

YAPI VE KREDİ BANKASI A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 30 JUNE 2009**

**(Convenience Translation of Publicly Announced Consolidated
Financial Statements and Review Report
Originally Issued in Turkish,
See in Note I. of Section Three)**

**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

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

We have reviewed the accompanying consolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") and its consolidated subsidiaries at 30 June 2009 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. and its consolidated subsidiaries at 30 June 2009 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation:

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

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Zeynep Uras, SMMM
Partner

Istanbul, 4 August 2009

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND REVIEW REPORT ORIGINALLY ISSUED IN TURKISH,
SEE IN NOTE I. OF SECTION THREE**

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF
YAPI VE KREDİ BANKASI A.Ş. AS OF 30 JUNE 2009**

Yapı ve Kredi Bankası A.Ş.
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The consolidated financial report includes the following sections in accordance with the “Communiqué on the Financial Statements and Related Explanation and Notes that will be made Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- **Section one** - GENERAL INFORMATION ABOUT THE PARENT BANK
- **Section two** - CONSOLIDATED FINANCIAL STATEMENTS
- **Section three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section five** - EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section six** - OTHER EXPLANATIONS AND NOTES
- **Section seven** - EXPLANATIONS ON REVIEW REPORT

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

Subsidiaries

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

Associates

1. Banque de Commerce et de Placements S.A.

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

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

Tayfun BAYAZIT
Chairman of the
Board of Directors

H. Faik AÇIKALIN
Member of the
Board of Directors and
General Manager

Marco CRAVARIO
Chief Financial Officer

M. Gökmen UÇAR
Head of Financial
Reporting and Accounting
Units

Federico GHIZZONI
President of Audit Committee

Vittorio G. M. OGLIENGO
Member of Audit Committee

Füsun Akkal BOZOK
Member of Audit Committee

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

Name-Surname / Title: Serkan Savaş / Head of Consolidation

Telephone Number : 0212 339 63 22

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

YAPI VE KREDİ BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. HISTORY OF THE PARENT BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS, IF ANY:

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

II. EXPLANATION ABOUT THE PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE PARENT BANK BELONGS TO:

The Parent Bank's publicly traded shares are traded on the Istanbul Stock Exchange ("ISE") since 1987 and the representatives of these shares, Global Depository Receipts, are quoted in London Stock Exchange. As of 30 June 2009, 18,20% of the shares of the Bank are publicly traded (31 December 2008: 18,20%). The remaining 81,80% being owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCI") and Koç Group.

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

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

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

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

After the merger and the share transfer procedures in 2007 and the capital increase by TL920 million in 2008, KFS owns 81,80% of the shares of the Bank.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009

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

GENERAL INFORMATION ABOUT THE GROUP (Continued)

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS:

As of 30 June 2009, the Parent Bank's Board of Directors, Members of the Audit Committee and General Manager and Assistant General Managers are as follows:

Board of Directors Members:

Name	Responsibility
Tayfun BAYAZIT	Chairman
Federico GHIZZONI	Vice Chairman
Hüseyin Faik AÇIKALIN	Chief Executive Officer
Alessandro M. DECIO	Deputy Chief Executive Officer
Ahmet F. ASHABOĞLU	Member
Fusun Akkal BOZOK	Member
Carlo VIVALDI ⁽¹⁾	Member
Vittorio Giovanni Maria OGLIENGO ⁽¹⁾	Member
Osman Turgay DURAK	Member
Stephan WINKELMEIER	Member

General Manager and Assistant General Managers:

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

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YAPI VE KREDİ BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009

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

GENERAL INFORMATION ABOUT THE GROUP (Continued)

Audit Committee Members:

Name	Responsibility
Vittorio Giovanni Maria OGLIENGO ⁽²⁾	Chairman
Fusun Akkal BOZOK	Member
Stephan WINKELMEIER ⁽²⁾	Member

Statutory auditors:

Name	Responsibility
Abdullah GEÇER	Auditor
Adil G. ÖZTOPRAK	Auditor

⁽¹⁾ According to the decision of the Board of Directors dated 15 May 2009, Ranieri De Marchis and Herbert Hangel have resigned their duty as member of Board of Directors and Vittorio Giovanni Maria Ogliengo and Carlo Vivaldi have been assigned as member of Board of Directors.

⁽²⁾ According to the decision of the Board of Directors dated 1 July 2009; Vittorio G. M. Ogliengo has resigned from his duty as Chairman of the Audit Committee and was appointed as member of the Audit Committee, Stephan Winkelmeier has resigned from his duty as member of the Audit Committee and Federico Ghizzoni has been appointed as member and Chairman of the Audit Committee.

IV. INFORMATION ON QUALIFIED SHAREHOLDERS:

Name/Commercial title	Share Amounts (Nominal)	Share Percentage	Paid-in Capital (Nominal)	Unpaid Portion
Koç Finansal Hizmetler A.Ş.	3.555.712.396,07	81,80%	3.555.712.396,07	-

V. SUMMARY INFORMATION ON THE PARENT BANK’S ACTIVITIES AND SERVICES:

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

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

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

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

As of 30 June 2009, the Bank has 843 branches operating in Turkey and 1 branch in off-shore region (31 December 2008: 860 branches operating in Turkey, 1 branch in off-shore region). As of 30 June 2009, the Bank has 14.774 employees (31 December 2008: 14.795 employees). The parent Bank together with its consolidated subsidiaries is referred to as the “Group” in these consolidated financial statements. As of 30 June 2009 the Group has 17.170 employees (31 December 2008: 17.359 employees).

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IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

YAPI VE KREDİ BANKASI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009 AND 31 DECEMBER 2008

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

**SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET	ASSETS	Note (Section Five)	(30/06/2009)			(31/12/2008)		
			TL	FC	Total	TL	FC	Total
			I. CASH BALANCES WITH CENTRAL BANK	I-a	1.820.381	2.551.213	4.371.594	1.854.700
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	I-b	967.859	185.033	1.152.892	591.644	238.471	830.115	
2.1 Trading Financial Assets		967.859	185.033	1.152.892	591.644	238.471	830.115	
2.1.1 Government Debt Securities		293.428	111.667	405.095	137.764	162.544	300.308	
2.1.2 Share Certificates		21.283	-	21.283	17.587	-	17.587	
2.1.3 Trading Derivative Financial Assets		605.698	73.181	678.879	393.269	40.382	433.651	
2.1.4 Other Marketable Securities		47.450	185	47.635	43.024	35.545	78.569	
2.2 Financial Assets Designated at Fair Value Through Profit/(Loss)		-	-	-	-	-	-	
2.2.1 Government Debt Securities		-	-	-	-	-	-	
2.2.2 Share Certificates		-	-	-	-	-	-	
2.2.3 Loans		-	-	-	-	-	-	
2.2.4 Other Marketable Securities		-	-	-	-	-	-	
III. BANKS	I-c	857.425	2.899.405	3.756.830	121.848	3.280.234	3.402.082	
IV. MONEY MARKETS		53.327	94.380	147.707	131.377	96.585	227.962	
4.1 Interbank Money Market Placements		3.211	94.380	97.591	68.318	96.585	164.903	
4.2 Receivables from Istanbul Stock Exchange Money Market		30.543	-	30.543	40.358	-	40.358	
4.3 Receivables from Reverse Repurchase Agreements		19.573	-	19.573	22.701	-	22.701	
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	536.574	1.067.811	1.604.385	819.732	1.029.233	1.848.965	
5.1 Share Certificates		14.400	1.533	15.933	14.389	22.102	36.491	
5.2 Government Debt Securities		465.237	884.438	1.349.675	754.836	794.680	1.549.516	
5.3 Other Marketable Securities		56.937	181.840	238.777	50.507	212.451	262.958	
VI. LOANS AND RECEIVABLES	I-e	24.482.488	14.465.669	38.948.157	25.444.113	14.110.672	39.554.785	
6.1 Loans		23.761.306	14.461.317	38.222.623	24.803.219	14.107.269	38.910.488	
6.1.1 Bank's risk group		345.986	145.358	491.344	232.823	262.157	494.980	
6.1.2 Government Debt Securities		-	-	-	-	-	-	
6.1.3 Other		23.415.320	14.315.959	37.731.279	24.570.396	13.845.112	38.415.508	
6.2 Loans under Follow-up		2.290.279	35.994	2.326.273	1.678.011	67.732	1.745.743	
6.3 Specific Provisions (-)		(1.569.097)	(31.642)	(1.600.739)	(1.037.117)	(64.329)	(1.101.446)	
VII. FACTORING RECEIVABLES		897.998	311.977	1.209.975	654.060	392.320	1.046.380	
VIII. HELD-TO-MATURITY SECURITIES (Net)	I-f	5.638.559	6.724.940	12.363.499	5.883.067	6.822.714	12.705.781	
8.1 Government Debt Securities		5.638.559	6.722.564	12.361.123	5.883.067	6.818.590	12.701.657	
8.2 Other Marketable Securities		-	2.376	2.376	-	4.124	4.124	
IX. INVESTMENTS IN ASSOCIATES (Net)	I-g	3.940	53.542	57.482	3.940	55.593	59.533	
9.1 Consolidated Based on Equity Method		-	53.542	53.542	-	55.593	55.593	
9.2 Unconsolidated		3.940	-	3.940	3.940	-	3.940	
9.2.1 Financial Investments in Associates		3.940	-	3.940	3.940	-	3.940	
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-	
X. SUBSIDIARIES (Net)	I-h	30.443	-	30.443	30.443	-	30.443	
10.1 Unconsolidated Financial Subsidiaries		28.143	-	28.143	28.143	-	28.143	
10.2 Unconsolidated Non-financial Subsidiaries		2.300	-	2.300	2.300	-	2.300	
XI. JOINT VENTURES (Net)		-	-	-	-	-	-	
11.1 Accounted Based on Equity Method		-	-	-	-	-	-	
11.2 Unconsolidated		-	-	-	-	-	-	
11.2.1 Financial Joint Ventures		-	-	-	-	-	-	
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-	
XII. FINANCIAL LEASE RECEIVABLES		459.412	1.942.054	2.401.466	533.957	2.170.338	2.704.295	
12.1 Financial Lease Receivables		575.597	2.273.601	2.849.198	679.617	2.536.173	3.215.790	
12.2 Operating Lease Receivables		-	-	-	-	-	-	
12.3 Other		-	-	-	-	-	-	
12.4 Unearned Income (-)		(116.185)	(331.547)	(447.732)	(145.660)	(365.835)	(511.495)	
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	I-i	87.865	1.515	89.380	-	-	-	
13.1 Fair Value Hedge		87.865	1.515	89.380	-	-	-	
13.2 Cash Flow Hedge		-	-	-	-	-	-	
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-	
XIV. PROPERTY AND EQUIPMENT (Net)		1.153.692	14.628	1.168.320	1.189.368	15.765	1.205.133	
XV. INTANGIBLE ASSETS (Net)	I-j	1.171.165	109	1.171.274	1.157.701	124	1.157.825	
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493	
15.2 Other		191.672	109	191.781	178.208	124	178.332	
XVI. INVESTMENT PROPERTY (Net)		-	-	-	-	-	-	
XVII. TAX ASSET		166.983	6.884	173.867	197.733	7.786	205.519	
17.1 Current Tax Asset		-	-	-	15.159	71	15.230	
17.2 Deferred Tax Asset		166.983	6.884	173.867	182.574	7.715	190.289	
XVIII. ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	I-k	86.621	-	86.621	90.046	-	90.046	
18.1 Held for sale Purposes		86.621	-	86.621	90.046	-	90.046	
18.2 Related to Discontinued Operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	I-l	882.036	338.626	1.220.662	733.543	352.804	1.086.347	
TOTAL ASSETS		39.296.768	30.657.786	69.954.554	39.437.272	31.434.955	70.872.227	

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

YAPI VE KREDİ BANKASI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009 AND 31 DECEMBER 2008

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

I. BALANCE SHEET	Note (Section Five)	(30/06/2009)			(31/12/2008)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	22.600.992	19.260.031	41.861.023	24.779.781	19.243.480	44.023.261
1.1 Deposits of Bank's risk group		979.382	2.073.354	3.052.736	1.502.458	2.782.951	4.285.409
1.2 Other		21.621.610	17.186.677	38.808.287	23.277.323	16.460.529	39.737.852
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	184.778	42.062	226.840	172.405	48.377	220.782
III. BORROWINGS	II-c	1.831.932	4.964.980	6.796.912	1.572.647	5.658.011	7.230.658
IV. MONEY MARKETS		95.734	1.146.448	1.242.182	198.157	854.881	1.053.038
4.1 Funds from Interbank Money Market		24.322	220.748	245.070	24.533	229.903	254.436
4.2 Funds from Istanbul Stock Exchange Money Market		12.898	-	12.898	13.175	-	13.175
4.3 Funds Provided Under Repurchase Agreements		58.514	925.700	984.214	160.449	624.978	785.427
V. MARKETABLE SECURITIES ISSUED (Net)	II-d	-	1.756.782	1.756.782	-	1.966.298	1.966.298
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	1.756.782	1.756.782	-	1.966.298	1.966.298
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.784.083	559.540	3.343.623	2.466.471	302.888	2.769.359
VIII. OTHER LIABILITIES	II-e	675.830	737.589	1.413.419	474.130	1.014.311	1.488.441
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES		1	-	1	48	232	280
10.1 Financial Lease Payables	II-f	1	-	1	52	232	284
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Lease Expenses (-)		-	-	-	(4)	-	(4)
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-g	100.275	-	100.275	-	-	-
11.1 Fair Value Hedge		100.275	-	100.275	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-h	2.230.796	669.876	2.900.672	2.214.680	620.688	2.835.368
12.1 General Loan Loss Provision		457.673	315.002	772.675	409.894	249.124	659.018
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		154.399	1.889	156.288	152.300	1.794	154.094
12.4 Insurance Technical Provisions (Net)		508.018	310.623	818.641	503.458	331.742	835.200
12.5 Other Provisions		1.110.706	42.362	1.153.068	1.149.028	38.028	1.187.056
XIII. TAX LIABILITY	II-i	274.571	6.330	280.901	192.494	7.966	200.460
13.1 Current Tax Liability		274.256	1.597	275.853	191.496	1.546	193.042
13.2 Deferred Tax Liability		315	4.733	5.048	998	6.420	7.418
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-j	-	2.212.770	2.212.770	-	2.220.601	2.220.601
XVI. SHAREHOLDERS' EQUITY	II-k	7.806.208	12.946	7.819.154	6.877.455	(13.774)	6.863.681
16.1 Paid-in Capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital Reserves		652.962	12.946	665.908	610.144	(13.774)	596.370
16.2.1 Share Premium		543.881	-	543.881	543.881	-	543.881
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	II-l	47.112	12.946	60.058	47.750	(13.774)	33.976
16.2.4 Property and Equipment Revaluation Differences		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Value increase in property and equipment held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		61.969	-	61.969	18.513	-	18.513
16.3 Profit Reserves		1.865.878	-	1.865.878	866.733	-	866.733
16.3.1 Legal Reserves		96.220	-	96.220	44.089	-	44.089
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		1.769.658	-	1.769.658	822.644	-	822.644
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		887.462	-	887.462	1.005.547	-	1.005.547
16.4.1 Prior Years' Income or (Loss)		(37.054)	-	(37.054)	(255.848)	-	(255.848)
16.4.2 Current Year Income or (Loss)		924.516	-	924.516	1.261.395	-	1.261.395
16.5 Minority Interest	II-m	52.855	-	52.855	47.980	-	47.980
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		38.585.200	31.369.354	69.954.554	38.948.268	31.923.959	70.872.227

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009 AND 2008**

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

II. INCOME STATEMENTS				
INCOME AND EXPENSE ITEMS		Note (Section Five)	01/01-30/06/2009	01/01-30/06/2008
I.	INTEREST INCOME	III-a	3.974.111	3.534.105
1.1	Interest on Loans	III-a-1	2.844.246	2.345.298
1.2	Interest Received from Reserve Requirements		71.614	98.194
1.3	Interest Received from Banks	III-a-2	43.780	59.226
1.4	Interest Received from Money Market Transactions		28.123	7.632
1.5	Interest Received from Marketable Securities Portfolio	III-a-3	788.306	813.067
1.5.1	Trading Financial Assets		19.486	7.989
1.5.2	Financial Assets classified as at Fair Value through Profit or (Loss)		-	-
1.5.3	Available-for-sale Financial Assets		69.695	38.879
1.5.4	Held to Maturity Investments		699.125	766.199
1.6	Financial Lease Income		131.891	148.181
1.7	Other Interest Income		66.151	62.507
II.	INTEREST EXPENSE	III-b	(2.091.381)	(2.159.169)
2.1	Interest on Deposits	III-b-3	(1.721.265)	(1.781.263)
2.2	Interest on Funds Borrowed	III-b-1	(280.802)	(264.073)
2.3	Interest Expense on Money Market Transactions		(59.266)	(69.110)
2.4	Interest on Securities Issued		(29.504)	(40.306)
2.5	Other Interest Expenses		(544)	(4.417)
III.	NET INTEREST INCOME (I+II)		1.882.730	1.374.936
IV.	NET FEES AND COMMISSIONS INCOME		730.446	643.046
4.1	Fees and Commissions Received		922.497	796.544
4.1.1	Non-cash Loans		98.803	72.897
4.1.2	Other		823.694	723.647
4.2	Fees and Commissions Paid		(192.051)	(153.498)
4.2.1	Non-cash Loans		(95)	(131)
4.2.2	Other		(191.956)	(153.367)
V.	DIVIDEND INCOME		3.365	3.815
VI.	TRADING INCOME/(LOSS) (Net)	III-c	398.700	62.153
6.1	Trading Gains/(Losses) on Securities		125.315	9.888
6.2	Derivative Financial Transactions Gains/(Losses)	III-d	347.535	97.300
6.3	Foreign Exchange Gains/(Losses)		(74.150)	(45.035)
VII.	OTHER OPERATING INCOME	III-e	181.868	368.182
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3.197.109	2.452.132
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	III-f	(803.079)	(256.594)
X.	OTHER OPERATING EXPENSES (-)	III-g	(1.213.566)	(1.248.262)
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.180.464	947.276
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		1.680	5.418
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	III-h	1.182.144	952.694
XVI.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	III-i	(251.734)	(212.967)
16.1	Current Tax Provision		(237.376)	(128.470)
16.2	Deferred Tax Provision		(14.358)	(84.497)
XVII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)		930.410	739.727
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
18.3	Other Income From Discontinued Operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
19.3	Other Expenses From Discontinued Operations		-	-
XX.	PROFIT /LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII- XIX)		-	-
XXI.	PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT/LOSSES (XVII+XXII)	III-j	930.410	739.727
23.1	Group's Profit/ Loss		924.516	740.217
23.2	Minority Shares Profit / Losses (-)	III-l	5.894	(490)
	Earnings/(Loss) per share (in TL full)		0,0021	0,0022

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

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**YAPI VE KREDİ BANKASI A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIODS
FROM 1 APRIL TO 30 JUNE 2009 AND 2008**

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

II. INCOME STATEMENTS			
INCOME AND EXPENSE ITEMS			
		01/04-30/06/2009	01/04-30/06/2008
I.	INTEREST INCOME	1.839.143	1.787.629
1.1	Interest on Loans	1.358.610	1.198.826
1.2	Interest Received from Reserve Requirements	29.677	50.974
1.3	Interest Received from Banks	19.166	31.604
1.4	Interest Received from Money Market Transactions	14.497	6.290
1.5	Interest Received from Marketable Securities Portfolio	325.874	387.661
1.5.1	Trading Financial Assets	11.808	1.939
1.5.2	Financial Assets classified as at Fair Value through Profit or (Loss)	-	-
1.5.3	Available-for-sale Financial Assets	34.824	16.904
1.5.4	Held to Maturity Investments	279.242	368.818
1.6	Financial Lease Income	61.559	72.685
1.7	Other Interest Income	29.760	39.589
II.	INTEREST EXPENSE	(911.809)	(1.106.137)
2.1	Interest on Deposits	(740.850)	(929.553)
2.2	Interest on Funds Borrowed	(126.151)	(129.863)
2.3	Interest Expense on Money Market Transactions	(32.128)	(25.425)
2.4	Interest on Securities Issued	(12.535)	(19.823)
2.5	Other Interest Expenses	(145)	(1.473)
III.	NET INTEREST INCOME (I-II)	927.334	681.492
IV.	NET FEES AND COMMISSIONS INCOME	381.682	338.415
4.1	Fees and Commissions Received	484.743	408.200
4.1.1	Non-cash Loans	49.973	39.105
4.1.2	Other	434.770	369.095
4.2	Fees and Commissions Paid	(103.061)	(69.785)
4.2.1	Non-cash Loans	(29)	-
4.2.2	Other	(103.032)	(69.785)
V.	DIVIDEND INCOME	2.147	1.670
VI.	TRADING INCOME/(LOSS) (Net)	216.102	42.314
6.1	Trading Gains/(Losses) on Securities	53.970	(7.997)
6.2	Derivative Financial Transactions Gains/(Losses)	370.555	(18.542)
6.3	Foreign Exchange Gains/(Losses)	(208.423)	68.853
VII.	OTHER OPERATING INCOME	125.447	76.613
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)	1.652.712	1.140.504
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(466.292)	(149.622)
X.	OTHER OPERATING EXPENSES (-)	(619.293)	(616.523)
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)	567.127	374.359
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	803	3.121
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION	-	-
XV.	INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	567.930	377.480
XVI.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(108.781)	(83.617)
16.1	Current Tax Provision	(99.904)	(72.294)
16.2	Deferred Tax Provision	(8.877)	(11.323)
XVII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	459.149	293.863
XVIII.	INCOME FROM DISCONTINUED OPERATIONS	-	-
18.1	Income from Non-current Assets Held for Resale	-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners)	-	-
18.3	Other Income From Discontinued Operations	-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)	-	-
19.1	Expenses for Non-current Assets Held for Resale	-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners)	-	-
19.3	Other Expenses From Discontinued Operations	-	-
XX.	PROFIT /LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII- XIX)	-	-
XXI.	PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)	-	-
21.1	Current tax provision	-	-
21.2	Deferred tax provision	-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	-	-
XXIII.	NET PROFIT/LOSSES (XVII+XXII)	459.149	293.863
23.1	Group's Profit/ Loss	454.555	293.059
23.2	Minority Shares Profit / Losses (-)	4.594	804
	Earnings/(Loss) per share (in TL full)	0,0010	0,0009

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**YAPI VE KREDİ BANKASI A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIODS
FROM 1 APRIL TO 30 JUNE 2009 AND 2008**

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

II. OFF-BALANCE SHEET COMMITMENTS		Note (Section five)	(30/06/2009)			(31/12/2008)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		31.155.713	33.786.104	64.941.817	26.600.023	24.367.197	50.967.220
I.	GUARANTEES AND WARRANTIES	IV-a, 2, 3	6.091.767	10.655.986	16.747.753	6.065.846	10.734.145	16.799.991
1.1	Letters of Guarantee		6.086.787	7.464.817	13.551.604	6.062.242	7.300.101	13.362.343
1.1.1	Guarantees Subject to State Tender Law		467.551	477.371	944.922	440.744	533.824	974.568
1.1.2	Guarantees Given for Foreign Trade Operations		683.786	6.714.496	7.398.282	662.959	5.467.702	7.130.661
1.1.3	Other Letters of Guarantee		4.935.450	272.950	5.208.400	4.958.539	298.575	5.257.114
1.2	Bank Acceptances		-	158.924	158.924	-	211.367	211.367
1.2.1	Import Letter of Acceptance		-	158.924	158.924	-	211.367	211.367
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		1.357	2.641.712	2.643.069	547	2.781.017	2.781.564
1.3.1	Documentary Letters of Credit		1.357	2.590.480	2.591.837	547	2.715.139	2.715.686
1.3.2	Other Letters of Credit		-	51.232	51.232	-	65.878	65.878
1.4	Prefinancing Given as Guarantee		14	2.040	2.183	143	2.017	2.160
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		2.980	149.778	152.758	2.914	250.224	253.138
1.9	Other Collaterals		500	238.715	239.215	-	189.419	189.419
II.	COMMITMENTS	IV-a-1	14.802.460	1.089.778	15.892.238	14.710.049	1.083.906	15.793.955
2.1	Irrevocable Commitments		14.802.460	1.089.778	15.892.238	14.710.049	1.083.906	15.793.955
2.1.1	Asset Purchase and Sale Commitments		-	597.152	597.152	-	446.310	446.310
2.1.2	Deposit Purchase and Sales Commitments		1.504	767	2.271	62.765	58.976	121.741
2.1.3	Share Capital Commitments to Associates and Subsidiaries		4.000	-	4.000	-	-	-
2.1.4	Loan Granting Commitments		2.110.161	481.020	2.591.181	1.914.608	570.675	2.485.283
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		1.463.588	-	1.463.588	1.391.826	-	1.391.826
2.1.8	Tax and Fund Liabilities from Export Commitments		42.748	-	42.748	40.495	-	40.495
2.1.9	Commitments for Credit Card Limits		11.154.331	-	11.154.331	11.244.536	-	11,244,536
2.1.10			-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		26.128	10.839	36.967	55.819	7.945	63.764
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		10.261.486	22.040.340	32.301.826	5.824.128	12.549.146	18.373.274
3.1	Hedging Derivative Financial Instruments		699.629	730.982	1.430.611	-	-	-
3.1.1	Transactions for Fair Value Hedge		699.629	730.982	1.430.611	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Transactions		9.561.857	21.309.358	30.871.215	5.824.128	12.549.146	18.373.274
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1.423.852	2.904.695	4.328.547	1.171.587	2.703.776	3.875.363
3.2.1.1	Forward Foreign Currency Transactions-Buy		470.101	1.687.412	2.157.513	447.000	1.495.261	1.942.261
3.2.1.2	Forward Foreign Currency Transactions-Sell		953.751	1.217.283	2.171.034	724.587	1.208.515	1.933.102
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		5.229.174	12.128.895	17.358.069	4.217.395	3.197.800	13.415.195
3.2.2.1	Foreign Currency Swap-Buy		3.969.301	1.781.742	5.751.043	3.185.007	980.400	4.165.407
3.2.2.2	Foreign Currency Swap-Sell		233.722	4.931.391	5.165.113	311.016	3.571.081	3.882.097
3.2.2.3	Interest Rate Swap-Buy		85.118	3.147.962	3.233.080	33.375	2.691.136	2.724.511
3.2.2.4	Interest Rate Swap-Sell		941.033	2.267.800	3.208.833	687.997	1.955.183	2.643.180
3.2.3	Foreign Currency, Interest rate and Securities Options		2.432.531	4.049.018	6.481.549	435.146	642.300	1.077.446
3.2.3.1	Foreign Currency Options-Buy		732.892	1.752.190	2.485.082	118.700	265.772	384.472
3.2.3.2	Foreign Currency Options-Sell		828.191	1.677.812	2.506.003	156.254	229.088	385.342
3.2.3.3	Interest Rate Options-Buy		-	619.016	619.016	-	147.440	147.440
3.2.3.4	Interest Rate Options-Sell		662.400	-	662.400	119.000	-	119.000
3.2.3.5	Securities Options-Buy		75.268	-	75.268	17.816	-	17.816
3.2.3.6	Securities Options-Sell		133.780	-	133.780	23.376	-	23.376
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		476.300	2.226.750	2.703.050	-	5.270	5.270
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		72.510.442	14.542.994	87.053.436	66.145.540	14.761.121	80.906.661
IV.	ITEMS HELD IN CUSTODY		46.384.648	1.592.440	47.977.088	42.691.090	1.718.351	44.409.441
4.1	Customer Fund and Portfolio Balances		5.609	107	5.716	5.431	106	6.537
4.2	Investment Securities Held in Custody		40.091.665	1.325.248	41.416.913	35.981.144	1.449.768	37.430.912
4.3	Checks Received for Collection		4.928.229	38.877	4.967.106	5.312.429	38.203	5.350.632
4.4	Commercial Notes Received for Collection		1.359.054	206.497	1.565.551	1.391.002	208.649	1.599.651
4.5	Other Assets Received for Collection		21.711	-	21.711	-	21.625	21.625
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		91	-	91	84	-	84
V.	PLEDGES RECEIVED		25.159.590	12.315.661	37.475.251	22.453.712	12.365.927	34.819.639
5.1	Marketable Securities		211.070	165	211.235	183.456	184	183.640
5.2	Guarantee Notes		309.090	361.026	670.116	330.692	352.168	682.860
5.3	Commodity		11.329	-	11.329	11.280	-	11,280
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		16.210.855	8.296.454	24.507.309	14.200.107	3.152.065	22.352.172
5.6	Other Pledged Items		8.417.246	3.655.280	12.072.526	7.728.177	3.858.803	11.586.980
5.7	Pledged Items-Depository		-	2.736	2.736	-	2.707	2.707
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		966.204	634.893	1.601.097	1.000.738	676.843	1.677.581
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			103.666.155	48.329.098	151.995.253	92.745.563	39.128.318	131.873.881

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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YAPI VE KREDİ BANKASI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009 AND 2008

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	(30/06/2009)	(30/06/2008)
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	37.531	(11.169)
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(3.998)	52.330
V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of the fair value differences)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	(625)	(34.538)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS	-	-
IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES	(3.093)	6.790
X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	29.815	13.413
XI. CURRENT YEAR PROFIT/LOSS	3.314	16.295
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	3.314	18.155
11.2 Reclassification of cash flow hedge transactions and presentation of the related part under income statement	-	-
11.3 Reclassification of foreign net investment hedge transactions and presentation of the related part under income statement	-	(1.860)
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X-XI)	26.501	(2.882)

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

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 JUNE 2008

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
30 June 2008	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellati on Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	PPE and Intangible Assets Revaluation Fund	Bonus Shares From Investment in Associates and Subsidiaries	Hedging Transactions Funds	Assets Held for Resale/ Discontinued Operations/ Revaluation Fund.	Total Equity Except Minority Interest	Minority Interest	Total Shareholders' Equity
I. Period Opening Balance (31 December 2007)		3.427.051		541.633		17.159		326.025	5.298	869.744	(480.805)	2.699					4.708.804	295.034	5.003.838
II. Changes in Accounting Policies according to TAS 8																			
2.1 Effects of Errors																			
2.2 Effects of the Changes in Accounting Policies																			
III. New Balance (I+II)		3.427.051		541.633		17.159		326.025	5.298	869.744	(480.805)	2.699					4.708.804	295.034	5.003.838
IV. Changes in the period																			
IV. Increase/Decrease due to the Merger																			
V. Marketable Securities Valuation Differences												22.990					22.990	(102)	22.888
VI. Hedging Transactions (Effective part)												(27.630)					(27.630)		(27.630)
6.1 Cash Flow Hedge																			
6.2 Foreign Investment Hedge												(27.630)					(27.630)		(27.630)
VII. Property and Equipment Revaluation Differences																			
VIII. Intangible Fixed Assets Revaluation Differences																			
IX. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures																			
X. Foreign Exchange Differences																			
XI. Changes due o the Disposal of Assets												1.860					1.860		1.860
XII. Changes due to the Reclassification of Assets																			
XIII. Effect of the Changes in Investment in Associates' Equity to the Bank's Equity																			
XIV. Capital Increase																			
14.1 Cash increase																			
14.2 Internal Resources																			
XV. Share Premium																			
XVI. Share Cancellation Profits																			
XVII. Paid in-capital Adjustment Difference																			
XVIII. Other																			
XIX. Current Year Income or Loss										740.217							740.217	(490)	739.727
XX. Profit Distribution						26.930		496.619	15.059	(869.744)	331.136							(1.450)	(1.450)
20.1 Dividend Paid																		(1.450)	(1.450)
20.2 Transfers to Reserves						26.930		496.619	15.059	(869.744)	331.136								
20.3 Other																			
XXI. Purchase from minority interest	VI.										(106.179)	2.065					(104.114)	(249.566)	(353.680)
Period End Balance (III+IV+V+.....+XXII+XXI)		3.427.051		541.633		44.089		822.644	20.357	740.217	(255.848)	1.984					5.342.127	43.426	5.385.553

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

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**YAPI VE KREDİ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 JUNE 2009**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
30 June 2009	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellati on Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Difference	PPE and Intangible Assets Revaluation Fund	Bonus Shares From Investment in Associates and Subsidiaries	Hedging Transactions Funds	Asset Held for Resale/ Discontinued Operations/ Revaluation Fund.	Total Equity Except Minority Interest	Minority Interest	Total Shareholders' Equity
I. Period Opening Balance (31 December 2008)		4.347.051		543.881		44.089		822.644	18.513	1.261.395	(255.848)	33.976					6.815.701	47.980	6.863.681
II. Changes in the period																			
III. Increase/Decrease due to the Merger																			
IV. Marketable Securities Valuation Differences												26.583					26.583	419	27.002
IV. Hedging Transactions (Effective Part)												(501)					(501)		(501)
4.1 Cash Flow Hedging transactions																			
4.2 Foreign Investment Hedge												(501)					(501)		(501)
V. Valuation Differences due to Revaluation of the Property and Equipment																			
VI. Valuation Differences due to Revaluation of Intangible Assets																			
VII. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures																			
VIII. Foreign Exchange Differences																			
IX. Changes due o the Disposal of Assets																			
X. Changes due to the Reclassification of Assets																			
XI. Effect of the Changes in Investment in Associates' Equity to the Bank's Equity																			
XII. Capital Increase																			
12.1 Cash increase																			
12.2 Internal Resources																			
XIII. Share Premium																			
XIV. Share Cancellation Profits																			
XV. Paid in-capital Adjustment Difference																			
XVI. Other																			
XVII. Current Year Income or Loss										924.516							924.516	5.894	930.410
XVIII. Profit Distribution						52.131		947.014	43.456	(1.261.395)	218.794							(1.438)	(1.438)
18.1 Dividend Paid																			
18.2 Transfers to Reserves						52.131		947.014	43.456	(1.261.395)	218.794							(1.438)	(1.438)
18.3 Other																			
Period end balance (I+II+III+.....+XVII+XVIII)		4.347.051		543.881		96.220		1.769.958	61.969	924.516	(37.054)	60.058					7.766.299	52.855	7.819.154

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YAPI VE KREDİ BANKASI A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS AT 30 JUNE 2009 AND 2008

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

VI. STATEMENT OF CASH FLOWS				
A. CASH FLOWS FROM BANKING OPERATIONS		Note (Section Five)	(30/06/2009)	(30/06/2008)
1.1	Operating profit before changes in operating assets and liabilities		1.651.123	(249.241)
1.1.1	Interest received		4.205.906	3.433.307
1.1.2	Interest paid		(2.181.681)	(2.119.216)
1.1.3	Dividend received		3.365	3.815
1.1.4	Fees and commissions received		909.384	785.895
1.1.5	Other income		698.343	407.306
1.1.6	Collections from previously written-off loans and other receivables		699.611	445.212
1.1.7	Payments to personnel and service suppliers		(504.463)	(496.661)
1.1.8	Taxes paid		(35.987)	(718.845)
1.1.9	Other		(2.143.355)	(1.990.054)
1.2	Changes in operating assets and liabilities		(927.001)	1.510.077
1.2.1	Net decrease in trading securities		(71.262)	11.615
1.2.2	Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3	Net decrease/(increase) in banks		1.163.317	(947.773)
1.2.4	Net (increase) in loans		(84.064)	(5.676.900)
1.2.5	Net (increase) in other assets		(205.040)	23.040
1.2.6	Net increase/(decrease) in bank deposits		283.632	(2.204.594)
1.2.7	Net increase in other deposits		(2.141.895)	6.032.708
1.2.8	Net (decrease)/increase in funds borrowed		(471.206)	2.713.357
1.2.9	Net (decrease)/increase in payables		-	-
1.2.10	Net increase in other liabilities		599.517	1.558.624
I.	Net cash provided from banking operations		724.122	1.260.836
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities		575.883	275.410
2.1	Cash paid for acquisition of investments, associates and subsidiaries (Business Partnerships)		-	(353.679)
2.2	Cash obtained from disposal of investments, associates and subsidiaries (Business Partnerships)		-	-
2.3	Purchases of property and equipment		(74.232)	(111.735)
2.4	Disposals of property and equipment		35.390	146.761
2.5	Cash paid for purchase of investments available-for-sale		287.474	-
2.6	Cash obtained from sale of investments available-for-sale		-	11.495
2.7	Cash paid for purchase of investment securities		(239.047)	(455.267)
2.8	Cash obtained from sale of investment securities		562.463	1.020.176
2.9	Other		3.835	17.659
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities		(206.135)	128.888
3.1	Cash obtained from funds borrowed and securities issued		(154.464)	130.393
3.2	Cash used for repayment of funds borrowed and securities issued		(49.954)	-
3.3	Issued capital instruments		-	-
3.4	Dividends paid		(1.438)	(1.450)
3.5	Payments for finance leases		(279)	(55)
3.6	Other		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		-	-
V.	Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)		1.093.870	1.665.134
VI.	Cash and cash equivalents at beginning of the period	V-a	4.188.682	2.434.157
VII.	Cash and cash equivalents at end of the period	V-a	5.282.552	4.099.291

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009

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SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

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

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

The consolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until 31 December 2004, except for the financial assets and liabilities carried at fair value.

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

The accounting policies and valuation principles applied in the preparation of these financial statements are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II. to XXVIII. below.

Additional paragraph for convenience translation into English:

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS:

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

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

III. INFORMATION ON CONSOLIDATION PRINCIPALS:

a. Consolidation principals applied:

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

1. Consolidation principles of subsidiaries:

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

Subsidiaries are consolidated with full consolidation method by considering the outcomes of their activities and the size of their assets and shareholders’ equity in scope of the materiality principle. Financial statements of the related subsidiaries are included in the consolidated financial statements beginning from their acquisition date. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

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

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

Title	Incorporation (City/ Country)	Main Activities	Effective Rates (%) 30 June 2009	Direct and Indirect Rates (%) 30 June 2009
Yapı Kredi Sigorta A.Ş.	Istanbul/ Turkey	Insurance	93,94	93,94
Yapı Kredi Emeklilik A.Ş.	Istanbul/ Turkey	Insurance	93,94	100,00
Yapı Kredi Leasing	Istanbul/ Turkey	Leasing	98,85	98,85
Yapı Kredi Faktoring	Istanbul/ Turkey	Factoring	99,96	99,96
Yapı Kredi Menkul	Istanbul/ Turkey	Investment Management	99,98	99,98
Yapı Kredi Yatırım Ortaklığı A.Ş.	Istanbul/ Turkey	Portfolio Management	56,06	56,07
Yapı Kredi Portföy	Istanbul/ Turkey	Portfolio Management	99,95	99,97
Yapı Kredi Bank Holding B.V.	Amsterdam/ Netherlands	Financial Holding	100,00	100,00
Yapı Kredi Bank N.V.	Amsterdam/ Netherlands	Banking	100,00	100,00
Yapı Kredi Bank Moscow	Moscow/ Russia	Banking	100,00	100,00
Yapı Kredi Azerbaijan	Baku / Azerbaijan	Banking	100,00	100,00
Stiching Custody Services YKB	Amsterdam/ Netherlands	Custody services	100,00	100,00
Yapı Kredi Invest LLC	Baku/ Azerbaijan	Portfolio Management	100,00	100,00
Yapı Kredi Diversified Payment Rights Finance Company ⁽¹⁾	George Town/ Cayman Islands	Special Purpose Company		

⁽¹⁾ It is a special purpose company established for securitization transactions and is included in the consolidation although the Bank or any of its affiliates does not have any shareholding interest in this company.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

2. Consolidation principles of associates:

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

Significant effect refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, as long as otherwise is not proved, it will be accepted that the Parent Bank has significant effect on that associate.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changed amount occurred in the participated associate’s shareholder’s equity during the period by the portion of the participant and the deduction of the dividend received from the associate from the changed value of the associate amount.

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

<u>Title</u>	<u>(City/ Country)</u>	<u>Main Activities</u>	<u>Effective Rates (%) 30 June 2009</u>	<u>Direct and Indirect Rates (%) 30 June 2009</u>
Banque de Commerce et de Placements S.A.	Geneva/ Switzerland	Banking	30,67	30,67

3. Consolidation principles of joint ventures: None.

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

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

5. Transactions with minority shareholders:

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

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

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

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

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

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:

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

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

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

The Group hedges part of the currency translation risk of net investments in foreign operations through currency borrowings. The effective portion of the foreign exchange difference of these financial liabilities is recognised in “Marketable securities valuation differences” in equity.

Changes in the fair value of derivative instruments subject to fair value hedges are recognised under profit or loss accounts together with the variation in the fair value of hedged items. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the hedge accounting is in charge, are shown with the related assets and liabilities. If the underlying hedge does not conform to the hedge accounting requirements, the corrections in the hedged item for which the effective interest rate is considered, is discounted within the time to maturity and recognised under the profit and loss accounts.

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

“Financial assets at fair value through profit or loss” are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “Financial Assets at Fair Value Through Profit or Loss” in “Trading Derivative Financial Assets” and if the fair value difference is negative, it is disclosed under “Trading Derivative Financial Liabilities”. Differences in the fair value of trading derivative instruments are accounted under “Derivative Financial Transactions Gains/(Losses)” in the income statement. Differences in the fair value of fair value hedge derivative instruments are accounted under “Derivative Financial Transactions Gains/(Losses)” in the income statement.

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The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

All fees and commission income/expenses are recognised on an accrual basis, except for certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commission expenses paid to the other institutions are recognised as operational costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognised as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group classifies and accounts its financial assets as “fair value through profit or loss”, “available-for-sale”, “loans and receivables” or “held-to-maturity”. Sales and purchases of the financial assets mentioned above are recognised at the “settlement dates”. The appropriate classification of financial assets is determined at the time of purchase by the Group management, taking the purpose of holding the investment into consideration.

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

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

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. However, if fair values can not be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at “amortised cost” using the effective interest method. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding trading financial assets is reported as interest income and dividends received are included separately in dividend income.

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

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b. Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables and are held-for-trading at the time of acquisition and are not included in available for sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognised at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction price at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortised cost” using the “effective interest method” after their recognition. Interest income related with held-to-maturity securities is recorded in “Interest income” and impairment arising from a decrease in cost or revalued values is recorded in “Provision for Loan Losses and Other Receivables” accounts.

There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to the contradiction of classification principles.

c. Loans and receivables:

Loans and receivables are financial assets which are created by providing money, service or goods to debtor. Loans and receivables are carried initially at cost and subsequently recognised at the amortised cost value calculated using “effective interest method”. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No. 26333 dated 1 November 2006. In this context, the management estimates are determined, on the basis of the prudence principle and the Parent Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. General provisions are determined in accordance with the “incurred loss” model taking into consideration of the factors listed above and the principles of TAS 39. As of 31 March 2008, as a result of the studies performed, the Parent Bank revised the general loan loss provisions by considering new loss detection periods, which were formerly set as 1 year, differentiating them by segment/type of products. The general loan loss provision determined through this methodology is higher than the minimum amount required by the related regulations.

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

d. Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as “loans and receivables”, “held-to-maturity assets” or “financial asset at fair value through profit or loss”.

Available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortised cost using the effective interest method. “unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders’ equity as “marketable securities valuation differences”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the “effective interest method”, or the fair value if one exists, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and is charged against the income for the year.

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

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

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

The Group has no securities lending transactions.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. INFORMATION ON ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS:

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

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

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

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill:

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

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

b. Other Intangible Assets:

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

When the book value of an other intangible asset exceeds the recoverable amount, the related asset is meant to be impaired. Some indicators of a possible loss out of impairment can be identified. If any of these indicators exists, The Bank develops a recoverable amount expectation. If not, there is no need to forecast the recoverable amount.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

Buildings	2%
Movables, Movables Acquired under Financial Leasing	20%

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

Where the carrying amount of an asset is greater than its estimated “recoverable amount”, it is written down to its “recoverable amount” and the provision for the diminution in value is charged to the income statement.

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

a. Accounting of leasing operations according to lessee:

Financial Lease

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

Operational Lease

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operating lease. Payments that are made as operating leases, are accounted in income statements with linear method during the lease period.

b. Accounting of leasing operations according to lessor:

Asset that is subject to financial leasing is reflected as a receivable which is equal to net leasing amount in consolidated balance sheet. Interest income is set to create a fixed periodical gain rate on net investment amount of the related leased asset by the lessor and the portion which is not in that period is followed in the unearned interest income account.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT ASSET AND LIABILITIES:

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

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provision for contingent liabilities arisen from past events should be recognised in the same period of occurrence in accordance with the “matching principle”. A provision is recognised when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the consolidated financial statements.

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Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employee Termination Benefit

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

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

b. Pension Rights

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

Temporary article 23 paragraph one of the Banking Act published in the Official Gazette dated 1 November 2005 numbered 25983 stated that foundations like the Fund are to be transferred to the Social Security Institution (“SSI”) within three years beginning from the published date of the article.

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

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated 15 December 2007, numbered 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” numbered 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

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In the New Law, it has been decided to form a committee whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA and SDIF representing the Fund and one member representing the Fund members. This committee is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% taking into consideration the excess of salaries and income in accordance with the SSI arrangements over the income and expense of the insurance branches of the Funds related to the members of the Fund as of the date of the transfer including the members who have left the scheme and salaries and income of whom were paid by the Funds.

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

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

XVII. EXPLANATIONS ON TAXATION:

a. Current Tax:

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

“Corporate Tax Law”(“New Tax Law”) No. 5520 was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. Many clauses of the “New Tax Law” are effective from 1 January 2006. According to New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% as of 1 January 2006. The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Tax rates that are used in tax calculations by taking current tax regulations in every country into consideration as of 30 June 2009 are as follows:

Netherland	25,50%
Russia	24,00%
Azerbaijan	22,00%

Tax provisions that are reflected in consolidated financial statements, are calculated separately for every company in the scope of consolidation.

b. Deferred Tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

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

XVIII. EXPLANATIONS ON BORROWINGS:

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

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

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

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

XXI. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 June 2009 and 31 December 2008, the Group has no government grants.

XXII. PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

XXIII. EARNINGS PER SHARE:

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

	30 June 2009	30 June 2008
Group’s Profit	924.516	740.217
Weighted Average Number of Issued Ordinary Shares (Thousand)	434.705.128	342.705.100
Earnings Per Share (Disclosed in full TL)	0,0021	0,0022

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computation. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

As of 30 June 2009, no bonus shares were issued by the Parent Bank (31 December 2008: None).

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIV. RELATED PARTIES:

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

XXV. CASH AND CASH EQUIVALENTS:

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

XXVI. OPERATING SEGMENTS:

Information about operating segments which are determined in line with the “Turkish Accounting Standard about the Segment Reporting” (“TAS 14”) together with organisational and internal reporting structure of the Group, are disclosed in Note VII. of in Section Four.

XXVII. RECLASSIFICATIONS:

Reclassifications have been made on comparative figures as of 31 December 2008 and 30 June 2008, to conform to changes in presentation of the consolidated financial statements as of 30 June 2009.

XXVIII. TRANSACTIONS UNDER COMMON CONTROL:

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

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. The capital adequacy ratio of the Group is 15,67% (31 December 2008: 14,24%).
- b. The capital adequacy ratio is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” and “Regulation Regarding Banks’ Shareholders’ Equity” published as of 1 November 2006 (together referred as “Regulation Regarding Capital Adequacy”). The following tables show the details of “risk weighted assets” and the calculation of “shareholders’ equity” for the capital adequacy ratio calculation.
- c. **Information related to capital adequacy ratio:**

	Risk Weights ⁽¹⁾					
	The Parent Bank					
	0%	20%	50%	100%	150%	200%
Amount subject to credit risk						
Balance sheet items (Net)	18.108.575	4.083.994	6.538.263	31.659.750	239.651	11.201
Cash	605.363	567	-	-	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	2.095.260	-	-	-	-	-
Domestic, foreign banks, foreign head offices and branches	-	3.089.362	-	29.805	-	-
Interbank Money Market Placements	30.000	-	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-
Reserve Requirements	1.426.042	-	-	-	-	-
Loans	1.903.417	909.779	6.408.940	26.781.614	239.651	11.201
Non-Performing receivables (Net)	-	-	-	725.186	-	-
Lease receivables	-	-	-	-	-	-
Available-for-sale financial assets	601.440	54.859	-	169.932	-	-
Held-to-Maturity investments	10.821.712	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	14.334	-	-
Miscellaneous receivables	-	135	-	143.857	-	-
Interest and income accruals	466.219	20.378	129.323	593.688	-	-
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	1.783.383	-	-
Fixed assets	-	-	-	1.086.864	-	-
Other assets	159.122	8.914	-	331.087	-	-
Off-balance sheet items	333.243	1.070.910	372.718	10.653.137	-	-
Non-cash loans and commitments	333.243	688.427	372.718	10.548.574	-	-
Derivative financial instruments	-	382.483	-	104.563	-	-
Non-risk weighted accounts	-	-	-	-	-	-
Total Risk Weighted Assets	18.441.818	5.154.904	6.910.981	42.312.887	239.651	11.201

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

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	Risk Weights ⁽¹⁾					
	Consolidated					
	0%	20%	50%	100%	150%	200%
Amount subject to credit risk						
Balance sheet items (Net)	21.307.883	4.689.328	6.828.295	34.090.546	239.651	11.201
Cash	861.684	567	-	5.388	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	2.095.260	-	-	-	-	-
Domestic, foreign banks, foreign head offices and branches	1.137	3.592.987	-	145.957	-	-
Interbank Money Market Placements	127.591	-	-	-	-	-
Receivables from reverse repurchase transactions	19.573	-	-	-	-	-
Reserve Requirements	1.426.042	-	-	-	-	-
Loans	2.510.938	995.840	6.495.270	28.427.639	239.651	11.201
Non-Performing receivables (Net)	-	-	-	725.534	-	-
Lease receivables	12.925	1.885	200.585	2.154.809	-	-
Available-for-sale financial assets	1.315.762	54.859	-	199.852	-	-
Held-to-Maturity investments	11.939.640	-	-	2.376	-	-
Receivables from the disposal of assets	-	-	-	14.334	-	-
Miscellaneous receivables	173.675	135	-	273.814	-	-
Interest and income accruals	547.846	34.141	132.440	582.984	-	-
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	2.300	-	-
Fixed assets	-	-	-	1.148.095	-	-
Other assets	275.810	8.914	-	407.464	-	-
Off-balance sheet items	333.243	1.089.382	372.718	11.061.626	-	-
Non-cash loans and commitments	333.243	688.427	372.718	10.945.665	-	-
Derivative financial instruments	-	400.955	-	115.961	-	-
Non-risk weighted accounts	-	-	-	-	-	-
Total Risk Weighted Assets	21.641.126	5.778.710	7.201.013	45.152.172	239.651	11.201

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

d. Summary information about capital adequacy ratio:

	The Parent Bank		Consolidated	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Amount subject to credit risk (ASCR)	47.181.237	47.773.374	50.290.299	51.093.393
Amount subject to market risk (ASMR)	547.188	290.150	1.080.738	972.600
Amount subject to operational risk (ASOR)	6.209.003	4.839.316	7.695.259	6.418.028
Shareholder's Equity	9.201.587	8.329.495	9.256.358	8.327.424
Shareholder's Equity/(ASCR+ASMR+ASOR)*100	17,06	15,74	15,67	14,24

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e. Information about shareholders’ equity items:

	30 June 2009	31 December 2008 ⁽¹⁾
CORE CAPITAL		
Paid-in capital	4.347.051	4.347.051
Nominal capital	4.347.051	4.347.051
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share Premium	543.881	543.881
Share cancellation profits	-	-
Legal reserves	96.220	44.089
First legal reserve (Turkish Commercial Code 466/1)	96.220	44.089
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	1.769.658	822.644
Reserves allocated by the General Assembly	1.769.658	822.644
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves, extraordinary reserves	-	-
Profit	924.516	1.261.395
Current period profit (net)	924.516	1.261.395
Prior period profit	-	-
Provisions for possible risks up to 25% of core capital	79.425	63.775
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	61.969	18.513
Primary Subordinated Loans (up to 15% of core capital)	-	-
Minority interests	52.855	47.980
Uncovered portion of loss with reserves (-)	(37.054)	(255.848)
Current period loss (net)	-	-
Prior period loss	(37.054)	(255.848)
Special costs (-) ⁽¹⁾	91.851	-
Prepaid expenses (-) ⁽¹⁾	180.366	167.762
Intangible Assets (-) ⁽¹⁾	1.171.274	1.157.825
Deferred tax asset amount exceeding 10% of core capital (-) ⁽¹⁾	-	-
Limit exceeding amount regarding the third clause of the article 56 of the Law (-)	-	-
Total Core Capital	6.395.030	5.567.893

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SUPPLEMENTARY CAPITAL	30 June 2009	31 December 2008⁽¹⁾
General provisions	738.328	659.018
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary Subordinated Loans that are not considered in the calculation of core capital	-	-
Secondary Subordinated Loans ⁽²⁾	2.196.594	2.172.900
45 % of Marketable Securities valuation fund	27.026	15.289
From investments in associates and subsidiaries	-	-
Available-for-Sale financial assets	27.026	15.289
Inflation adjustment of Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except inflation adjustment of Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	2.961.948	2.847.207
TIER III CAPITAL	-	-
CAPITAL	9.356.978	8.415.100
DEDUCTIONS FROM THE CAPITAL	100.620	87.676
Investments in Unconsolidated Financial Institutions and Banks	32.083	32.083
The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased From Them	-	-
Investments in Financial Institutions (Domestic, Foreign) and Banks, in which less than 10% equity interest is exercised and that exceeds 10% and more of the total core and supplementary capital of the Bank	53.542	55.593
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The Net Book Value of Bank's Immovables That Are Over 50% of Shareholders' Equity and Immovables or Commodities That Are Received on behalf of the Receivables From Customers and are to be Disposed According to Banking Law article 57 as They have been Held for More Than Five Years From the Acquisition Date.	14.995	-
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	9.256.358	8.327.424

(1) According to the temporary article 1 of the “Regulation Regarding Capital Adequacy” “Special Costs”, “Prepaid Expenses”, “Intangible Assets” and “Amount of deferred tax asset exceeding 10% of core capital” will be considered as “Deductions from the Capital” until 1 January 2009. In the current period, aforementioned amounts are included in the core capital in order to be consistent with the current period presentation.

(2) In accordance with the Regulation, the balance is disclosed net of the related bank receivables.

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II. EXPLANATIONS ON MARKET RISK:

The Bank considers currency risk, liquidity risk and interest rate risk as the most important components of market risk. The Bank’s market risk exposure is calculated on a daily and weekly basis with the “Value-at-Risk Method” on the basis of the marketable securities portfolio and net foreign currency position including the Bank’s currency risk. The Bank monitors its position in terms of portfolio created according to risk management policy and value-at-risk limits on a daily basis. All the Bank’s on- and off-balance-sheet positions and exchange positions are taken into consideration in the value-at-risk calculations. The results are presented daily to the senior management and monthly to the Asset and Liability Committee. The below table represents the details of market risk calculation as of 30 June 2009 in accordance with Section 3 of the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No. 26333, dated 1 November 2006, namely the “Calculation of Market Risk with Standard Method”.

a. Information on Market Risk:

	30 June 2009	31 December 2008
(I) Capital to be Employed for General Market Risk - Standard Method	56.519	52.026
(II) Capital to be Employed for Specific Risk –Standard Method	12.235	11.490
(III) Capital to be Employed for Currency Risk - Standard Method	16.706	14.168
(IV) Capital to be Employed for Commodity Risk	-	123
(V) Capital to be Employed for Exchange Risk-Standard Method	-	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	999	1
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	86.459	77.808
(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)	1.080.738	972.600

III. EXPLANATIONS ON OPERATIONAL RISK:

The Bank calculates the amount subject to operational risk based on “Basic Indicator Method” by using 2008, 2007 and 2006 year-end gross income balances of the Bank, in accordance with Section 4 of the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” effective from 1 June 2007, published in the Official Gazette No. 26333 dated 1 November 2006, namely “The Calculation of the Amount Subject to Operational Risk”. As of 30 June 2009, the total amount subject to operational risk is TL7.695.259 thousand (31 December 2008: TL6.418.028 thousand) and the amount of the related capital requirement is TL615.621 thousand (31 December 2008: TL513.442 thousand).

IV. EXPLANATIONS ON CURRENCY RISK:

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

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The Bank keeps the amount of exposed currency risk within the related legal limits and follows the exchange position on a daily/momentary basis. Notwithstanding, the internal exchange position limit is the minimal required in terms of when compared to the related legal limit, internal position limits are not exceeded during the year. As a tool of currency risk management, futures such as swap and forward are used to abstain from risk whenever needed. In order to guard against extreme volatility during the year Stress tests are applied. All these applications signalizes the sensitivity of the Bank Management regarding the currency risk, meaning minimum influence from the exchange rate fluctuations caused by the recent global crisis.

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

	USD	EUR	Yen
Balance Sheet Evaluation Rate:	TL1,49180	TL2,09320	TL0,01560
29 June 2009 bid rate	TL1,49510	TL2,10190	TL0,01558
26 June 2009 bid rate	TL1,50900	TL2,10480	TL0,01562
25 June 2009 bid rate	TL1,51540	TL2,13460	TL0,01586
24 June 2009 bid rate	TL1,52800	TL2,12810	TL0,01599
23 June 2009 bid rate	TL1,51190	TL2,09450	TL0,01572

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

USD : 1,50227 TL
Euro : 2,10597 TL
Yen : 0,01552 TL

As of 31 December 2008;

	USD	EUR	Yen
Balance Sheet Evaluation Rate:	TL1,47440	TL2,08720	TL0,01631

Information on currency risk of the Group:

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

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	EURO	USD	Yen	Other FC	Total
30 June 2009					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2.437.546	73.811	270	39.586	2.551.213
Banks	1.502.391	1.210.741	3.256	183.017	2.899.405
Financial Assets at Fair Value Through Profit or Loss	66.442	45.410	-	-	111.852
Interbank Money Market Placements	20.618	73.762	-	-	94.380
Available-for-Sale Financial Assets	65.000	918.083	-	84.728	1.067.811
Loans ⁽¹⁾	4.966.714	10.651.294	67.462	506.434	16.191.904
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	53.542	53.542
Held-to-Maturity Investments	1.146.166	5.575.904	-	2.870	6.724.940
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	737	-	-	13.891	14.628
Intangible Assets	-	-	-	109	109
Other Assets	1.543.414	903.885	18.249	115.756	2.581.304
Total Assets	11.749.028	19.452.890	89.237	999.933	32.291.088
Liabilities					
Bank Deposits	88.445	171.760	1.139	165.358	426.702
Foreign Currency Deposits	6.820.242	11.447.089	32.754	533.244	18.833.329
Funds From Interbank Money Market	174.339	956.164	-	15.945	1.146.448
Funds Borrowed From Other Financial Institutions	3.103.624	1.832.173	456	28.727	4.964.980
Marketable Securities Issued	740.500	1.016.282	-	-	1.756.782
Miscellaneous Payables	222.426	322.935	1.486	12.693	559.540
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	2.505.170	758.098	104	3.940	3.267.312
Total Liabilities	13.654.746	16.504.501	35.939	759.907	30.955.093
Net On Balance Sheet Position	(1.905.718)	2.948.389	53.298	240.026	1.335.995
Net Off Balance Sheet Position	2.031.899	(2.899.547)	(40.284)	(86.064)	(993.996)
Financial Derivative Assets	3.102.742	6.927.979	24.879	158.064	10.213.664
Financial Derivative Liabilities	1.070.843	9.827.526	65.163	244.128	11.207.660
Non-Cash Loans	3.647.261	6.456.010	367.482	185.233	10.655.986
31 December 2008					
Total Assets	12.440.749	19.680.564	113.522	1.093.790	33.328.625
Total Liabilities	13.136.136	17.674.963	24.923	764.388	31.600.410
Net On-Balance Sheet Position	(695.387)	2.005.601	88.599	329.402	1.728.215
Net Off-Balance Sheet Position	864.709	(1.992.079)	(68.036)	(188.504)	(1.383.910)
Financial Derivative Assets	1.309.774	4.118.490	147.777	6.577	5.582.618
Financial Derivative Liabilities	445.065	6.110.569	215.813	195.081	6.966.528
Non-Cash Loans	3.832.539	6.297.343	403.804	200.459	10.734.145

(1) Includes FC indexed loans amounting to TL1.730.587 thousand (31 December 2008: TL1.965.326 thousand) which has been disclosed as TL in the financial statements.

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V. EXPLANATIONS ON INTEREST RATE RISK:

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

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

The bank performs TL/Foreign Currency interest swap operations in order to limit the interest risk arising from short-term deposit and long-term consumer loans within the TL balance sheet. Furthermore, in order to reduce maturity disagreement in the Foreign Currency balance sheet, Foreign Currency / Foreign Currency interest swaps were employed.

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

30 June 2009	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1.411.758	-	-	-	-	2.959.836	4.371.594
Banks	2.496.576	447.237	54.222	3.406	-	755.389	3.756.830
Financial Assets at Fair Value Through Profit/Loss	168.560	192.151	554.637	142.299	26.513	68.732	1.152.892
Interbank Money Market Placements	53.327	-	73.762	12.413	8.205	-	147.707
Available-for-Sale Financial Assets	87.119	323.570	237.854	196.868	743.041	15.933	1.604.385
Loans	9.978.957	3.682.316	9.530.283	9.543.288	5.487.779	725.534	38.948.157
Held-to-Maturity Investments	888.002	3.685.826	1.363.162	2.453.280	3.973.229	-	12.363.499
Other Assets	122.639	585.520	1.690.422	1.069.745	30.069	4.111.095	7.609.490
Total Assets	15.206.938	8.916.620	13.504.342	13.421.299	10.268.836	8.636.519	69.954.554
Liabilities							
Bank Deposits	201.888	157.883	59.285	-	-	143.590	562.646
Other Deposits	28.564.639	3.793.556	1.672.622	419.395	119.210	6.728.955	41.298.377
Funds From Interbank Money Market	828.474	52.069	361.639	-	-	-	1.242.182
Miscellaneous Payables	2.275.782	837	-	-	-	1.067.004	3.343.623
Marketable Securities Issued	-	1.756.782	-	-	-	-	1.756.782
Funds Borrowed From Other Financial Institutions	1.508.538	2.329.069	1.855.459	908.020	195.826	-	6.796.912
Other Liabilities and Shareholders' Equity	73.061	53.281	2.402.476	10.102	11.653	12.403.459	14.954.032
Total Liabilities	33.452.382	8.143.477	6.351.481	1.337.517	326.689	20.343.008	69.954.554
Balance Sheet Long Position		773.143	7.152.861	12.083.782	9.942.147	-	29.951.933
Balance Sheet Short Position	(18.245.444)	-	-	-	-	(11.706.489)	(29.951.933)
Off-balance Sheet Long Position	532.613	464.800	-	82.999	-	-	1.080.412
Off-balance Sheet Short Position	-	-	(551.580)	-	-	-	(551.580)
Total Position	(17.712.831)	1.237.943	6.601.281	12.166.781	9.942.147	(11.706.489)	528.832

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31 December 2008	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1.436.413	-	-	-	-	3.280.603	4.717.016
Banks	1.286.942	566.103	242.693	81.182	19.292	1.205.870	3.402.082
Financial Assets at Fair Value Through Profit/Loss	113.483	134.600	362.716	101.366	57.338	60.612	830.115
Interbank Money Market Placements	199.900	-	8.547	12.377	7.138	-	227.962
Available-for-Sale Financial Assets	119.965	508.604	205.178	397.623	581.104	36.491	1.848.965
Loans	9.493.918	4.522.914	10.421.086	9.277.047	5.195.523	644.297	39.554.785
Held-to-Maturity Investments	899.776	3.782.085	1.207.522	2.356.815	4.459.583	-	12.705.781
Other Assets	242.481	1.392.593	825.104	1.286.330	39.401	3.799.612	7.585.521
Total Assets	13.792.878	10.906.899	13.272.846	13.512.740	10.359.379	9.027.485	70.872.227
Liabilities							
Bank Deposits	77.148	146.591	1.484	-	-	232.639	457.862
Other Deposits	30.702.876	4.980.445	1.271.331	453.577	98.601	6.058.569	43.565.399
Funds From Interbank Money Market	572.167	297.480	183.391	-	-	-	1.053.038
Miscellaneous Payables	1.983.932	-	-	-	-	785.427	2.769.359
Marketable Securities Issued	-	1.966.298	-	-	-	-	1.966.298
Funds Borrowed From Other Financial Institutions	1.440.014	3.766.460	868.473	959.797	195.914	-	7.230.658
Other Liabilities and Shareholders' Equity	133.201	1.145.194	1.265.635	315.038	150.597	10.819.948	13.829.613
Total Liabilities	34.909.338	12.302.468	3.590.314	1.728.412	445.112	17.896.583	70.872.227
Balance Sheet Long Position	-	-	9.682.532	11.784.328	9.914.267	-	31.381.127
Balance Sheet Short Position	(21.116.460)	(1.395.569)	-	-	-	(8.869.098)	(31.381.127)
Off-balance Sheet Long Position	61.100	55.444	279.715	-	-	-	396.259
Off-balance Sheet Short Position	-	-	-	(449)	-	-	(449)
Total Position	(21.055.360)	(1.340.125)	9.962.247	11.783.879	9.914.267	(8.869.098)	395.810

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b. Average interest rates for monetary financial instruments:

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

30 June 2009 ⁽¹⁾	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	5,40
Banks	0,17	0,34	-	9,51
Financial Assets at Fair Value Through Profit/Loss	7,46	6,73	-	13,10
Interbank Money Market Placements	-	-	-	11,51
Available-for-Sale Financial Assets	8,83	6,07	-	17,20
Loans ⁽²⁾	6,82	5,49	5,42	20,60
Held-to-maturity Investments	4,91	6,87	-	16,84
Liabilities				
Bank Deposits	0,21	0,09	-	2,78
Other Deposits	2,65	2,64	0,01	10,86
Funds From Interbank Money Market	4,01	3,84	-	9,00
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,93	1,62	2,35	16,80
31 December 2008 ⁽¹⁾	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,17	0,68	-	8,64
Banks	0,78	0,84	-	14,23
Financial Assets at Fair Value Through Profit/Loss	6,81	8,15	-	20,29
Interbank Money Market Placements	-	-	-	19,39
Available-for-Sale Financial Assets	9,63	5,79	-	19,92
Loans ⁽²⁾	7,31	5,79	4,06	24,22
Held-to-maturity Investments	5,68	7,30	-	20,09
Liabilities				
Bank Deposits	0,02	0,02	-	7,82
Other Deposits	3,25	4,48	0,01	20,30
Funds From Interbank Money Market	7,15	5,00	-	16,27
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5,58	3,07	2,23	14,59

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

(2) Does not include credit card receivables.

VI. EXPLANATIONS ON LIQUIDITY RISK:

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

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Subordinated loans with maturity of 10 years have been provided in order to extend the short-term funding structure in the banking sector. The liquidity risk according to the mismatching of assets and liabilities is decreased with placement of these loans in the short-term derivatives and liquid treasury bills.

Breakdown of assets and liabilities according to their outstanding maturities:

	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unclassified (1),(2)	Total
30 June 2009								
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2.915.643	1.455.951	-	-	-	-	-	4.371.594
Banks	755.389	2.464.554	411.780	75.236	47.269	2.602	-	3.756.830
Financial Assets at Fair Value Through Profit or Loss	47.449	154.156	83.376	578.161	216.745	51.722	21.283	1.152.892
Interbank Money Market Placements	-	53.327	-	73.762	12.413	8.205	-	147.707
Available-for-Sale Financial Assets	57.556	4.222	35.819	292.158	452.284	746.413	15.933	1.604.385
Loans	-	8.592.289	3.801.486	9.289.764	9.895.147	6.643.937	725.534	38.948.157
Held-to-maturity Investments	-	2.981	39.824	1.543.148	6.804.317	3.973.229	-	12.363.499
Other Assets (1)	516.393	317.499	284.039	1.765.652	1.367.458	79.194	3.279.255	7.609.490
Total Assets	4.292.430	13.044.979	4.656.324	13.617.881	18.795.633	11.505.302	4.042.005	69.954.554
Liabilities								
Bank Deposits	143.590	201.888	157.883	59.285	-	-	-	562.646
Other Deposits	6.728.955	28.564.639	3.793.556	1.672.622	419.395	119.210	-	41.298.377
Funds Borrowed From Other Financial Institutions	-	748.984	2.020.841	2.385.143	1.405.173	236.771	-	6.796.912
Funds From Interbank Money Market	-	828.474	52.069	361.639	-	-	-	1.242.182
Marketable Securities Issued	-	-	-	157.810	1.418.418	180.554	-	1.756.782
Miscellaneous Payables	375.318	2.823.380	33.336	18.260	1.228	-	92.101	3.343.623
Other Liabilities (2)	346.414	1.873.976	237.802	582.003	1.490.121	2.604.562	7.819.154	14.954.032
Total Liabilities	7.594.277	35.041.341	6.295.487	5.236.762	4.734.335	3.141.097	7.911.255	69.954.554
Net Liquidity Gap	(3.301.847)	(21.996.362)	(1.639.163)	8.381.119	14.061.298	8.364.205	(3.869.250)	-
31 December 2008								
Total Assets	4.655.971	11.965.263	5.861.070	12.716.020	18.566.693	13.276.984	3.830.226	70.872.227
Total Liabilities	6.833.980	36.611.643	6.637.094	5.655.244	4.832.060	3.357.733	6.944.473	70.872.227
Net Liquidity Gap	(2.178.009)	(24.646.380)	(776.024)	7.060.776	13.734.633	9.919.251	(3.114.247)	-

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

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

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VII. EXPLANATIONS ON OPERATING SEGMENTS:

Through its new organisational structure launched in February 2009 aimed at further enhancing the customer-focused divisionalised service model as well as supporting the performances of business units in closer collaboration with product factories, The Group carries out its banking operations through three main business units: (1) retail banking (including credit cards and SME banking), (2) corporate and commercial banking (3) private banking and wealth management.

The Group’s retail banking activities include credit cards, SME (small and medium size enterprises) banking and individual banking. Retail banking products and services offered to customers include credit cards, consumer loans (including general purpose loans, auto loans and mortgages), commercial instalment loans, SME loans, time and demand deposits, investment accounts, life and non-life insurance products and payroll services. Credit card operations cover the management of products and services for member merchants as well as the sales and marketing operations for a variety of customer types. The clubs and programs under the umbrella of the World brand include Gold Club, Platinum Club, Crystal Club, Travel Club (Travel Program and VIP Travel Program), Adios Card, Play Club (Young Employees Program and Student Program), Business Club (Corporate Program, Trio Program, Company Program and SME Program), Share Program and Communication Program.

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

Through its private banking and wealth management activities, the Group serves high net worth customers and delivers investment products to this customer segment. At the end of 2008, the Group further strengthened its private banking services in 2008 through the revision of the customer segmentation criteria resulting in the introduction of an enhanced service model. Among the products and services offered to private banking customers are time deposits, fiduciary deposits, mutual funds, derivative products such as forwards, futures and options, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products, safe deposit boxes and e-banking services. Private banking services are enhanced by investment advisory and portfolio management services provided by the Group’s portfolio management and brokerage subsidiaries.

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

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

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

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INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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

30 June 2009	Retail Banking	Corporate and Commercial Banking	Private Banking and Wealth Management	Foreign Operations	Other	Consolidation Adjustments ⁽¹⁾	Total Operations of the Group
Operating revenue	1.356.428	684.533	167.677	56.271	955.883	(27.048)	3.193.744
Unallocated costs	(1.163.209)	(190.319)	(52.992)	(23.172)	(614.733)	27.780	(2.016.645)
Net Operating Profit	193.219	494.214	114.685	33.099	341.150	732	1.177.099
Dividend income					3.365		3.365
Profit/Loss from Investments that are applied Equity Method					1.680		1.680
Profit before tax	193.219	494.214	114.685	33.099	346.195	732	1.182.144
Tax expense					(251.734)		(251.734)
Net Profit	193.219	494.214	114.685	33.099	94.461	732	930.410
Minority interest					5.894		5.894
Group Profit/Loss	193.219	494.214	114.685	33.099	88.567	732	924.516
Segment assets	18.096.369	22.560.297	738.130	3.764.266	25.552.976	(845.409)	69.866.629
Investments in associates, subsidiaries and joint ventures					87.925		87.925
Total Assets	18.096.369	22.560.297	738.130	3.764.266	25.640.901	(845.409)	69.954.554
Segment liabilities	19.915.480	15.053.672	10.255.128	3.235.052	14.507.260	(831.192)	62.135.400
Shareholders' equity					7.819.154		7.819.154
Total liabilities	19.915.480	15.053.672	10.255.128	3.235.052	22.326.414	(831.192)	69.954.554

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

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31 December 2008⁽¹⁾	Retail Banking	Corporate and Commercial Banking	Private Banking and Wealth Management	Foreign Operations	Other	Consolidation Adjustments ⁽²⁾	Total Operations of the Group
Operating revenue	1.066.365	519.320	119.949	43.705	693.802	5.176	2.448.317
Unallocated costs	(420.939)	(34.042)	(45.463)	(18.076)	(1.018.870)	32.534	(1.504.856)
Net Operating Profit	645.426	485.278	74.486	25.629	(325.068)	37.710	943.461
Dividend income					3.815		3.815
Profit/Loss from Investments that are applied Equity method					5.418		5.418
Profit before tax	645.426	485.278	74.486	25.629	(315.835)	37.710	952.694
Tax expense					(212.967)		(212.967)
Net Profit	645.426	485.278	74.486	25.629	(528.802)	37.710	739.727
Minority interest					(490)		(490)
Group Profit/Loss	645.426	485.278	74.486	25.629	(528.312)	37.710	740.217
Segment assets	18.367.894	23.348.824	516.497	3.878.880	25.261.743	(591.587)	70.782.251
Investments in associates, subsidiaries and joint ventures					89.976		89.976
Total Assets	18.367.894	23.348.824	516.497	3.878.880	25.351.719	(591.587)	70.872.227
Segment liabilities	19.367.453	18.178.131	8.467.725	3.375.760	15.196.771	(577.294)	64.008.546
Shareholders' equity					6.863.681		6.863.681
Total liabilities	19.367.453	18.178.131	8.467.725	3.375.760	22.060.452	(577.294)	70.872.227

(1) Income statement items represent 30 June 2008 amounts.

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

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SECTION FIVE

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED
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I. EXPLANATIONS AND NOTES RELATED TO ASSETS:

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

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

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Cash	408.611	165.540	425.090	182.631
The CBRT	1.411.770	2.139.073	1.429.610	2.491.433
Other	-	246.600	-	188.252
Total	1.820.381	2.551.213	1.854.700	2.862.316

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

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Demand Unrestricted Account	1.411.770	713.031	1.429.610	827.908
Time Unrestricted Account	-	-	-	-
Reserve Requirement ⁽¹⁾	-	1.426.042	-	1.663.525
Total	1.411.770	2.139.073	1.429.610	2.491.433

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

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2005/1, and “Change in Communiqué Regarding the Reserve Requirements” numbered 2008/7 published in the Official Gazette numbered 27075 dated 5 December 2008, the banks operating in Turkey are supposed to place reserves in the CBRT for their TL liabilities by 6% and for their foreign currency liabilities by 9% as USD and/or EUR. As of 30 June 2009, the corresponding interest rate for TL is 7%, no interest is recognized on foreign currency reserve requirements.

As of 30 June 2009, the Group’s reserve deposits, including those at foreign banks, amount to TL1.652.168 thousand (31 December 2008: TL3.220.074 thousand).

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

1. As of 30 June 2009, financial assets at fair value through profit and loss subject to repo transactions amount to TL64.304 thousand (31 December 2008: TL106.454 thousand) and financial assets at fair value through profit and loss given as collateral/blocked amount to TL73.288 thousand (31 December 2008: TL67.663 thousand).

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2. Positive differences related to trading derivative financial assets:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Forward Transactions	56.057	2.840	80.885	2.299
Swap Transactions	530.088	54.930	312.365	36.255
Futures Transactions	-	-	-	-
Options	19.553	15.411	19	1.828
Other	-	-	-	-
Total	605.698	73.181	393.269	40.382

c. Information on banks:

1. Information on banks:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Banks	857.425	2.899.405	121.848	3.280.234
Domestic	741.386	532.923	111.653	587.327
Foreign	116.039	2.366.482	10.195	2.692.907
Head Quarters and Branches Abroad	-	-	-	-
Total	857.425	2.899.405	121.848	3.280.234

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

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

As of 30 June 2009, available-for-sale financial assets given as collateral/blocked amount to TL548.812 thousand (31 December 2008: TL754.867 thousand) and available for sale financial assets subject to repo transactions are TL525.604 thousand (31 December 2008: TL18.639 thousand).

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

	30 June 2009	31 December 2008
Debt Securities	1.531.641	1.773.055
Quoted on Stock Exchange ⁽¹⁾	1.363.881	1.573.521
Not Quoted	167.760	199.534
Share Certificates	57.736	78.293
Quoted on Stock Exchange	182	171
Not Quoted	57.554	78.122
Impairment Provision (-)	(42.548)	(53.501)
Other ⁽²⁾	57.556	51.118
Total	1.604.385	1.848.965

⁽¹⁾ As of 30 June 2009, Eurobonds amounting to TL513.042 thousand (31 December 2008: TL641.995 thousand) have been classified under debt securities quoted on Stock Exchange, even though they are not publicly traded.

⁽²⁾ As of 30 June 2009, other available-for-sale financial assets include mutual funds amounting to TL57.556 thousand (31 December 2008: TL51.118 thousand).

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e. Explanations on loans:

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

	30 June 2009		31 December 2008	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	8.576	84.452	128	64.690
Loans Granted to Employees	68.959	-	63.661	-
Total	77.535	84.452	63.789	64.690

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

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Non-Specialised Loans	36.590.552	-	1.583.385	17.556
Discount and Purchase Notes	281.311	-	649	-
Export Loans	2.838.195	-	119.276	-
Import Loans	-	-	-	-
Loans Granted To Financial Sector	1.087.992	-	-	-
Foreign Loans	1.314.910	-	3.286	-
Consumer Loans	6.163.688	-	296.541	-
Credit Cards	6.854.834	-	341.529	-
Precious Metal Loans	256.522	-	-	-
Other ⁽¹⁾	17.793.100	-	822.104	17.556
Specialised Loans	31.130	-	-	-
Other Receivables	-	-	-	-
Total	36.621.682	-	1.583.385	17.556

⁽¹⁾ As explained in Note Ii of Section V, TL17.931 thousand is classified under other loans.

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

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	158.108	5.799.053	5.957.161
Real estate loans	5.379	3.161.167	3.166.546
Automotive loans	24.217	546.487	570.704
Consumer loans	128.512	2.091.399	2.219.911
Other	-	-	-
Consumer Loans-FC Indexed	5.593	361.407	367.000
Real estate loans	4.195	317.223	321.418
Automotive loans	431	22.036	22.467
Consumer loans	967	22.148	23.115
Other	-	-	-
Consumer Loans-FC	8.913	12.129	21.042
Real estate loans	-	-	-
Automotive loans	32	4	36
Consumer loans	8.881	12.125	21.006
Other	-	-	-
Individual Credit Cards-TL	6.969.406	11.396	6.980.802
With installments	2.589.826	11.396	2.601.222
Without installments	4.379.580	-	4.379.580
Individual Credit Cards-FC	123	-	123
With installments	123	-	123
Without installments	-	-	-
Personnel Loans-TL	6.439	23.414	29.853
Real estate loans	4	2.013	2.017
Automotive loans	267	1.175	1.442
Consumer loans	6.168	20.226	26.394
Other	-	-	-
Personnel Loans-FC Indexed	8	138	146
Real estate loans	-	74	74
Automotive loans	-	-	-
Consumer loans	8	64	72
Other	-	-	-
Personnel Loans-FC	84	68	152
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	84	68	152
Other	-	-	-
Personnel Credit Cards-TL	38.057	25	38.082
With installments	18.691	25	18.716
Without installments	19.366	-	19.366
Personnel Credit Cards-FC	22	-	22
With installments	22	-	22
Without installments	-	-	-
Credit Deposit Account-TL (Real Person)⁽¹⁾	84.805	-	84.805
Credit Deposit Account-FC (Real Person)	70	-	70
Total	7.271.628	6.207.630	13.479.258

(1) TL704 thousand of the credit deposit account belongs to the credits used by personnel.

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	373.344	2.163.063	2.536.407
Business Loans	1.906	257.070	258.976
Automotive Loans	56.519	939.141	995.660
Consumer Loans	314.919	966.852	1.281.771
Other	-	-	-
Commercial Installments Loans-FC			
Indexed	17.814	242.929	260.743
Business Loans	151	15.215	15.366
Automotive Loans	1.165	102.268	103.433
Consumer Loans	16.498	125.446	141.944
Other	-	-	-
Commercial Installments Loans-FC	124.017	48.080	172.097
Business Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	124.017	48.080	172.097
Other	-	-	-
Corporate Credit Cards-TL	177.330	4	177.334
With installment	31.117	4	31.121
Without installment	146.213	-	146.213
Corporate Credit Cards-FC			
With installment	-	-	-
Without installment	-	-	-
Credit Deposit Account-TL (Legal Person)	141.041	-	141.041
Credit Deposit Account-FC (Legal Person)	1.131	-	1.131
Total	834.677	2.454.076	3.288.753

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

	30 June 2009	31 December 2008
Domestic loans	36.904.427	37.813.322
Foreign loans	1.318.196	1.097.166
Total	38.222.623	38.910.488

6. Loans granted to investments in associates and subsidiaries:

	30 June 2009	31 December 2008
Loans granted to investments in associates and subsidiaries	17.028	5

7. Specific provisions provided against loans:

	30 June 2009	31 December 2008
Loans and other receivables with limited collectibility	162.797	76.487
Loans and other receivables with doubtful collectibility	466.740	220.670
Uncollectible loans and other receivables	971.202	804.289
Total	1.600.739	1.101.446

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

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
30 June 2009			
(Gross amounts before specific reserves)	12.340	4.023	37.018
Restructured loans and other receivables	12.340	4.023	37.018
Rescheduled loans and other receivables	-	-	-
31 December 2008			
(Gross amounts before specific reserves)	-	547	41.439
Restructured loans and other receivables	-	547	41.439
Rescheduled loans and other receivables	-	-	-

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
31 December 2008	401.278	424.226	920.239
Additions (+)	1.265.232	79.480	37.384
Transfers from other categories of non-performing loans (+)	-	767.057	426.021
Transfer to other categories of non-performing loans (-)	(767.057)	(426.021)	-
Collections (-)	(404.088)	(132.806)	(162.717)
FX valuation differences	-	-	(383)
Write-offs (-)	-	-	(101.572)
Corporate and Commercial Loans	-	-	(14.374)
Consumer Loans	-	-	(19.183)
Credit Cards	-	-	(67.328)
Other	-	-	(687)
30 June 2009	495.365	711.936	1.118.972
Specific Provision (-)	(162.797)	(466.740)	(971.202)
Net Balance on Balance Sheet	332.568	245.196	147.770

At the Board of Directors Meeting held on 27 May 2009; it has been decided to sold out a non-performing loan portfolio amounting to TL77.424 thousand (excluding the write-offs) included in non-performing loan accounts at a price of TL26.525 thousand. This transaction has affected the financial statements as TL22.668 thousand of pretax income after legal expenses.

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
30 June 2009			
Period end balance	48	4.394	31.552
Specific provision (-)	(5)	(337)	(31.300)
Net Balance on-balance sheet	43	4.057	252
31 December 2008			
Period end balance	30	32.777	34.925
Specific provision (-)	(4)	(29.480)	(34.845)
Net Balance on-balance sheet	26	3.297	80

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
30 June 2009 (Net)	332.568	245.196	147.770
Loans granted to real persons and corporate entities (Gross)	495.365	711.936	1.034.960
Specific provision amount (-)	(162.797)	(466.740)	(887.190)
Loans granted to real persons and corporate entities (Net)	332.568	245.196	147.770
Banks (Gross)	-	-	-
Specific provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (Net)	-	-	-
31 December 2008 (Net)	324.791	203.556	115.950
Loans granted to real persons and corporate entities (Gross)	401.278	391.480	835.253
Specific provision amount (-)	(76.487)	(191.199)	(719.303)
Loans granted to real persons and corporate entities (Net)	324.791	200.281	115.950
Banks (Gross)	-	-	-
Specific provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	32.746	84.986
Specific provision amount (-)	-	(29.471)	(84.986)
Other loans and receivables (Net)	-	3.275	-

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f. Information on held-to-maturity investments:

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

	30 June 2009	31 December 2008
Government Bond	12.138.826	12.615.309
Treasury Bill	222.297	86.348
Other debt securities	-	-
Total	12.361.123	12.701.657

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

	30 June 2009	31 December 2008
Debt Securities	12.417.107	12.750.072
Quoted on Stock Exchange ⁽¹⁾	12.417.107	12.750.072
Not Quoted	-	-
Impairment Provision (-)	(53.608)	(44.291)
Total	12.363.499	12.705.781

⁽¹⁾ As of 30 June 2009, Eurobonds amounting to TL5.984.862 thousand (31 December 2008: TL5.911.930 thousand) have been classified under debt securities quoted on Stock Exchange, even though they are not publicly traded.

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

	30 June 2009	31 December 2008
Beginning balance	12.705.781	13.152.551
Foreign currency differences on monetary assets ⁽¹⁾	(46.419)	1.522.256
Purchases during year	275.917	536.931
Disposals through sales and redemptions	(562.463)	(2.489.341)
Impairment provision (-)	(9.317)	(16.616)
Period end balance	12.363.499	12.705.781

⁽¹⁾ Includes the changes in interest income accruals.

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

As of 30 June 2009, held-to-maturity investments given as collateral amount to TL802.908 thousand (31 December 2008: TL2.023.696 thousand). Held-to-maturity investments subject to repo transactions amount to TL1.272.614 thousand (31 December 2008: TL744.962 thousand).

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g. Information on investments in associates (Net):

1. General information on unconsolidated investments in associates:

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

No	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Market value
1	24.079	18.140	1.998	1.400	-	4.571	2.720	-
2	14.426	12.455	5.104	284	-	(833)	1.139	-

Financial statement information of Kredi Kayıt Bürosu and Bankalararası Kart Merkezi A.Ş. in the table above has been obtained from the financial statements as at 30 June 2009 and 31 March 2009, respectively.

2. Consolidated investments in associates:

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

No	Description	Address (City/ Country)	The Parent Bank’s share percentage if different voting percentage (%)	Other Shareholders’ share percentage (%)
1	Banque de Commerce et de Placements S.A.	Geneva/ Switzerland	30,67	30,67

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

No	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Market value
1	2.372.934	145.316	5.806	28.418	2.786	21.805	18.748	-

Financial statement information in the table above has been disclosed in thousands of CHF. As of 30 June 2009 the evaluation rate for CHF is TL1.3691 (31 December 2008: TL1, 3942).

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

	30 June 2009	31 December 2008
Balance at the beginning of the period	55.593	38.220
Movements during the period	(2.051)	17.373
Purchases	-	-
Bonus shares obtained	-	-
Dividends from current year income	1.680	3.667
Sales	-	-
Revaluation (decrease)/increase	(3.731)	13.706
Impairment provision	-	-
Balance at the end of the period	53.542	55.593
Capital Commitments	-	-
Share percentage at the end of the period (%)	30,67	30,67

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

	30 June 2009	31 December 2008
Banks	53.542	55.593
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Investments	-	-
Total Financial Investments	53.542	55.593

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

h. Information on subsidiaries (Net):

1. Unconsolidated subsidiaries:

1 (i). Information on unconsolidated subsidiaries:

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

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

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

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income From Market Securities Portfolio	Current Period Profit / Loss	Prior Period Profit /Loss	Market value ⁽²⁾
1	9.191	6.896	207	336	-	(708)	(187)	-
2	37.134	13.280	4.070	41	-	404	592	-
3	133.648	91.666	2.556	343	7	(7.044)	(3.292)	56.000

⁽¹⁾ Financial statement information has been obtained from the financial statements as of 31 March 2009.

⁽²⁾ Fair value represents the market value of the Company's total shares based on ISE prices as of 30 June 2009.

Financial statement information in the table above has been obtained from the financial statements as at 30 June 2009.

2. Information on consolidated subsidiaries:

2 (i). Information on consolidated subsidiaries:

	Description	Address (City/ Country)	The Parent Bank's share percentage if different voting percentage(%)	Bank's risk group share percentage (%)
1	Yapı Kredi Holding B.V. ⁽¹⁾	Amsterdam/Netherlands	100,00	100,00
2	Yapı Kredi Menkul	Istanbul/Turkey	99,98	99,99
3	Yapı Kredi Faktoring	Istanbul/Turkey	99,95	100,00
4	Yapı Kredi Moscow ⁽²⁾	Moscow/Russia	99,84	100,00
5	Yapı Kredi Sigorta A.Ş. ⁽⁶⁾	Istanbul/Turkey	74,01	93,94
6	Yapı Kredi Leasing	Istanbul/Turkey	98,85	99,58
7	Yapı Kredi Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	11,09	56,07
8	Yapı Kredi Emeklilik A.Ş.	Istanbul/Turkey	-	100,00
9	Yapı Kredi Portföy	Istanbul/Turkey	12,65	99,99
10	Yapı Kredi NV ^{(1), (4)}	Amsterdam/Holland	67,24	100,00
11	Yapı Kredi Azerbaycan ^{(3), (5)}	Baku/Azerbaijan	99,80	100,00

Although Yapı Kredi or any of its affiliates does not have any shareholding interest in, Yapı Kredi Diversified Payment Rights Finance Company (“Special Purpose Entity”) which is established for securitisation transactions of Yapı Kredi is included in the consolidation as the Bank has a control of 100%.

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

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

⁽³⁾ Financial figures presented in note 2(ii) are in thousands of AZM. As of 30 June 2009 the evaluation rate for AZM is TL1,8552 (31 December 2008: TL1,8407).

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

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

⁽⁶⁾ Financial statement information in Note 2(ii) represents 31 March 2009 figures.

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

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income From Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit /Loss	Market value ⁽¹⁾
1	45.464	45.447	-	-	-	(33)	(5.487)	-
2	373.333	227.371	17.173	19.733	14.326	57.231	44.360	-
3	1.257.386	90.311	701	64.151	-	18.545	9.581	-
4	175.560	48.313	5.850	9.415	938	4.330	2.546	-
5	736.316	313.242	21.700	10.467	5.771	13.485	3.083	644.000
6	2.519.448	590.600	1.155	133.187	-	38.301	67.873	990.400
7	66.146	65.255	28	3.178	2.231	11.377	(6.966)	23.900
8	717.696	128.464	17.917	11.111	7.540	13.582	7.722	-
9	103.861	55.307	698	6.176	2.141	25.575	23.279	-
10	1.520.558	162.870	352	45.821	17.327	6.597	7.190	-
11	150.570	41.101	2.843	4.086	1.860	2.628	2.168	-

(1) Fair value represents the market value of the Company's total shares based on ISE prices as of 30 June 2009.

Financial statement information in the table above has been obtained from the financial statements of subsidiaries as at 30 June 2009.

2 (iii). Movement schedule of consolidated subsidiaries:

	30 June 2009	31 December 2008
Balance at the beginning of the period	1.781.083	1.391.400
Movements during the period	-	389.683
Purchases ⁽¹⁾	-	389.683
Transfers	-	-
Bonus shares obtained	-	-
Dividends from current year income	-	-
Sales	-	-
Foreign exchange valuation differences	-	-
Impairment provision	-	-
Balance at the end of the period	1.781.083	1.781.083
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(1) As of 31 December 2008, nominal share capital amount of TL34.897.132,53 (35,28% of the capital), owned by KFS in Yapı Kredi Yatırım Menkul Değerler A.Ş. have been purchased by the Bank in return for USD158.754.689,63 and the cost of the share purchase has been paid to KFS as TL188.617 thousand converted with the CBRT exchange rate at 15 February 2008.

The nominal share capital amount of EUR32.672.880,00 (67,24% of the capital), owned by KFS in Yapı Kredi NV has been purchased by the Bank in return for EUR97.502.661,71 and the cost of the share purchase has been paid to KFS as TL165.063 thousand converted with the CBRT EUR exchange buying rate at 11 January 2008.

In addition, the Parent Bank has participated in the capital increase of its foreign subsidiary, Yapı Kredi Bank Azerbaycan Closed Joint Stock Company, where the share of the Bank is 99,80% amounting to TL36.003 thousand.

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

	30 June 2009	31 December 2008
Banks	278.244	278.244
Insurance Companies	148.019	148.019
Factoring Companies	183.325	183.325
Leasing Companies	722.491	722.491
Finance Companies	-	-
Other Financial Subsidiaries	449.004	449.004
Total Financial Subsidiaries	1.781.083	1.781.083

2 (v). Subsidiaries quoted on Stock Exchange:

	30 June 2009	31 December 2008
Quoted on domestic stock exchanges	876.095	876.095
Quoted on foreign stock exchanges	-	-

i. Information on hedging derivative financial assets:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Fair Value Hedge	87.865	1.515	-	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
Total	87.865	1.515	-	-

Starting from 1 March 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on part of its fixed interest TL mortgage and car loan portfolios using cross-currency interest rate swaps. The net fair value of hedging instruments at 30 June 2009 is TL(10.895) thousand. At 30 June 2009, the fair value difference of the hedging instruments starting from the inception date is TL18.154 thousand and the fair value difference of the hedged item is TL17.931 thousand.

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j. Information on intangible assets:

	30 June 2009	31 December 2008
Net book value at the beginning of the period	1.157.825	1.191.711
Additions during the Period	36.590	37.115
Transfers	(280)	(30.363)
Unused and Disposed Items (-)	(4.183)	(289)
Impairment Charges on Income Statement	-	-
Amortisation Expenses (-)	(18.653)	(40.359)
Foreign exchange valuation differences	(25)	10
Net book value at the closing of the period	1.171.274	1.157.825

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

	30 June 2009	31 December 2008
Balance at the beginning of the period	90.046	139.877
Additions	4.578	59.620
Disposals (-), net ⁽¹⁾	(13.583)	(149.929)
Impairment reversal	6.886	44.579
Impairment (-)	-	(515)
Depreciation (-)	(1.306)	(3.586)
Net Book Value at the end of period	86.621	90.046
Cost at the end of period	94.241	99.254
Depreciation at the end of period (-)	(7.620)	(9.208)
Net Book Value at the end of period	86.621	90.046

⁽¹⁾ By the decision of the Board of Directors at 3 October 2007; assets of Yapı Kredi Bank Deutschland A.G., which are owned 65,42% by the Bank and 34,58% by Yapı Kredi Holding BV and included in the consolidated financial statements, are reclassified under assets held for sale according to the sale agreement with Avenue Europe Investment LP. Moreover, the sale of Yapı Kredi Bank Deutschland AG finalized as of 29 February 2008.

As of 30 June 2009, the Bank booked impairment provision on assets held for resale with an amount of TL12.554 thousand (31 December 2008: TL19.440 thousand)

l. Information on other assets:

As of 30 June 2009, other assets do not exceed 10% of the total assets.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES:

a. Information on deposits:

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

1 (i). 30 June 2009:

	Demand	With 7 days notifications	Up to 1 month	1-3 Months	3-6 Months	6 Months -1 Year	1 year and over	Total
Saving Deposits	1.313.754	76.292	3.282.963	10.209.016	232.901	115.253	137.959	15.368.138
Foreign Currency Deposits	3.680.040	78.930	5.625.416	6.705.728	1.039.826	432.041	1.079.788	18.641.769
Residents in Turkey	3.072.505	37.074	5.326.727	5.923.316	931.522	209.979	560.780	16.061.903
Residents Abroad	607.535	41.856	298.689	782.412	108.304	222.062	519.008	2.579.866
Public Sector Deposits	341.397	-	9.422	18.546	224	-	3.144	372.733
Commercial Deposits	1.211.425	9.880	1.820.297	3.310.849	131.568	18.859	30.160	6.533.038
Other Institutions Deposits	22.305	-	35.765	128.137	188	3.203	1.541	191.139
Gold Vault	160.034	-	1.035	5.528	9.006	2.555	13.402	191.560
Bank Deposits	143.590	-	165.245	35.722	206	217.883	-	562.646
The CBRT	222	-	-	-	-	-	-	222
Domestic Banks	68.446	-	38.639	-	-	-	-	107.085
Foreign Banks	51.004	-	126.606	35.722	206	217.883	-	431.421
Special Financial Institutions	23.910	-	-	-	-	-	-	23.910
Other	8	-	-	-	-	-	-	8
Total	6.872.545	165.102	10.940.143	20.413.526	1.413.919	789.794	1.265.994	41.861.023

1 (ii). 31 December 2008:

	Demand	With 7 days notifications	Up to 1 month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Total
Saving Deposits	1.063.959	7.040	3.164.834	11.345.159	147.899	42.494	61.571	15.832.956
Foreign Currency Deposits	3.288.070	114.481	6.147.780	6.632.808	922.157	443.685	1.057.818	18.606.799
Residents in Turkey	2.820.681	72.276	5.891.845	5.939.419	733.572	267.686	539.471	16.264.950
Residents Abroad	467.389	42.205	255.935	693.389	188.585	175.999	518.347	2.341.849
Public Sector Deposits	254.227	-	63.322	98.567	336	661	307	417.420
Commercial Deposits	1.300.691	24.418	2.303.970	3.991.743	457.933	75.249	13.428	8.167.432
Other Institutions Deposits	21.810	-	36.097	337.669	242	331	453	396.602
Gold Vault	129.812	-	10.285	223	595	940	2.335	144.190
Bank Deposits	232.639	-	35.055	43.192	-	145.861	1.115	457.862
The CBRT	85.483	-	-	-	-	-	-	85.483
Domestic Banks	7.455	-	21.749	8.236	-	-	-	37.440
Foreign Banks	40.959	-	13.306	34.956	-	145.861	1.115	236.197
Special Financial Institutions	98.742	-	-	-	-	-	-	98.742
Other	-	-	-	-	-	-	-	-
Total	6.291.208	145.939	11.761.343	22.449.361	1.529.162	709.221	1.137.027	44.023.261

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2. Information on saving deposits insurance:

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

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Saving Deposits				
Saving Deposits	7.783.074	7.804.232	7.318.517	7.911.087
Foreign Currency Savings Deposit	2.613.805	2.553.090	6.111.898	5.637.303
Other deposits in the form of savings deposits	32.322	7.237	148.840	123.113
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

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

	30 June 2009	31 December 2008
Saving deposits in foreign branches		-
Saving deposits in off-shore banking regions	106.799	142.047
Total	106.799	142.047

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

	30 June 2009	31 December 2008
Foreign Branches' Deposits and other accounts		-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care		-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	20.359	18.747
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004		-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	106.799	142.047

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b. Information on trading derivative financial liabilities:

Trading Derivative Financial Liabilities	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Forward Transactions	59.665	572	64.616	1.383
Swap Transactions	105.361	23.835	107.785	46.477
Futures Transactions	-	-	-	-
Options	19.752	17.655	4	517
Other	-	-	-	-
Total	184.778	42.062	172.405	48.377

c. Information on borrowings:

1. Information on borrowings:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	707.408	392.500	502.641	377.231
From Foreign Banks, Institutions and Funds	1.124.524	4.572.480	1.070.006	5.280.780
Total	1.831.932	4.964.980	1.572.647	5.658.011

2. Information on maturity structure of borrowings:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Short-Term	775.474	2.885.676	676.280	2.446.239
Medium and Long-Term	1.056.458	2.079.304	896.367	3.211.772
Total	1.831.932	4.964.980	1.572.647	5.658.011

d. Information on marketable securities issued:

The Parent Bank has a securitisation borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting to equivalent of TL1.756.782 thousand using Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity") as an intermediary and Assured Guarantee, MBIA, Radian, Ambac, FGIC and XL Capital as guarantors. The interest rate of this borrowing ranges between Euribor/Libor+ 0,18% and 0,35%, and the maturity ranges between 7 and 8 years; the repayments will begin in the first period of 2010.

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	30 June 2009	31 December 2008
2010	337.190	369.495
2011	359.069	399.927
2012	359.069	399.927
2013	359.069	399.927
2014	316.552	357.538
2015	21.878	30.431
Interest Expense Accrual	3.955	9.053
Total	1.756.782	1.966.298

e. Information on other liabilities:

As of 30 June 2009, other liabilities do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

f. Information on financial leasing agreements:

	30 June 2009		31 December 2008	
	Gross	Net	Gross	Net
Less than 1 year	1	1	274	271
Between 1-4 years	-	-	10	9
More than 4 years	-	-	-	-
Total	1	1	284	280

g. Information on hedging derivative financial liabilities:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
Fair Value Hedge	100.275	-	-	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
Total	100.275	-	-	-

h. Information on provisions:

1. Information on general provisions:

	30 June 2009	31 December 2008
Provisions for Group I loans and receivables	531.151	464.275
Provisions for Group II loans and receivables	125.554	71.419
Provisions for non cash loans	101.655	111.410
Other	14.315	11.914
Total	772.675	659.018

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2. Information on reserve for employment termination benefits:

In accordance with Turkish Labour Law, reserve for employment termination benefit is calculated over today's possible liability of the Bank in case of the retirement of employees. TAS 19 necessitates the actuarial valuation methods to calculate the liabilities of enterprises.

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

	30 June 2009	31 December 2008
Discount rate (%)	6,26	6,26
The Rate Used Related to Retirement Expectation (%)	94,78	95,53

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL2.365,16 (1 July 2008: TL2.173,19) effective from 1 July 2009 has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefit liability in the balance sheet:

	30 June 2009	31 December 2008
Prior period ending balance	94.889	96.626
Provisions recognised during the period	5.489	15.308
Paid during the period	(6.928)	(17.238)
Foreign currency differences	5	193
Balance at the end of the period	93.455	94.889

In addition, the Group has accounted for unused vacation rights provision amounting to TL62.833 thousand as of 30 June 2009 (31 December 2008: TL59.205 thousand).

3. Other provisions:

	30 June 2009	31 December 2008
Pension fund provision	815.947	774.366
Tax risk provision ⁽¹⁾	56.383	40.848
Non-cash loan provision	66.757	62.288
Provisions on credit cards and promotion campaigns related to banking services	46.570	56.674
Provision on export commitment estimated liability	42.748	40.495
Legal risk provision ⁽¹⁾	23.042	22.927
Other	101.621	189.458
Total	1.153.068	1.187.056

⁽¹⁾ Considered as provisions for possible risks.

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

As of 30 June 2009, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL44.478 thousand (31 December 2008: TL10.498 thousand).

i. Information on taxes payable:

(i) Information on taxes payable:

	30 June 2009	31 December 2008
Corporate Tax Payable	101.680	8.339
Taxation of Marketable Securities	99.654	106.717
Property Tax	1.079	1.001
Banking Insurance Transaction Tax (“BITT”)	37.774	42.501
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	768	2.283
Other	20.070	25.843
Total	261.025	186.684

(ii) Information on premium payables:

	30 June 2009	31 December 2008
Social Security Premiums – Employee	517	472
Social Security Premiums – Employer	541	393
Bank Pension Fund Premiums – Employee	-	-
Bank Pension Fund Premiums – Employer	-	-
Pension Fund Deposit and Provisions – Employee	6.062	1.936
Pension Fund Deposit and Provisions – Employer	6.323	2.207
Unemployment Insurance – Employee	462	450
Unemployment Insurance – Employer	923	900
Other	-	-
Total	14.828	6.358

j. Information on subordinated loans:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.212.770	-	2.220.601
From Other Foreign Institutions	-	-	-	-
Total	-	2.212.770	-	2.220.601

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

k. Information on shareholders’ equity:

1. Presentation of Paid-in capital (as nominal; inflation unadjusted balances):

	30 June 2009	31 December 2008
Common Stock	4.347.051	4.347.051
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As nominal; inflation unadjusted balances):

The Parent Bank’s paid-in-capital is amounting of TL4.347.051 thousand and in accordance with the decision taken in the Ordinary General Assembly at 7 April 2008, the Bank has switched to the registered capital system and the registered share capital ceiling is TL5.000.000 thousand.

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

As of 30 June 2009, there is no capital increase in the current period. In 2008, the Bank increased its issued capital by TL920.000.000 from TL3.427.051.284 to TL4.347.051.284 all in cash within the Bank’s registered capital ceiling of TL5.000.000.000.

4. Information on transfers from revaluation funds to capital during the current period: None.
5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.

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6. Information on privileges given to shares representing the capital by considering the Groups income profitability, prior period indicators on liquidity and uncertainty on these indicators:

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

7. Privilege on the corporate stock: None.

l. Information on marketable securities value increase fund:

	30 June 2009		31 December 2008	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures		-	-	-
Valuation Difference	20.092	12.946	16.071	(13.774)
Foreign Currency Difference	27.020	-	31.679	-
Total	47.112	12.946	47.750	(13.774)

m. Information on minority interest:

	30 June 2009	30 June 2008
Period Opening Balance	47.980	295.034
Current Year Income/(Loss)	5.894	(490)
Dividends Paid	(1.438)	(1.450)
Purchase From Minority Interest	-	(249.566)
Foreign Currency Translation Differences	419	(102)
Period Ending Balance	52.855	43.426

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III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:

a. Information on interest income:

1. Information on interest income on loans:

	30 June 2009		30 June 2008	
	TL	FC	TL	FC
Short-term Loans ⁽¹⁾	1.535.996	239.357	1.339.508	152.592
Medium/Long-term Loans ⁽¹⁾	792.489	242.248	605.888	193.335
Interest on Loans Under Follow-up Premiums Received from Resource Utilisation Support Fund	33.987	169	47.400	6.575
	-	-	-	-
Total ⁽¹⁾	2.362.472	481.774	1.992.796	352.502

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

2. Information on interest income on banks:

	30 June 2009		30 June 2008	
	TL	FC	TL	FC
From the CBRT ⁽¹⁾	-	-	-	-
From Domestic Banks	7.619	14.602	16.944	2.579
From Foreign Banks	1.876	19.683	21.359	18.344
Headquarters and Branches Abroad	-	-	-	-
Total	9.495	34.285	38.303	20.923

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

3. Information on interest income on marketable securities:

	30 June 2009		30 June 2008	
	TL	FC	TL	FC
From Trading Financial Assets	11.762	7.724	1.438	6.551
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	40.422	29.273	31.670	7.209
From Held-to-maturity investments	444.751	254.374	534.517	231.682
Total	496.935	291.371	567.625	245.442

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

	30 June 2009	30 June 2008
Interests Received from Investments in Associates and Subsidiaries	646	5

b. Information on interest expense:

1. Information on interest expense on borrowings:

	30 June 2009		30 June 2008	
	TL	FC	TL	FC
Banks	115.771	164.919	38.230	199.219
The CBRT ⁽¹⁾	-	-	-	-
Domestic Banks ⁽¹⁾	32.412	4.006	35.186	6.029
Foreign Banks	83.359	160.904	3.044	193.190
Headquarters and Branches Abroad	-	9	-	-
Other Institutions	-	112	-	26.624
Total⁽¹⁾	115.771	165.031	38.230	225.843

⁽¹⁾ Includes fees and commissions related to borrowings.

2. Information on interest expense given to investments in associates and subsidiaries:

	30 June 2009	30 June 2008
Interests Paid to Investments in Associates and Subsidiaries	1.236	(580)

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3. Maturity structure of the interest expense on deposits:

Account Name	Demand Deposit	Time Deposit						Cumulative Deposit	Total	30 June 2008
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year				
TL										
Bank Deposits	1.014	222	2.904	-	-	-	-	4.140	9.365	
Saving Deposits	477	241.847	683.629	14.745	4.699	6.885	-	952.282	939.909	
Public Sector Deposits	-	1.333	1.895	67	2	422	-	3.719	9.686	
Commercial Deposits	8.749	137.822	221.779	27.543	2.234	1.530	-	399.657	505.952	
Other Deposits	-	2.407	15.085	5.361	85	77	-	23.015	27.397	
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-	-	
Total	10.240	383.631	925.292	47.716	7.020	8.914	-	1.382.813	1.492.309	
FC										
Foreign Currency Deposits	2.016	128.800	131.381	20.901	23.136	27.174	1.344	334.752	284.579	
Bank Deposits	-	1.657	-	-	1.903	-	-	3.560	4.275	
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-	-	
Gold Vault	-	66	2	5	9	58	-	140	100	
Total	2.016	130.523	131.383	20.906	25.048	27.232	1.344	338.452	288.954	
Grand Total	12.256	514.154	1.056.675	68.622	32.068	36.146	1.344	1.721.265	1.781.263	

c. Information on trading loss / income (Net):

	30 June 2009	30 June 2008
Income	6.876.327	5.241.995
Income from Capital Market Transactions	134.079	30.675
Derivative Financial Transactions	3.750.031	2.316.295
Foreign Exchange Gains	2.992.217	2.895.025
Loss(-)	(6.477.627)	(5.179.842)
Loss from Capital Market Transactions	(8.764)	(20.787)
Derivative Financial Transactions	(3.402.496)	(2.218.995)
Foreign Exchange Loss	(3.066.367)	(2.940.060)
Net Gain/Loss	398.700	62.153

d. Information on loss / income from derivative financial operations :

	30 June 2009	30 June 2008
Effect of the change in foreign exchange on loss / income	396.076	67.608
Effect of the change in interest rate on loss / income	(48.541)	29.692
Total	347.535	97.300

e. Information on other operating income:

Other operating income mainly consists of collections from provisions recorded as expense in the previous years and sale of loans under follow-up.

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f. Provision expenses related to loans and other receivables:

	30 June 2009	30 June 2008
Specific provisions for loans and other receivables	671.908	161.859
III. Group Loans and Receivables	57.946	10.517
IV. Group Loans and Receivables	312.314	33.606
V. Group Loans and Receivables	301.648	117.736
General Provision Expenses	101.287	28.833
Provision Expense for Possible Risks	19.194	47.851
Marketable Securities Impairment Expenses	320	16
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-Sale Financial Assets	320	16
Investments in Associates, Subsidiaries and Held-to-Maturity Securities		
Value Decrease	9.317	5.244
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-Maturity Investments	9.317	5.244
Other	1.053	12.791
Total	803.079	256.594

g. Information related to other operating expenses:

	30 June 2009	30 June 2008
Personnel Expenses	504.463	496.661
Reserve for Employee Termination Benefits	522	644
Provision Expense for Pension Fund	41.581	131.441
Impairment Expenses of Fixed Assets	-	1.895
Depreciation Expenses of Fixed Assets	71.696	58.377
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortisation Expenses of Intangible Assets	18.653	21.459
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	515
Depreciation Expenses of Assets Held for Resale	1.306	2.150
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	393.536	375.852
Operational Lease Expenses	54.625	40.295
Maintenance Expenses	12.633	12.777
Advertising Expenses	36.298	41.491
Other Expense	289.980	281.289
Loss on Sales of Assets	218	606
Other	181.591	158.662
Total	1.213.566	1.248.262

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h. Explanations on profit and loss from continuing operations before tax:

Profit and loss before tax consists of net interest income amounting to TL1.882.730 thousand (30 June 2008: TL1.374.936 thousand), net fee and commission income amounting to TL730.446 thousand (30 June 2008: TL643.046 thousand) and total other operating expense amounting TL1.213.566 thousand (30 June 2008: TL1.248.262 thousand).

i. Provision for taxes on income from continuing operations:

As of 30 June 2009, the Bank has current tax expense amounting to TL237.376 thousand (30 June 2008: TL128.470 thousand) and deferred tax expense amounting to TL14.358 thousand (30 June 2008: TL84.497 thousand).

As of 30 June 2008, the Bank made an agreement with local tax authorities in relation to the corporate tax declarations for the periods 2003/2005 and gave up the legal process against Boğaziçi Kurumlar Vergi Dairesi according to Law Numbered 5736 which came into force on 27 February 2008 and published in the Official Gazette numbered 26800. In relation to the agreement, a payment amounting to TL49.064 thousand was made to the related tax office and has been accounted under deferred tax expense account in 2008.

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

- 1) The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions of the Group do not require any additional explanation to understand the Group’s current period performance (30 June 2008: Other than provision expense for the actuarial deficit of the Pension Fund amounting to TL131 million, tax expense amounting to TL49 million related to the compromise with the tax office and provision reversal income amounting to TL185 million related with the revised general loan loss provision calculation the characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Group’s current period performance).
- 2) Information on any change in the accounting estimates concerning the current period or consequent periods: None

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

l. Profit/loss of minority interest:

	30 June 2009	30 June 2008
Profit/(Loss) of minority interest	5.894	(490)

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(Continued)**

IV. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS

a. Information on off balance sheet commitments:

1. The amount and type of non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments:

	30 June 2009	31 December 2008
Commitments on credit cards limits	11.154.331	11.244.536
Loan granting commitments	2.591.181	2.485.283
Commitments for cheque books	1.463.588	1.391.826
Total	15.209.100	15.121.645

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

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

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

	30 June 2009	31 December 2008
Bank acceptance loans	158.924	211.367
Letter of credits	2.643.069	2.781.564
Other guarantees and collaterals	394.156	444.717
Total	3.196.149	3.437.648

- 2 (ii). Revocable, irrevocable guarantees, contingencies and other similar commitments:

The total of revocable, irrevocable guarantees, contingencies and other similar commitments as of 30 June 2009 is TL13.551.604 thousand (31 December 2008: TL13.362.343 thousand).

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

	30 June 2009	31 December 2008
Non-cash loans given against cash loans	322.706	403.136
With original maturity of 1 year or less than 1 year	178.017	216.212
With original maturity of more than 1 year	144.689	186.924
Other non-cash loans	16.425.047	16.396.855
Total	16.747.753	16.799.991

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

30 June 2009	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans				
Letters of Guarantee	5.972.478	7.286.540	114.309	178.277
Bank Acceptances	-	158.665	-	259
Letters of Credit	1.357	2.640.014	-	1.698
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	3.623	380.030	-	10.503
Total	5.977.458	10.465.249	114.309	190.737

31 December 2008	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans				
Letters of Guarantee	5.965.016	7.043.060	97.226	257.041
Bank Acceptances	-	211.367	-	-
Letters of Credit	547	2.766.213	-	14.804
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	3.057	415.122	-	26.538
Total	5.968.620	10.435.762	97.226	298.383

b. Information on contingent liabilities:

Outstanding legal cases against the group have been considered as contingent liabilities and an TL23.042 thousand (31 December 2008: 22.927 thousand) provision against these legal cases has been accounted for in the financial statements under “Other Provisions” account.

c. Information on services in the name of others’ names and accounts:

The Group’s activities of saving and depositing in the name of real and legal persons are not considered as material.

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V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalent assets:

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

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

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

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

	30 June 2009	30 June 2008
Cash	2.768.546	1.434.389
Cash and Effectives	607.721	443.863
Demand Deposits in Banks	2.160.825	990.526
Cash Equivalents	1.420.136	999.768
Interbank Money Market	227.553	431.517
Deposits in Bank	1.192.583	568.251
Total Cash and Cash Equivalents	4.188.682	2.434.157

The total amount from the operations occurring in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

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

	30 June 2009	30 June 2008
Cash	2.269.075	1.772.301
Cash and Effectives	574.151	495.390
Demand Deposits in Banks	1.694.924	1.276.911
Cash Equivalents	3.013.477	2.326.990
Interbank Money Market	147.132	271.317
Time Deposits in Banks	2.866.345	2.055.673
Total Cash and Cash Equivalents	5.282.552	4.099.291

- b Information on cash and cash equivalents that are not in use due to legal limitations and other reasons:** None.

- c The effects of the change in foreign exchange rates on cash and cash equivalents:** None.

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VI. EXPLANATIONS AND NOTES RELATED TO GROUP’S MERGER, TRANSFERS AND COMPANIES ACQUIRED BY BANKS

- (i) Nominal share capital amount of TL34.897.132,53 (35,28% of the capital), owned by KFS in Yapı Kredi Menkul have been purchased by the Parent Bank in return for USD158.754.689,63 and the cost of the share purchase has been paid to KFS as TL188.617 thousand converted with the CBRT exchange rate at 15 February 2008.
- (ii) Besides, the nominal share capital amount of EUR32.672.880,00 (67,24% of the capital), owned by KFS in Yapı Kredi NV has been purchased by the Parent Bank in return for EUR97.502.661,71 and the cost of the share purchase has been paid to KFS as TL165.063 thousand converted with the CBRT EUR exchange buying rate at 11 January 2008.

Since the transactions mentioned above are considered as transactions with minorities the difference between the purchase cost and the net assets acquired is disclosed under “Prior Years’ Income or (Loss)” line of consolidated statement of changes in shareholders’ equity.

VII. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP

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

1. Information on loans of the Group’s Risk Group:

30 June 2009 Groups’ Risk Group ⁽¹⁾⁽²⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period	5	940	219.751	64.690	561.783	567.664
Balance at the End of the Period	17.028	1.152	21.015	84.452	462.326	564.118
Interest and Commission Income Received	646	10	1.828	454	31.366	1.501

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

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

31 December 2008 Groups’ Risk Group ⁽¹⁾⁽²⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period		10.256	4.930	48.862	388.179	630.240
Balance at the End of the Period	5	940	219.751	64.690	561.783	567.664
Interest and Commission Income Received ⁽³⁾	5	264	3.821	323	27.694	937

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

(2) The information in table above includes banks as well as loans.

(3) Income statement figures represents the balances for the six months period ending at 30 June 2008.

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

Group’s Risk Group ⁽¹⁾⁽²⁾	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Deposit						
Beginning of the Period	6.452	7.823	3.962.944	1.731.617	1.669.243	1.705.315
End of the Period	25.152	6.452	2.862.927	3.962.944	1.147.710	1.669.243
Interest Expense on Deposits⁽³⁾	1.236	580	126.632	76.513	77.040	108.294

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

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

(3) The figures in 31 December 2008 column represents balances as of 30 June 2008.

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

Group’s Risk Group ⁽¹⁾	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Transactions at fair value through profit or loss⁽²⁾						
Beginning of the Period ⁽³⁾			17	11	54	27
End of the Period ⁽³⁾			2	17	74	54
Total Profit / Loss⁽⁴⁾			(4)		2	(2)
Transactions for hedging purposes						
Beginning of the Period ⁽³⁾						
End of the Period ⁽³⁾						
Total Profit / Loss⁽⁴⁾						

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

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

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

(4) The figures in 31 December 2008 column includes balances as of 30 June 2008.

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b. With respect to the Group’s risk group:

1. The relations with entities that are included in the Group’s risk group and controlled by the Bank irrespective of the relationship between the parties:

The Parent Bank performs various transactions with group companies during its banking activities. These are commercial transactions realised with market prices.

2. Type of transaction and the related amount:

Risk Group	30 June 2009	31 December 2008
Loans	491.344	494.980
Banks	9.025	210.261
Marketable Securities	-	76.298
Leasing Receivables / (payables), net	10.606	13.437
Factoring Receivables / (payables), net	492.273	87.062
Interest Income Received ⁽¹⁾	33.840	31.520
Non- Cash Loans	649.722	633.294
Commission Income Received ⁽¹⁾	1.965	1.524
Deposit	3.052.736	4.285.409
Borrowings and Money Markets	983.053	1.353.230
Interest Expense Paid ⁽¹⁾	204.908	185.387
Trading Transactions	775.883	711.872
Trading Transactions (Loss)/income, net ⁽¹⁾	20.945	2.169

⁽¹⁾ Figures at 31 December 2008 column represents balances as of 30 June 2008.

3. Information regarding benefits provided to the Bank’s key management:

Salaries paid to the Bank’s key management amount to TL25.079 thousand (30 June 2008: TL20.325 thousand) as of 30 June 2009.

VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

1. According to the decision of the Board of Directors dated 1 July 2009; Vittorio G. M. Ogliengo has resigned from his duty as Chairman of the Audit Committee and signed as member of the Audit Committee, Stephan Winkelmeier has been resigned his duty as member of the Audit Committee and Federico Ghizzoni has been signed as Chairman of the Audit Committee.
2. As a result of the Extraordinary General Assembly Meetings, dated 30 June 2009, of Yapı Kredi Yatırım Menkul Değerler A.Ş. (“YK Yatırım”), which is the Bank’s subsidiary with a shareholding of 99.98%, and of UniCredit Menkul Değerler A.Ş. (“UCM”), which is 99.99% the subsidiary of Koç Finansal Hizmetler A.Ş., the Bank’s main shareholder, the following decisions were taken:

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- that YK Yatırım’s intermediary activities function, which serves corporate clients, be added to UCM as capital in-kind through a partial spin-off over its book values included in the balance sheet at 31 December 2008,

- that the Spin-off Agreement, which was entered into between UCM and YK Yatırım on 10 June 2009 and fell within the scope of approval from the Capital Markets Board (“CMB”) as of 22 June 2009, be approved, and

- in accordance with the Spin-off Agreement, which was approved by the expert group on 20 May 2009 appointed by the 11th Commercial Court of First Instance with file No. 2009/1215 D.İş and which was permitted by the CMB and General Directorate of Domestic Trade under Ministry of Commerce; that the share capital of YK Yatırım be decreased by TL1,660,886, that the share capital be increased from internal resources without charge at the amount of share capital decrease simultaneously with the decrease, and that share capital of UCM be increased by TL2,345,375.

As a result of these operations no changes have occurred in the Bank’s share and ratio in YK Yatırım’s share capital. According to the spin-off agreement, the decision was taken to increase UCM share capital from TL19,500,000 to TL21,845,375 and the Bank has acquired a share of TL2,344,819 (10.734%) in UCM share capital.

**SECTION SIX
OTHER EXPLANATIONS AND NOTES**

I. OTHER EXPLANATIONS ON GROUP’S OPERATIONS

None.

**SECTION SEVEN
EXPLANATIONS ON REVIEW REPORT**

I. EXPLANATIONS ON REVIEW REPORT

The consolidated financial statements and explanatory notes as of 30 June 2009 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). The review report dated 4 August 2009 is presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.