 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 Bank other than the deposits are its equity and medium and long-term borrowings obtained from foreign financial institutions. The 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 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 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 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 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 are recorded in TL, the functional currency of the Bank. Foreign currency transactions are recorded using the foreign exchange rates effective at the transaction date. At the end of the periods, foreign currency assets and liabilities are measured with the Bank's spot purchase rates and the 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.

III. Information on forwards, options and other derivative transactions

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

The Bank 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 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 of derivative transactions are recognized in the statement of income.

IV. Information on interest income and expenses

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.

V. 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.

VI. 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.

When a financial asset is recognized initially, the Bank measures it at its fair value plus, in the case of a financial asset that is not classified at fair value through profit or loss, 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 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 statement of income. The gains/losses in case of disposal of such securities before their maturities are recorded under trading income/losses in the 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 values and the discounted values are recorded in “valuation differences of the marketable securities” under the shareholders’ equity. In case of disposal of such assets, the realized gain or losses are recognized directly in the statement of income.

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

Loans 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 Bank 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. Subsidiaries, which are traded in an active market or whose fair value can be reliably measured, recorded at fair value. Subsidiaries which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any.

Associates, classified as available-for-sale financial assets in unconsolidated financial statements, which are traded in an active market or whose fair value can be reliably measured, are recorded at fair value. Associates which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any.

VII. 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 Bank 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.

VIII. 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 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.

IX. 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.

X. Assets held for sale and discontinued operations

The Bank has no assets held for sale and discontinued operations.

XI. Goodwill and other intangible assets

The Bank’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.

XII. 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:

Tangible assets	Estimated useful lives (Year)	Depreciation Rates (%)
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.

XIII. Leasing activities

Finance leases

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 financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

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

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

Operational leases

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

XIV. Provisions and contingent liabilities

In the 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 Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the 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 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 financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Bank discloses the contingent asset.

XV. Obligations of the Bank 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 unconsolidated 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:

	Current Period	Previous Period
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 Bank 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 unconsolidated 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,

- The technical interest rate to be used for the actuarial calculation is 9.80%
- 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.

XVI. Taxation

Corporate tax

Corporate tax rate is 20% in Turkey. This rate is applied to total income of the Bank 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.

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 financial statements only if the Bank 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.

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

Transfer Pricing

In Turkey, the transfer pricing provisions 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.

XVII. 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 Bank.

XVIII. 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.

XIX. 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.

XX. Government incentives

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

XXI. Segment reporting

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

XXII. Other disclosures

Earnings per shares

Earning per share is calculated by dividing the net profit for the period to weighted average of outstanding shares. In Turkey, the companies may perform capital increase ("Bonus Shares") from retained earnings. In earning per share computation bonus shares are treated as issued shares.

As at and for the six-month period ended 30 June 2009, earnings per share is TL 0.2380 (30 June 2008: TL 0.1891).

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 ("CBT") and other banks, money market placements and time deposits at banks whose original maturity is less than 3 months.

SECTION FOUR

Information Related to Financial Position of the Bank

I. Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 14.62% (31 December 2008: 14.30%).

Risk measurement methods in calculation of capital adequacy ratio

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 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".

Unconsolidated capital adequacy ratio

Value at credit risk	30 June 2009 Risk Weights						
	0%	10%	20%	50%	100%	150%	200%
Balance sheet items (Net)	11,788,085	-	3,279,410	9,157,967	24,416,113	42,842	197
Cash and cash equivalents	471,631	-	38	-	-	-	-
Matured securities	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,961,833	-	-	-	-	-	-
Domestic and foreign Banks, foreign head offices and branches	1,774,462	-	3,005,087	-	190,329	-	-
Interbank money market placements	2,500,000	-	-	-	-	-	-
Receivables from reverse repurchase agreements	-	-	-	-	-	-	-
Reserve deposits at CBT	767,233	-	-	-	-	-	-
Loans	217,541	-	199,780	9,027,733	22,045,115	42,842	197
Loans under follow-up (Net)	-	-	-	-	179,636	-	-
Receivables from leasing activities	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	19,931	-	-	-	-
Held-to-maturity investment securities	3,753,089	-	36,600	-	-	-	-
Receivables from term sale of assets	-	-	-	-	136,978	-	-
Miscellaneous receivables	-	-	-	-	149,786	-	-
Interest and other income accruals	239,077	-	17,974	130,234	319,791	-	-
Investments in associates, subsidiaries and joint-ventures (Net)	-	-	-	-	592,382	-	-
Tangible assets (Net)	-	-	-	-	765,787	-	-
Other assets	103,219	-	-	-	36,309	-	-
Off-balance sheet items	167,126	-	158,284	390,515	5,204,080	-	-
Non-cash loans and commitments	167,126	-	143,174	390,515	5,199,727	-	-
Derivative financial instruments	-	-	15,110	-	4,353	-	-
Non-risk weighted accounts	-	-	-	-	-	-	-
Total risk weighted assets	11,955,211	-	3,437,694	9,548,482	29,620,193	42,842	197

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Value at credit risk (VaCR)	35,146,630	32,796,049
Value at market risk (VaMR)	1,150,500	755,100
Value at operational risk (VaOR) (*)	4,756,200	4,130,525
Equity	6,003,279	5,389,879
Equity/ (VaCR+VaMR+VaOR)*100	14.62	14.30

(*) 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.

Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
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 Premium	723,918	723,918
Share Cancellation Profits	-	-
Legal Reserves	353,012	279,893
I. Legal Reserve (Turkish Commercial Code 466/1)	176,506	139,946
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Reserves allocated as per Special Legislations	176,506	139,947
Status Reserves	-	-
Extraordinary Reserves	1,919,663	1,240,697
Reserve allocated as per the Decision held by the General Assembly	1,713,233	1,056,276
Retained Earnings	206,430	184,421
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	595,042	753,198
Current Year's Profit	595,042	753,198
Prior Years' Profit	-	-
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 Debt (up to 15% of Core Capital)	-	-
Loss excess of Reserves (-)	-	-
Current Year's Loss	-	-
Prior Years' Loss	-	-
Leasehold Improvements (-) ^(*)	84,964	-
Prepaid Expenses (-) ^(*)	272,794	285,053
Intangible Assets (-) ^(*)	31,812	30,774
Deferred Tax Asset excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	5,703,203	5,497,731
SUPPLEMENTARY CAPITAL		
General Provisions	290,510	258,907
45% of Revaluation Surplus on Immovables	-	-
Bonus shares of Associates, Subsidiaries and Joint-Ventures	66,530	65,459
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	-	-
45% of Valuation Differences of Marketable Securities	128,612	48,514
Associates and Subsidiaries	72,148	53,411
Available for Sale Investment Securities	56,464	(4,897)
Other Profit Reserves	-	-
Total Supplementary Capital	485,652	372,880
TIER III CAPITAL	-	-
CAPITAL	6,188,855	5,870,611
DEDUCTIONS FROM CAPITAL	185,576	480,732
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors exceeding 10% of ownership	2,477	1,281
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
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	183,099	163,624
Others	-	-
TOTAL EQUITY	6,003,279	5,389,879

^(*) 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. Market risk

The 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 Bank is reported monthly and sent to the related regulatory institutions.

Value at market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	75,593
(II) Capital Obligation against Specific Risks - Standard Method	5,215
(III) Capital Obligation against Currency Risk - Standard Method	8,638
(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)	92,040
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	1,150,500

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 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%	12,002	20,435

III. Operational risk

The Bank 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 380,496 (31 December 2008: 330,442) 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 4,756,200 (31 December 2008: 4,130,525) presented in the table included in Note I of this section is calculated as 12.5 times of the operational risk.

IV. Foreign currency exchange risk

Foreign exchange risk that the Bank exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the 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, the Bank 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 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:

	US Dollar	Euro
The Bank’s foreign currency purchase rate at the balance sheet date	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
	US Dollar	Euro
Last 30-days arithmetical average rate	1.4963	2.0926

Information on currency risk

Current Period	Euro	US Dollar	Japanese Yen	Other FCs	Total
Assets:					
Cash and balances with the Central Bank of Turkey	40,834	1,168,980	148	5,328	1,215,290
Banks	1,186,911	3,646,799	4,575	38,718	4,877,003
Financial assets at fair value through profit or loss	1,405	36,303	-	-	37,708
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	564,706	1,152,135	-	-	1,716,841
Loans and receivables ^(*)	3,924,784	6,534,669	8,049	63,330	10,530,832
Associates, subsidiaries and joint-ventures	100,158	-	-	-	100,158
Held-to-maturity investments	298,666	1,208,459	-	-	1,507,125
Derivative financial assets held for risk management purpose	-	-	-	-	-
Tangible assets	-	677	-	-	677
Intangible assets	-	-	-	-	-
Other assets ^(**)	26,523	186,281	-	109	212,913
Total assets	6,143,987	13,934,303	12,772	107,485	20,198,547
Liabilities:					
Bank deposits	342,009	403,740	-	183	745,932
Foreign currency deposits	3,681,907	8,510,311	3,269	45,109	12,240,596
Interbank money market takings	113,919	566,318	-	-	680,237
Other funding	2,194,507	3,392,338	-	49,156	5,636,001
Securities issued	-	-	-	-	-
Miscellaneous payables	13,565	45,288	1	168	59,022
Derivative financial liabilities held for risk management purpose	-	-	-	-	-
Other liabilities ^(***)	88,964	81,061	69	7,091	177,185
Total liabilities	6,434,871	12,999,056	3,339	101,707	19,538,973
Net 'on balance sheet' position	(290,884)	935,247	9,433	5,778	659,574
Net 'off-balance sheet' position	432,351	(919,936)	(6,154)	-	(493,739)
Derivative assets	486,155	391,919	-	1,260	879,334
Derivative liabilities	53,804	1,311,855	6,154	1,260	1,373,073
Non-cash loans ^(****)	2,013,612	2,797,211	18,225	149,952	4,979,000
Prior Period					
	Euro	US Dollar	Japanese Yen	Other FCs	Total
Total assets	5,732,637	12,665,126	11,441	113,336	18,522,540
Total liabilities	6,494,139	11,774,881	2,583	106,829	18,378,432
Net 'on balance sheet' position	(761,502)	890,245	8,858	6,507	144,108
Net 'off-balance sheet' position	851,207	(841,432)	(6,198)	-	3,577
Derivative assets	876,987	269,338	-	444	1,146,769
Derivative liabilities	25,780	1,110,770	6,198	444	1,143,192
Non-cash loans	1,857,093	2,537,189	38,146	129,242	4,561,670

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

^(**) Prepaid expenses amounting to TL 19,861 are not included.

^(***) Unearned revenues amounting to TL 39,198 is not included

^(****) Non-cash loans are not taken into consideration in the calculation of the net 'off-balance sheet' position.

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 equity and 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 also be at the same amount but 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 ^(*)	Profit or loss	Equity ^(*)
US Dollar	1,710	1,531	10,055	6,314
EUR	5,474	4,131	1,985	(1,203)
Other currencies	906	906	751	751
Total, net	8,090	6,568	12,791	5,862

^(*) Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

V. 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.

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<i>Assets:</i>							
Cash and balances with CBT	1,609,287	-	-	-	-	1,622,821	3,232,108
Banks and other financial inst.	4,577,586	101,888	2,031	-	-	288,522	4,970,027
Financial assets at fair value through profit/loss	5,613	373	3,217	16,914	16,727	-	42,844
Interbank money market placements	2,500,608	-	-	-	-	-	2,500,608
Available-for-sale financial assets	1,660,883	2,714,728	3,033,028	1,448,244	842,212	19,931	9,719,026
Loans and receivables	8,408,120	9,373,269	6,749,070	5,294,840	2,162,187	179,636	32,167,122
Held-to-maturity investments	586,314	1,028,248	721,469	407,726	1,249,855	-	3,993,612
Other assets (*)	11,781	10,594	52,068	127,783	1,250	2,157,893	2,361,369
Total assets	19,360,192	13,229,100	10,560,883	7,295,507	4,272,231	4,268,803	58,986,716
<i>Liabilities:</i>							
Bank deposits	1,813,890	217,018	18,671	-	-	9,957	2,059,536
Other deposits	24,968,085	8,989,795	740,094	5,364	-	5,334,806	40,038,144
Interbank money market takings	1,241,140	424,060	824,770	74,767	-	-	2,564,737
Miscellaneous payables	-	11,946	40,135	-	-	718,331	770,412
Securities issued	-	-	-	-	-	-	-
Funds borrowed	1,480,216	2,871,929	1,321,722	24,241	-	-	5,698,108
Other liabilities (**)	2,616	1,844	50,669	25,974	16,163	7,758,513	7,855,779
Total liabilities	29,505,947	12,516,592	2,996,061	130,346	16,163	13,821,607	58,986,716
On balance sheet long position	-	712,508	7,564,822	7,165,161	4,256,068	-	19,698,559
On balance sheet short position	(10,145,755)	-	-	-	-	(9,552,804)	(19,698,559)
Off-balance sheet long position	66,509	122,705	76,250	64,025	-	-	329,489
Off-balance sheet short position	(76,860)	(11,946)	(131,934)	(96,393)	-	-	(317,133)
Position, Net	(10,156,106)	823,267	7,509,138	7,132,793	4,256,068	(9,552,804)	12,356

(*) 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.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets:							
Cash and balances with CBT	849,916	-	-	-	-	1,254,870	2,104,786
Banks and other financial inst.	2,225,505	67,382	87,441	-	-	176,972	2,557,300
Financial assets at fair value through profit/loss	7,624	12,180	602	11,007	15,634	-	47,047
Interbank money market placements	3,201,333	-	-	-	-	-	3,201,333
Available-for-sale financial assets	549,340	2,368,501	3,526,420	901,796	615,657	19,931	7,981,645
Loans and receivables	8,836,027	8,953,135	5,637,420	4,741,947	2,248,682	85,088	30,502,299
Held-to-maturity investments	110,734	1,063,486	568,635	476,878	1,251,605	-	3,471,338
Other assets (*)	43,686	11,122	37,372	150,644	-	2,084,921	2,327,745
Total assets	15,824,165	12,475,806	9,857,890	6,282,272	4,131,578	3,621,782	52,193,493
Liabilities:							
Bank deposits	1,456,701	16,668	-	-	-	1,796	1,475,165
Other deposits	16,840,523	11,497,626	1,318,720	667,673	-	5,320,570	35,645,112
Interbank money market takings	513,724	70,236	257,464	845,678	-	-	1,687,102
Miscellaneous payables	-	14,153	46,675	-	-	535,410	596,238
Securities issued	-	-	-	-	-	-	-
Fund borrowed	1,121,991	3,262,575	1,198,686	187,142	-	-	5,770,394
Other liabilities (**)	12,107	99,380	18,680	12,443	-	6,876,872	7,019,482
Total liabilities	19,945,046	14,960,638	2,840,225	1,712,936	-	12,734,648	52,193,493
On balance sheet long position	-	-	7,017,665	4,569,336	4,131,578	-	15,718,579
On balance sheet short position	(4,120,881)	(2,484,832)	-	-	-	(9,112,866)	(15,718,579)
Off-balance sheet long position	114,619	94,856	76,000	72,227	-	-	357,702
Off-balance sheet short position	(82,992)	(14,153)	(165,231)	(82,897)	-	-	(345,273)
Position, Net	(4,089,254)	(2,404,129)	6,928,434	4,558,666	4,131,578	(9,112,866)	12,429

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

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

Average interest rates applied to monetary financial instruments

Current Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets:				
Cash and balance with CBT	-	-	-	7.00
Banks and other financial institutions	0.37	0.44	-	9.17
Financial assets at fair value through profit/loss	-	11.88	-	-
Interbank money market placements	-	-	-	8.75
Available-for-sale financial assets	5.48	6.63	-	15.53
Loans and receivables	5.69	5.81	6.33	18.57
Held-to-maturity investments	6.70	7.45	-	16.22
Liabilities:				
Bank deposits	1.05	1.31	-	11.43
Other deposits	3.58	3.71	-	11.86
Interbank money market takings	1.40	2.11	-	12.81
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	2.64	1.79	-	13.52
Prior Period				
Prior Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets:				
Cash and balance with CBT	-	-	-	12.00
Banks and other financial institutions	1.90	2.37	-	19.54
Financial assets at fair value through profit/loss	-	11.88	-	-
Interbank money market placements	-	-	-	15.00
Available-for-sale financial assets	6.20	6.45	-	19.29
Loans and receivables	7.53	6.05	6.77	21.91
Held-to-maturity investments	6.70	7.43	-	19.40
Liabilities:				
Bank deposits	2.70	1.34	-	17.49
Other deposits	3.37	3.43	-	15.18
Interbank money market takings	5.45	3.71	-	17.73
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	4.57	3.26	-	16.24

Interest sensitivity

Interest rate sensitivity of the statement of income is the six-month 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 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 taking the effects of the assumed changes in interest rates on the fair value of fixed rate available-for-sale financial assets as at 30 June 2009 into account.

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 ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 June 2009				
Financial assets at fair value through profit or loss	(5,657)	5,989	(5,657)	5,989
Available-for-sale financial assets	(19,504)	19,570	(117,345)	125,004
Floating rate financial assets	106,254	(106,254)	106,254	(106,254)
Floating rate financial liabilities	(31,337)	31,337	(31,337)	31,337
Total, net	49,756	(49,358)	(48,085)	56,076

	Profit or loss		Equity ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 June 2008				
Financial assets at fair value through profit or loss	(15,901)	18,188	(15,901)	18,188
Available-for-sale financial assets	(15,704)	15,756	(122,769)	132,785
Floating rate financial assets	95,753	(95,753)	95,753	(95,753)
Floating rate financial liabilities	(28,556)	28,556	(28,556)	28,556
Total, net	35,592	(33,253)	(71,473)	83,776

^(*) Equity effect also includes profit or loss effect of 100 bp increase or decrease in interest rates.

VI. Liquidity risk

In order to avoid the liquidity risk, the 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 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:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ^(*)	Total
Assets:								
Cash and balance with CBT	3,232,108	-	-	-	-	-	-	3,232,108
Banks and other financial institutions	2,062,984	2,803,124	101,888	2,031	-	-	-	4,970,027
Financial assets at fair value through profit/loss	-	1,201	223	3,221	17,060	21,139	-	42,844
Interbank money market placements	-	2,500,608	-	-	-	-	-	2,500,608
Available-for-sale financial assets	-	90,796	229,392	2,284,771	6,251,924	842,212	19,931	9,719,026
Loans and receivables	-	5,256,722	2,411,156	7,475,970	13,219,611	3,624,027	179,636	32,167,122
Held-to-maturity investments	-	46,189	268,334	988,952	1,440,282	1,249,855	-	3,993,612
Other assets	-	61,884	12,356	52,068	224,706	1,250	2,009,105	2,361,369
Total assets	5,295,092	10,760,524	3,023,349	10,807,013	21,153,583	5,738,483	2,208,672	58,986,716
Liabilities:								
Bank deposits	9,957	1,813,890	217,018	18,671	-	-	-	2,059,536
Other deposits	5,334,806	24,968,085	8,989,795	740,094	5,364	-	-	40,038,144
Funds borrowed	-	1,119,637	213,057	1,363,905	1,572,066	1,429,443	-	5,698,108
Interbank money market takings	-	1,241,140	365,594	883,236	74,767	-	-	2,564,737
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	646,433	20,263	-	52,081	-	51,635	770,412
Other liabilities	-	281,788	71,267	57,705	27,268	16,880	7,400,871	7,855,779
Total liabilities	5,344,763	30,070,973	9,876,994	3,063,611	1,731,546	1,446,323	7,452,506	58,986,716
Liquidity gap	(49,671)	(19,310,449)	(6,853,645)	7,743,402	19,422,037	4,292,160	(5,243,834)	-
Prior Period								
Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ^(*)	Total
Total assets	3,764,436	7,367,251	2,733,398	10,432,688	19,187,044	6,721,930	1,986,746	52,193,493
Total liabilities	5,322,366	19,339,102	11,679,811	4,341,119	1,864,477	2,968,729	6,677,889	52,193,493
Liquidity gap	(1,557,930)	(11,971,851)	(8,946,413)	6,091,569	17,322,567	3,753,201	(4,691,143)	-

^(*) 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. Segment reporting

The 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 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 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:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Operating profit	259,896	321,247	863,211	100,719	1,545,073
Undistributed expenses	-	-	-	(844,510)	(844,510)
Operating profit	259,896	321,247	863,211	(743,791)	700,563
Income from associates	-	-	-	-	24,265
Income before taxes	-	-	-	-	724,828
Provision for taxes	-	-	-	-	(129,786)
Net profit	-	-	-	-	595,042
Segment assets	9,311,893	25,615,668	21,431,287	-	56,358,848
Investments in associates and subsidiaries	-	-	-	594,859	594,859
Undistributed assets	-	-	-	2,033,009	2,033,009
Total assets	9,311,893	25,615,668	21,431,287	2,627,868	58,986,716
Segment liabilities	13,269,761	28,831,655	8,424,694	-	50,526,110
Shareholders' equity	-	-	-	6,445,107	6,445,107
Undistributed liabilities	-	-	-	2,015,499	2,015,499
Total Liabilities and Shareholders' Equity	13,269,761	28,831,655	8,424,694	8,460,606	58,986,716

SECTION FIVE

Disclosure and Footnotes on Unconsolidated Financial Statements

I. Information and disclosures related to assets

1. Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	407,531	63,493	375,190	63,954
Central Bank of Turkey ^(*)	1,609,287	1,151,152	450,536	1,214,603
Others	-	645	15	488
Total	2,016,818	1,215,290	825,741	1,279,045

^(*) 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. In accordance with the press announcement of CBT regarding reserve requirements, dated 5 December 2008 and numbered 2008-63, the foreign currency reserve requirement ratio of the banks which was 11% has been decreased by 2 points to 9%, aiming to diminish the negative effects of the global credit crisis and sustain foreign currency liquidity to the banks.

As at 30 June 2009, interest rate given by CBT is 7.0% for TL reserve deposits and interest rate is nil for foreign currency reserve deposits as at 30 June 2009 (31 December 2008: TL 12.0%, 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	-	-	-	-
Total	1,577,914	383,919	401,935	399,380

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

None.

Trading securities subject to repurchase agreements

None.

Trading purpose derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	707	-	410	-
Swap Transactions	4,413	20,502	6,491	24,512
Futures	-	-	-	-
Options	16	479	-	-
Others	-	-	-	-
Total	5,136	20,981	6,901	24,512

3. Banks and other financial institutions

Banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	93,024	4,877,003	2,648	2,554,652
Domestic	65,017	327,342	2,648	50,191
Foreign	28,007	4,549,661	-	2,504,461
Foreign Head Offices and Branches	-	-	-	-
Total	93,024	4,877,003	2,648	2,554,652

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
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	1,700,350	288,403	1,891,942	475,511
Others	-	-	-	-
Total	1,700,350	288,403	1,891,942	475,511

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	-	355,576
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Others	-	-	-	-
Total	1,902,528	384,643	1,125,762	501,731

Information on available-for-sale financial assets

	Current Period	Prior Period
Debt securities	9,737,345	8,038,542
Quoted	9,737,345	8,038,542
Unquoted	-	-
Equity securities	19,931	19,931
Quoted	-	-
Unquoted	19,931	19,931
Provision for impairment on available-for-sale financial assets (-)	38,250	76,828
Total	9,719,026	7,981,645

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
Direct loans provided to the shareholders	6,223	471	-	668
Legal entities	6,223	471	-	668
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	48,516	-	40,488	-
Total	54,739	471	40,488	668

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
Cash Loans				
Loans	29,350,374	-	2,282,495	277,244
Discounted bills	134,285	-	135	16
Export loans	2,239,853	-	99,241	158,683
Import loans	-	-	-	132
Loans to the financial sectors	1,485,332	-	-	-
Overseas loans	24,491	-	2,645	-
Consumer loans	8,037,711	-	370,611	4,853
Credit cards	833,893	-	42,528	897
Precious metal loans	-	-	-	-
Others	16,594,809	-	1,767,335	112,663
Specialization Loans	77,373	-	-	-
Other receivables	-	-	-	-
Total	29,427,747	-	2,282,495	277,244

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	282,933	7,504,121	7,787,054
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
Other	62,086	412	62,498
Consumer Loans – FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Retail Credit Cards – TL	824,706	289	824,995
With Installment	267,042	-	267,042
Without Installment	557,664	289	557,953
Retail Credit Cards – FC	1,933	-	1,933
With Installment	-	-	-
Without Installment	1,933	-	1,933
Personnel Loans – TL	1,279	25,199	26,478
Housing Loan	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	1,279	25,199	26,478
Other	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	21,993	-	21,993
With Installment	9,081	-	9,081
Without Installment	12,912	-	12,912
Personnel Credit Cards – FC	45	-	45
With Installment	-	-	-
Without Installment	45	-	45
Deposit Accounts– TL (real persons)	599,643	-	599,643
Deposit Accounts– FC (real persons)	-	-	-
Total	1,732,532	7,529,609	9,262,141

Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	209,827	4,314,854	4,524,681
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
Other	-	-	-
Installment-based Commercial Loans – FC indexed	-	-	-
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Installment-based Commercial Loans – FC	257	46,507	46,764
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	257	46,507	46,764
Corporate Credit Cards – TL	27,951	8	27,959
With Installment	832	8	840
Without Installment	27,119	-	27,119
Corporate Credit Cards – FC	393	-	393
With Installment	-	-	-
Without Installment	393	-	393
Overdraft Accounts– TL (corporate)	144,712	-	144,712
Overdraft Accounts– FC (corporate)	-	-	-
Total	383,140	4,361,369	4,744,509

Allocation of domestic and overseas loans

	Current Period	Prior Period
Domestic Loans	31,956,257	30,391,677
Overseas Loans	31,229	25,534
Total	31,987,486	30,417,211

Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Loans Provided to the Subsidiaries and Investments	156,075	126,461
Indirect Loans Provided to the Subsidiaries and Investments	-	-
Total	156,075	126,461

Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	44,909	21,272
Loans and Receivables with Doubtful Collectibility	436,361	274,052
Uncollectible Loans and Receivables	1,188,683	1,075,410
Total	1,669,953	1,370,734

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

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balance at the beginning of the period	106,360	274,052	1,075,410
Additions (+)	579,390	7,431	7,117
Transfers from other categories of loans under follow-up (+)	-	373,346	159,017
Transfers to other categories of loans under follow-up (-)	400,529	176,235	-
Collections (-)	60,676	42,233	52,861
Write-offs (-)	-	-	-
Balance at the end of the period	224,545	436,361	1,188,683
Specific provision (-)	44,909	436,361	1,188,683
Net Balance on balance sheet	179,636	-	-

Uncollectible loans and receivables are collected by liquidation of collaterals and legal follow-up.

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Balance at the end of the period	18,609	55,381	181,394
Specific provision (-)	3,722	55,381	181,394
Net balance on balance sheet	14,887	-	-
Prior Period			
Balance at the end of the period	393	58,733	181,654
Specific provision (-)	79	58,733	181,654
Net balance on balance sheet	314	-	-

Write-off policy for uncollectible loans and receivables

The Bank writes off a loan balance (and any related allowances for impairment losses) when Bank concludes 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:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)	179,636	-	-
Consumer and Commercial Loans (Gross)	223,423	434,979	1,161,688
Specific Provision (-)	44,685	434,979	1,161,688
Consumer and Commercial Loans (Net)	178,738	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,122	1,382	25,444
Specific Provision (-)	224	1,382	25,444
Other Loans and Receivables (Net)	898	-	-
Prior Period (Net)	85,088	-	-
Consumer and Commercial Loans (Gross)	105,650	273,599	1,048,745
Specific Provision (-)	21,130	273,599	1,048,745
Consumer and Commercial Loans (Net)	84,520	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	710	453	25,114
Specific Provision (-)	142	453	25,114
Other Loans and Receivables (Net)	568	-	-

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	2,486,487	-	1,915,921	45,126
Treasury Bills	-	-	-	-
Other Securities Issued by the Governments	-	1,470,506	-	1,475,206
Total	2,486,487	1,470,506	1,915,921	1,520,332

Information on held-to-maturity investment securities

	Current Period	Prior Period
Debt Securities	4,005,722	3,476,003
Quoted at Stock Exchanges	3,969,103	3,440,918
Unquoted at Stock Exchanges	36,619	35,085
Impairment Losses (-)	12,110	4,665
Total	3,993,612	3,471,338

The movement table of the held-to-maturity investments

	Current Period	Prior Period
Balances at the beginning of the period	3,471,338	1,476,362
Foreign currency differences on monetary assets	10,185	38,444
Purchases during the period	700,021	2,811,612
Disposals through sales/redemptions	(221,165)	(928,203)
Impairment losses	(9,832)	(4,511)
Change in amortized costs of the securities (*)	43,065	77,634
Balances at the end of the period	3,993,612	3,471,338

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

The 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. These investment securities have been included in held-to-maturity investment securities portfolio with their values as at the reclassification dates. These reclassifications are presented in “purchases during the year” 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
		99,386	145,760
31 October 2008	Euro	40,066	45,867
		40,066	45,867

The 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 at 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 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	1,224,802	36,600	1,334,863	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 ^(*)	866,653	893,458	917,193	909,027
Total	2,318,955	1,482,844	2,486,487	1,507,125

Prior Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	1,261,001	80,408	1,368,541	82,312
Investments subject to repurchase agreements	58,494	363,118	62,044	374,062
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others ^(*)	478,586	1,073,538	485,336	1,099,043
Total	1,798,081	1,517,064	1,915,921	1,555,417

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

7. Investments in associates

Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1 Kıbrıs Vakıflar Bankası Ltd.	Lefkosa/NCTR	15.00	15.00
2 İşkur İşçi İşadamı Kimya Kuruluşları AŞ	In liquidation	25.00	25.13
3 Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ (*)	İstanbul/Turkey	11.75	21.77
4 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	İstanbul/Turkey	27.63	29.47
5 Roketsan Roket Sanayi ve Ticaret AŞ (*)	Ankara/Turkey	10.00	10.00
6 Türkiye Sınai Kalkınma Bankası AŞ (*)	İstanbul/Turkey	8.38	8.38
7 Bankalararası Kart Merkezi AŞ (*)	İstanbul/Turkey	9.70	9.70
8 Kredi Kayıt Bürosu AŞ (*)	İstanbul/Turkey	9.09	9.09
9 Güçbirliği Holding AŞ (*)	İzmir/Turkey	0.07	0.07
10 İzmir Enternasyonel Otelcilik AŞ (*)	İstanbul/Turkey	5.00	5.00

	Total Assets	Shareholders' Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	624,947	45,596	5,544	38,673	8,195	5,617	6,209	-
2	-	-	-	-	-	-	-	-
3	11,927	11,592	62	99	253	45	(2,265)	943
4	75,006	74,543	36,776	633	2,121	3,729	2,917	9,322
5	465,577	141,817	209,726	2,326	-	(4,799)	(3,184)	-
6	6,339,915	808,025	246,252	206,414	218,109	116,464	119,889	44,484
7	14,315	12,620	5,456	299	-	(713)	1,487	-
8	24,490	16,289	2,320	667	19	2,353	1,291	-
9	110,028	31,362	91,007	56	-	(4,435)	(2,888)	-
10	109,613	42,986	103,602	-	-	(7,196)	(4,340)	-

(*)The financial statements as at and for the three-month period ended 31 March 2009 are presented.

Movement table of investments in associates

	Current Period	Prior Period
Balance at the beginning of the period	56,780	90,066
Movements during the period	12,613	(33,286)
Transfers	-	2,445
Acquisitions and capital increases	-	294
Bonus shares received	9,691	8,604
Income/loss from investments under equity accounting	-	-
Sales and liquidations	-	-
Fair value changes	2,922	(44,629)
Impairment losses	-	-
Balance at the end of the period	69,393	56,780
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

The Bank has reclassified Türkiye Sınai Kalkınma Bankası AŞ ("TSKB") shares as "Financial associates", which were previously presented as "Equity securities" under "Financial assets available for sale". 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 periods.

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 "Available for sale financial assets" with total carrying value of TL 3,031 has been reclassified as investment in associates in accordance with the directives of BRSA.

Since the 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". The subsidiary which had previously carrying value of TL 586 is presented in "transfers" row in year 2008 in the movement table of investments in associates.

As per the resolution no.77232 of the Board of Directors of the Bank on 3 April 2008, it is 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.

Sectoral distribution of investments in associates

	Current Period	Prior Period
Banks	48,503	40,231
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other associates	13,296	8,955
Total	61,799	49,186

Quoted associates

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

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 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 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 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 of investments in associates table.

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 of investments in associates table.

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 investments in associates.

8. Investments in subsidiaries

Investments in subsidiaries

	Subsidiary	Address (City / Country)	Bank's Share –If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Güneş Sigorta AŞ (*)	İstanbul/Turkey	36.35	36.35
2	Vakıf Emeklilik AŞ (*)	İstanbul/ Turkey	53.90	75.30
3	Vakıf Enerji ve Madencilik AŞ	Ankara/ Turkey	65.50	84.92
4	Ataköy Mağazacılık Ticaret AŞ	In Liquidation	45.79	45.79
5	Taksim Otelcilik AŞ (*)	İstanbul/ Turkey	51.00	51.52
6	Vakıf Finans Faktoring Hizmetleri AŞ	İstanbul/ Turkey	78.39	86.97
7	Vakıf Finansal Kiralama AŞ (*)	İstanbul/ Turkey	58.71	64.40
8	Vakıf Deniz Finansal Kiralama AŞ (**)	İstanbul/ Turkey	68.55	73.95
9	Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ (*)	Ankara/ Turkey	31.00	31.09
10	Vakıf Yatırım Menkul Değerler AŞ	İstanbul/ Turkey	99.00	99.44
11	Vakıf Sistem Pazarlama Yazılım Servis ve Ticaret AŞ	Ankara/ Turkey	73.00	79.85
12	Vakıf Gayrimenkul Değerleme AŞ	Ankara/ Turkey	54.29	58.54
13	Vakıfbank International AG (*)	Vienna/Austria	90.00	90.00
14	World Vakıf UBB Ltd.	Lefkosa/NCTR	82.00	84.93
15	Vakıf Portföy Yönetimi AŞ	İstanbul/ Turkey	99.99	99.99

	Total Assets	Shareholder's Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Company's Fair Value
1	598,674	233,478	148,430	275	6,652	994	5,758	94,163
2	883,287	108,781	36,572	1,917	15,155	1,662	1,840	73,223
3	8,583	8,424	2,639	244	2	(658)	(2,385)	21,722
4	-	-	-	-	-	-	-	-
5	226,578	230,568	87,995	1,698	5	3,837	9,266	-
6	173,552	60,642	81	14,535	-	6,825	4,725	33,708
7	276,385	39,331	5,337	5,759	-	1,856	(307)	36,680
8	85,832	1,567	456	4,292	-	2,565	1,411	-
9	4,602	4,563	11	167	-	60	64	2,477
10	73,297	52,560	9,026	4,217	119	2,987	3,221	-
11	14,306	7,650	399	450	74	748	2,112	9,188
12	10,270	8,024	610	616	29	1,815	2,714	15,440
13	1,057,338	105,223	1,563	9,055	2,373	(1,868)	3,141	100,158
14	9,004	(19,999)	-	574	-	(983)	(836)	-
15	5,078	4,947	21	324	5	719	353	-

(*) The financial statements as at and for the three-month period ended 31 March 2009 is presented.

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

Movement table of investments in subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	482,589	495,905
Movements during the period	42,877	(13,316)
Transfers	-	586
Acquisitions and capital increases	-	1,500
Bonus shares received	4,436	-
Dividends from current year profit	-	-
Sales and liquidations	-	-
Fair value changes	38,441	(15,402)
Impairment losses	-	-
Balance at the end of the period	525,466	482,589
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

The name of World Vakıf Off Shore Banking Ltd, a subsidiary of the Bank, has been changed as World Vakıf UBB. Ltd. on 4 February 2009

As per the resolution no.74887 of the Board of Directors of the Bank on 22 August 2006, it is 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 are being carried on.

Since the 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”. The subsidiary which had previously carrying value of TL 586 is presented in “transfers” row in year 2008 in the movement table of investments in subsidiaries.

According to the resolution of the Bank’s Board of Directors on 15 May 2008, it is 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.

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 Bank, that comprise 31% of the company’s paid-in capital.

Methods to measure investments in subsidiaries

	Current Period	Prior Period
Measured at cost	138,706	138,706
Measured at fair value	386,760	343,883
Equity method of accounting	-	-
Total	525,466	482,589

Sectoral distribution of investments in subsidiaries

	Current Period	Prior Period
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	42,812	41,616
Total	380,744	335,258

Quoted subsidiaries

	Current Period	Prior Period
Quoted at domestic stock exchanges	133,320	87,834
Quoted at international stock exchanges	-	-
Total	133,320	87,834

Investments in subsidiaries disposed during the period

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

Investments in subsidiaries acquired during the period

There is not any associate purchased in the current period.

In 2009, Vakıf Finansal Kiralama AŞ, a subsidiary of the Bank, 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 investments in subsidiaries as bonus shares received.

In 2009, Vakıf Portföy Yönetimi AŞ, a subsidiary of the Bank, 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 investments in subsidiaries as bonus shares received.

In 2008, Vakıf Gayrimenkul Değerleme AŞ increased its paid-in capital by TL 1,500 from TL 2,000 to TL 3,500. Increase in the share capital of this subsidiary is fully paid by the Bank by using its precedence right. Related cash injection is presented as “acquisitions and capital increases” row in year 2008 in the movement of investments in subsidiaries table.

9. Investments in joint-ventures

None.

10. Information on finance lease receivables (net)

None.

11. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

12. Information on investment properties

None.

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:

	Current period	Prior Period
<i>Deferred tax assets:</i>	106,601	94,516
Provision for employee termination benefits and unused vacations	35,815	32,894
Valuation difference for associates and subsidiaries	22,074	22,732
BRSA - Tax Code depreciation differences	18,915	18,231
Valuation differences of financial assets and liabilities	15,810	10,932
Other provisions	12,196	7,899
Others	1,791	1,828
<i>Deferred tax liabilities:</i>	(9,678)	(8,459)
Valuation difference for associates and subsidiaries	(6,938)	(5,945)
Valuation differences of financial assets and liabilities	(2,740)	(2,514)
Deferred tax assets, net	96,923	86,057

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

None.

15. Information on other assets

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

	Current period	Prior Period
Prepaid expenses	272,794	285,053
Receivables from term sale of assets	136,978	158,266
Receivables from derivative financial instruments	68,192	84,558
Receivables from credit card payments	37,444	52,416
Receivables from lawsuit expenses	37,323	30,684
Others	51,194	75,898
Total	603,925	686,875

II. Information and disclosures related to 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	1,066,995	-	4,150,041	5,801,100	551,359	81,057	590,044	-	12,240,596
Residents in Turkey	1,038,126	-	4,137,075	5,792,972	551,232	81,006	584,962	-	12,185,373
Residents in Abroad	28,869	-	12,966	8,128	127	51	5,082	-	55,223
Public Sector Deposits	1,010,665	-	765,311	2,745,233	132,256	631	2,561	-	4,656,657
Commercial Deposits	884,460	-	2,497,840	5,751,313	260,169	7,151	1,074	-	9,402,007
Others	1,330,848	-	698,790	2,469,469	326,057	1,148	10,876	-	4,837,188
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	9,957	-	1,350,093	529,796	121,832	29,191	18,667	-	2,059,536
Central Bank	194	-	-	-	-	-	-	-	194
Domestic Banks	508	-	1,010,290	478,440	4,312	-	-	-	1,493,550
Foreign Banks	9,211	-	339,803	51,356	117,520	29,191	18,667	-	565,748
Participation Banks	44	-	-	-	-	-	-	-	44
Others	-	-	-	-	-	-	-	-	-
Total	5,344,763	-	10,444,730	24,007,492	1,522,884	128,449	649,362	-	42,097,680

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	1,097,263	-	2,596,993	5,641,389	865,877	277,277	663,353	-	11,142,152
Residents in Turkey	1,079,556	-	2,589,199	5,625,316	864,818	276,759	652,299	-	11,087,947
Residents in Abroad	17,707	-	7,794	16,073	1,059	518	11,054	-	54,205
Public Sector Deposits	1,078,139	-	1,041,733	1,721,947	123,714	71	1,370	-	3,966,974
Commercial Deposits	825,479	-	1,901,295	3,375,304	116,177	40,508	1,261	-	6,260,024
Others	1,480,317	-	525,034	3,420,681	136,301	413	10,310	-	5,573,056
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	1,796	-	1,070,729	402,640	-	-	-	-	1,475,165
Central Bank	65	-	-	-	-	-	-	-	65
Domestic Banks	115	-	1,023,548	398,603	-	-	-	-	1,422,266
Foreign Banks	1,356	-	47,181	4,037	-	-	-	-	52,574
Participation Banks	260	-	-	-	-	-	-	-	260
Others	-	-	-	-	-	-	-	-	-
Total	5,322,366	-	7,868,029	21,486,317	1,410,746	328,438	704,381	-	37,120,277

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	-	-	-	-
Total	5,995,560	5,890,638	7,269,004	6,892,736

Saving deposits out of insurance coverage limits

	Current Period	Prior Period
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	-	-

2. Information on derivative financial liabilities held for trading purpose

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

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Bank and Institutions	62,107	81,699	74,719	282,616
Foreign Bank, Institutions and Funds	-	5,554,302	-	5,413,059
Total	62,107	5,636,001	74,719	5,695,675

Maturity information of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short-term ^(*)	62,107	1,977,989	74,719	1,891,715
Medium and Long term ^(*)	-	3,658,012	-	3,803,960
Total	62,107	5,636,001	74,719	5,695,675

^(*) 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: 12.4%) of the Bank's liabilities. There is no risk concentration on funding sources of the Bank.

On 23 July 2008, the 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. The repayment of this syndication loan has been made and the loan has been closed on 28 July 2009. As at the report date, activities regarding the renewal of the syndication loan are being carried on.

On 19 December 2008, the 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 unconsolidated 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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 year	1,240	1,207	13,319	12,876
1-4 Years	2,561	2,529	3,628	3,551
More than 4 Years	-	-	-	-
Total	3,801	3,736	16,947	16,427

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

	Current Period	Prior period
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
Total	290,510	258,907

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

None.

Information on other provisions

The Bank does not have general reserves for possible losses.

Information on other provisions exceeding 10% of total provisions

	Current Period	Prior period
Specific provisions for non-cash loans	110,634	105,463
Provision for World Vakıf UBB Ltd with regard to its negative equity	16,398	15,583
Provisions for law suits against the Bank	12,371	12,371
Provisions for credit card promotions	8,953	9,022
Others	32,210	11,540
Total	180,566	153,979

8. Taxation

Current Taxes

Tax provision

As at and for the six-month period ended 30 June 2009, the tax provision has amounting to TL 163,459 (31 December 2008: TL 197,622), and corporate tax liabilities of the Bank has amounting to TL 69,903 (31 December 2008: TL 47,550), after the deduction of prepaid taxes amounting to TL 93,556 (31 December 2008: TL 150,072).

Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	69,903	47,550
Taxation on securities	102,727	91,324
Capital gains tax on property	587	652
Banking and Insurance Transaction Tax (BITT)	21,583	27,975
Taxes on foreign exchange transactions	-	-
Value added tax payable	845	874
Other	14,137	11,276
Total	209,782	179,651

Information on premiums payable

	Current Period	Prior Period
Social security premiums- employee share	-	-
Social security premiums- employer share	-	-
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	331	252
Unemployment insurance- employer share	662	505
Other	-	-
Total	993	757

Information on deferred tax liabilities

Disclosed in Note 13 of information and disclosures for 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

	Current Period	Prior Period
Common Stock	2,500,000	2,500,000
Preferred Stock	-	-

Paid-in capital of the 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

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Basic 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.

Information on share capital increases from revaluation funds

None.

Capital commitments for current financial year and following period

None.

Prior period indicators of the 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

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	104,198	56,131	62,561	56,130
Fair value differences of available-for-sale securities	140,698	(15,223)	57,554	(68,436)
Foreign exchange differences	-	-	-	-
Total	244,896	40,908	120,115	(12,306)

III. Information and disclosures related to 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
Commitments for cheque payments	1,473,914	1,456,567
Loan granting commitments	1,782,993	1,273,207
Asset purchase commitments	926,361	293,765
Total	7,307,359	6,073,949

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	3,109,050	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	1,099,093	80,267
Total	5,474,761	5,512,697

2. Non-cash loans

	Current Period	Prior Period
Non-cash loans given for cash loan risks	596,745	405,492
With original maturity of 1 year or less	381,898	132,743
With original maturity of more than 1 year	214,847	272,749
Other non-cash loans	7,995,054	7,605,585
Total	8,591,799	8,011,077

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	40,818	1.13	147,031	2.95	30,209	0.88	57,063	1.25
Farming and Cattle	34,376	0.95	108,865	2.19	22,881	0.67	37,906	0.83
Forestry	4,990	0.14	23,120	0.46	4,980	0.14	3,705	0.08
Fishing	1,452	0.04	15,046	0.30	2,348	0.07	15,452	0.34
Manufacturing	1,473,699	40.79	2,318,213	46.55	1,341,409	38.88	1,827,785	40.06
Mining	41,344	1.14	139,509	2.80	34,613	1.00	119,474	2.62
Production	1,092,866	30.25	1,848,865	37.13	953,207	27.63	1,523,671	33.39
Electric, gas and water	339,489	9.40	329,839	6.62	353,589	10.25	184,640	4.05
Construction	573,429	15.87	970,842	19.50	581,153	16.85	1,083,182	23.75
Services	1,254,593	34.72	842,172	16.92	1,203,401	34.89	841,916	18.46
Wholesale and retail trade	436,858	12.09	293,039	5.89	466,892	13.54	260,919	5.72
Hotel, food and beverage services	40,246	1.11	12,732	0.26	32,832	0.95	12,380	0.27
Transportation and telecommunication	203,281	5.63	388,036	7.79	205,056	5.94	356,090	7.81
Financial institutions	542,096	15.00	127,621	2.56	467,148	13.55	192,569	4.22
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	0.39
Others	270,260	7.49	700,742	14.08	293,235	8.50	751,724	16.48
Total	3,612,799	100.00	4,979,000	100.00	3,449,407	100.00	4,561,670	100.00

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,440,339	1,774,565	112,149	32,318
Confirmed Bills of exchange and Acceptances	-	488,330	-	13,315
Letters of Credit	3,596	2,583,747	-	10,882
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	9,922	-	-
Non-Cash Loans	3,443,935	4,856,564	112,149	56,515

5. Contingent assets and liabilities

None

6. Services rendered on behalf of third parties

The 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 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 statement of income

1. Interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term Loans	846,887	139,856	980,279	79,113
Medium and Long-Term Loans	1,103,124	189,882	702,550	173,639
Loans Under Follow-Up	31,057	-	34,381	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	1,981,068	329,738	1,717,210	252,752

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	1,723
Domestic Banks	1,257	199	11,640	1,695
Foreign Banks	945	4,350	21,510	22,679
Foreign Head Office and Branches	-	-	-	-
Total	2,202	4,549	33,150	26,097

Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	6,514	2,800

2. Interest Expense

Interest expenses on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	5,621	88,894	3,547	113,516
Central Bank of Turkey	-	-	-	-
Domestic Banks	5,621	1,499	3,547	995
Foreign Banks	-	87,395	-	112,521
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	59	-	-	9
Total	5,680	88,894	3,547	113,525

Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	11,361	13,780

Interest expense on securities issued

None.

3. Trading income/losses (Net)

	Current Period	Prior Period
Income	1,087,187	667,546
Trading Account Income	33,077	8,617
Income from derivative financial instruments	37,252	33,645
Foreign Exchange Gains	1,016,858	625,284
Losses (-)	(1,025,103)	(654,363)
Trading Account Losses	(2,508)	(4,409)
Losses from derivative financial instruments	(25,276)	(37,066)
Foreign Exchange Losses	(997,319)	(612,888)
Income	62,084	13,183

Net profit arising from changes in foreign exchange rate that relate to the Bank's derivative financial instruments based on foreign exchange rate is TL 2,881 as at and for the six-month period ended 30 June 2009 (30 June 2008: TL 2,273).

4. Other operating income

	Current Period	Prior Period
Communication income	42,328	35,024
Income from reversal of the impairment losses	30,069	114,261
Gain on sale of assets	3,066	5,605
Lease income	2,066	1,648
Other income	8,119	14,200
Total	85,648	170,738

5. Provision expenses for losses on loans and other receivables

	Current Period	Prior Period
Specific provisions on loans and other receivables	320,280	67,461
<i>Loans and receivables in Group III</i>	40,317	16,087
<i>Loans and receivables in Group IV</i>	166,690	23,950
<i>Loans and receivables in Group V</i>	113,273	27,424
Non-performing commissions and other receivables	-	-
General provision expenses	32,367	54,543
Provision for possible losses	-	-
Impairment losses on securities:	4,933	18,770
<i>Trading securities</i>	-	932
<i>Investment Securities available-for-sale</i>	4,933	17,838
Other impairment losses:	9,832	504
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint ventures</i>	-	-
<i>Investment securities held-to-maturity</i>	9,832	504
Others	77,132	74,101
Total	444,544	215,379

6. Other operating expenses

	Current Period	Prior Period
Personnel Costs	313,015	264,244
Reserve for Employee Termination Benefits	14,606	12,971
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	50,669	42,884
Impairment Losses on Intangible Assets	-	-
Amortization Expenses on Intangible Assets	2,512	1,608
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses on Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	280,881	193,089
<i>Operational lease related expenses</i>	35,118	29,809
<i>Repair and maintenance expenses</i>	6,947	6,439
<i>Advertisement expenses</i>	14,450	12,191
<i>Other expenses</i>	224,366	144,650
Loss on sale of assets	560	203
Others	90,057	65,648
Total	752,300	580,647

7. Provision for taxes on income

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

In the current period, the Bank has recorded a tax provision of TL 145,176 (30 June 2008: TL 128,588) 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

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	15,602	(4,188)
Arising from Origination (+)/ Reversal (-) of Taxable Temporary Differences	(212)	11,253
Arising from Origination (+)/ Reversal (-) of Tax Losses	-	-
Arising from tax rate change	-	-
Total	15,390	7,065

8. Net profit and loss

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

None.

9. 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 Bank's risk group

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

	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Current Period						
Loans and Other Receivables:						
Balance at the Beginning of the Period	126,461	207,216	-	668	8,437	5,881
Balance at the End of the Period	156,075	216,981	6,223	471	7,201	5,172
Interest and Commission Income	6,514	408	68	-	487	67

	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Prior Period						
Loans and Other Receivables:						
Balance at the Beginning of the Period	63,102	175,454	-	669	4,119	5,488
Balance at the End of the Period	126,461	207,216	-	668	8,437	5,881
Interest and Commission Income	2,800	369	-	-	362	127

Information on deposits held by the Bank's risk group

	Associates, 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
Bank's Risk Group						
Deposits:						
Balance at the Beginning of the Period	263,719	270,304	977,811	918,176	208,027	143,867
Balance at the End of the Period	278,663	263,719	1,078,058	977,811	203,007	208,027
Interest on Deposits	11,361	13,780	54,290	64,856	390	487

Information on forwards, options and other derivative transactions held by the Bank's risk group

	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Current Period	Prior Period	Current Period
Bank's Risk Group						
Transactions held for trading purpose:						
Purchase balance at the beginning of the period	-	-	-	-	-	-
Sales balance at the beginning of the period	-	-	-	-	-	-
Purchase balance at the end of the period	30,500	-	-	-	-	-
Sales balance at the end of the period	30,954	-	-	-	-	-
Total Profit/(Loss)	3	-	-	-	-	-

2. Disclosures of transactions with the 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 implied in compliance with the market conditions.

Current Period	Amount	Compared With the Financial Statement Amount (%)
Cash Loans	169,499	0.53
Non-Cash Loans	222,624	2.59
Deposits	1,559,728	3.71
Forward and Option Agreements	61,454	1.84

Prior Period	Amount	Compared With the Financial Statement Amount (%)
Cash Loans	134,898	0.44
Non-Cash Loans	213,765	2.67
Deposits	1,449,557	3.91
Forward and Option Agreements	-	-

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 Bank's activity

- As per the 9 July 2009 dated resolution of the Board of Directors, the 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.
- 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 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 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.

According to the same article's second sub clause, if there is a refund arising from the disclaimer in the judgment decision about this subject, since the time this law come into effect, the amount to be refunded as advance, should be deducted from the refund arising from judgment authority's decision. There will be no interest or due surcharge for the amounts to be rejected and refunded.

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

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

November 2008 (*)	Standard Poors
Foreign Currency Credit Rating	BB- / Negative / B
Local Currency Credit Rating	BB- / Negative / B
National	trA / -- / trA-1
Continuance Rating	BBB-/--/--

November 2008 (*)	Moody's Investors' Service
Financial Strength Rating	D+
Local Currency Deposit Rating	Baa1 / P-2
Foreign Currency Deposit Rating	B1 / NP
Outlook	Stable

August 2008 (*)	Fitch Rating
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+

December 2008 (*)	Capital Intelligence
Financial Strength Rate	BBB-
Short Term Foreign Currency	B
Long Term Foreign Currency	BB-
Support Rating	2
Outlook	Stable

(*) 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

Based on the resolution of 55th Annual General Assembly held on 3 April 2009, net profit of the year 2008 has been distributed as follows:

Profit Distribution Table of Year 2008	
Current year's profit	753,198
Deferred tax income not subject to dividend distribution	(22,009)
Net profit of the year subject to distribution before legal reserves	731,189
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
Net profit of the year subject to distribution	658,070
Other Reserves	1,113
Extraordinary reserves	656,957
Dividends to the shareholders	-

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 Bank's unconsolidated financial statements and footnotes 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 13 August 2009 that nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as at and for the six-month period ended 30 June 2009.