

Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated financial statements and related disclosures at June 30, 2011 together with independent auditor's review report

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

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I. of Section three)

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

We have reviewed the accompanying unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at June 30, 2011 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Bank's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. at June 30, 2011 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation:

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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Selim Elhadef, SMMM
Partner

Istanbul, August 3, 2011

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

**The unconsolidated interim financial report of
Yapı ve Kredi Bankası A.Ş. as of June 30, 2011**

Yapı ve Kredi Bankası A.Ş.
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The unconsolidated financial report includes the following sections in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” as sanctioned by the Banking Regulation and Supervision Agency.

- **Section one** - General information about the bank
- **Section two** - Unconsolidated financial statements of the bank
- **Section three** - Explanations on accounting policies applied in the related period
- **Section four** - Information related to financial position of the bank
- **Section five** - Explanations and notes related to unconsolidated financial statements
- **Section six** - Other explanations
- **Section seven** - Independent auditor’s review report

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

Gianni F. G. PAPA
Vice Chairman of the
Board of Directors

H. Faik AÇIKALIN
Chief Executive Officer

Marco CRAVARIO
Chief Financial Officer

M. Gökmen UÇAR
Financial Reporting
and Accounting
Executive Vice President

Gianni F. G. PAPA
President of Audit Committee

Francesco GIORDANO
Member of Audit Committee

Fusun Akkal BOZOK
Member of Audit Committee

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

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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011

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

Section one

General information about the Bank

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

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

II. Explanation about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:

The Bank's publicly traded shares are traded on the Istanbul Stock Exchange ("ISE") since 1987 and the representatives of these shares, Global Depository Receipts, are quoted in London Stock Exchange. As of June 30, 2011, 18,20% of the shares of the Bank are publicly traded (December 31, 2010 - 18,20%). The remaining 81,80% is owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCI") and Koç Group.

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

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from ISE and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. As a result of the merger, the share transfer procedures in 2007 and capital increase by TL 920 million in 2008, KFS shares in the Bank increased to 81,80%.

III. Explanation regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:

As of June 30, 2011, the 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 ⁽¹⁾	Chairman
Gianni F.G. PAPA	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Carlo VIVALDI	Executive Director and Deputy Chief Executive Officer
Ahmet F. ASHABOĞLU	Member
Fusun Akkal BOZOK	Member
Francesco GIORDANO	Member
O. Turgay DURAK	Member
Massimiliano FOSSATI	Member
Vittorio G.M. OGLIENGO	Member

(1) Tayfun Bayazit, the Chairman of the Board of Directors has resigned as at August 1, 2011. According to the resolution of the Board of Directors dated July 29, 2011, it has been decided to propose Mustafa Vehbi Koç as the Chairman of the Board of Directors and Board member effective August 1, 2011 in the first coming general assembly meeting and also request for an approval to designate him to act as Chairman of the Board of Directors and Board member temporarily until the date of the general assembly meeting.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

General information about the Bank (continued)

General Manager and Assistant General Managers:

Name	Responsibility
H. Faik AÇIKALIN	General Manager
Carlo VIVALDI	Deputy General Manager
Mehmet Güray ALPKAYA	Corporate Sales Management
Marco CRAVARIO	Financial Planning and Administration Management
Yakup DOĞAN	Alternative Distribution Channels
Mehmet Murat ERMERT	Corporate Communication Management
Mert GÜVENEN	Corporate and Commercial Banking Management
Süleyman Cihangir KAVUNCU	Human Resources Management
Mert ÖNCÜ	Treasury Management
Mehmet Erkan ÖZDEMİR	Compliance Officer
Stefano PERAZZINI	Internal Audit
Yüksel RİZELİ	Information Systems and Operation Management
Cemal Aybars SANAL	Legal Activities Management
Wolfgang SCHILK	Risk Management
Zeynep Nazan SOMER	Retail Banking Management
Feza TAN	Corporate and Commercial Credit Management
Selim Hakkı TEZEL	Consumer and SME Credit Management
Mert YAZICIOĞLU	Private Banking and Asset Management

Audit Committee Members:

Name	Responsibility
Gianni F.G. PAPA	Chairman
Fusun Akkal BOZOK	Member
Francesco GIORDANO	Member

Statutory Auditors:

Name	Responsibility
Abdullah GEÇER	Auditor
Adil G. ÖZTOPRAK	Auditor

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

General information about the Bank (continued)

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

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 Bank's activities and service types:

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

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

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

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

As of June 30, 2011, the Bank has 886 branches operating in Turkey and 1 branch in off-shore region (December 31, 2010 - 867 branches operating in Turkey, 1 branch in off-shore region). As of June 30, 2011, the Bank has 14.547 employees (December 31, 2010 - 14.411 employees).

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of June 30, 2011 and December 31, 2010 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section two Unconsolidated financial statements

I. Balance sheet

		(30/06/2011)			(31/12/2010)		
Assets	Note (Section Five)	TL	FC	Total	TL	FC	Total
I. Cash and balances with Central Bank	I-a	5.031.749	4.670.373	9.702.122	2.558.309	3.345.174	5.903.483
II. Financial assets at fair value through profit or (loss) (net)	I-b	681.735	68.054	749.789	777.810	104.311	882.121
2.1 Trading financial assets		681.735	68.054	749.789	777.810	104.311	882.121
2.1.1 Government debt securities		398.204	12.096	410.300	159.875	60.999	220.874
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		283.531	55.127	338.658	617.935	43.112	661.047
2.1.4 Other marketable securities		-	831	831	-	200	200
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	52.407	1.478.731	1.531.138	69.745	994.796	1.064.541
IV. Money markets		28.085	-	28.085	949.427	-	949.427
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		28.085	-	28.085	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	949.427	-	949.427
V. Financial assets available-for-sale (net)	I-d	5.805.299	873.459	6.678.758	4.086.092	847.152	4.933.244
5.1 Share certificates		2.912	179	3.091	2.903	156	3.059
5.2 Government debt securities		4.368.004	541.627	4.909.631	3.027.506	541.549	3.569.055
5.3 Other marketable securities		1.434.383	331.653	1.766.036	1.055.683	305.447	1.361.130
VI. Loans and receivables	I-e	41.201.581	20.934.451	62.136.032	34.574.736	18.040.424	52.615.160
6.1 Loans and receivables		40.772.902	20.924.454	61.697.356	34.180.130	18.008.809	52.188.939
6.1.1 Loans to bank's risk group		597.396	506.401	1.103.797	722.352	284.021	1.006.373
6.1.2 Government debt securities		-	-	-	-	-	-
6.1.3 Other		40.175.506	20.418.053	60.593.559	33.457.778	17.724.788	51.182.566
6.2 Loans under follow-up		1.810.166	51.453	1.861.619	1.766.342	94.322	1.860.664
6.3 Specific provisions (-)		(1.381.487)	(41.456)	(1.422.943)	(1.371.736)	(62.707)	(1.434.443)
VII. Factoring receivables		-	-	-	-	-	-
VIII. Held-to-maturity investments (net)	I-f	3.972.724	8.063.708	12.036.432	5.245.468	7.285.189	12.530.657
8.1 Government debt securities		3.972.724	8.063.708	12.036.432	5.245.468	7.285.189	12.530.657
8.2 Other marketable securities		-	-	-	-	-	-
IX. Investments in associates (net)	I-g	4.503	43.404	47.907	3.940	43.404	47.344
9.1 Consolidated based on equity method		-	-	-	-	-	-
9.2 Unconsolidated		4.503	43.404	47.907	3.940	43.404	47.344
9.2.1 Investments in financial associates		4.503	43.404	47.907	3.940	43.404	47.344
9.2.2 Investments in non-financial associates		-	-	-	-	-	-
X. Subsidiaries (net)	I-h	1.392.800	408.423	1.801.223	1.392.800	397.041	1.789.841
10.1 Unconsolidated financial subsidiaries		1.390.500	408.423	1.798.923	1.390.500	397.041	1.787.541
10.2 Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI. Joint ventures (net)	I-i	24.592	-	24.592	24.592	-	24.592
11.1 Accounted based on equity method		-	-	-	-	-	-
11.2 Unconsolidated		24.592	-	24.592	24.592	-	24.592
11.2.1 Financial joint ventures		24.592	-	24.592	24.592	-	24.592
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. Lease receivables	I-j	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. Derivative financial assets held for hedging	I-k	72.381	12.150	84.531	34.463	3.738	38.201
13.1 Fair value hedge		59.438	-	59.438	34.463	-	34.463
13.2 Cash flow hedge		12.943	12.150	25.093	-	3.738	3.738
13.3 Foreign net investment hedge		-	-	-	-	-	-
XIV. Property and equipment (net)		1.070.780	-	1.070.780	1.104.973	-	1.104.973
XV. Intangible assets (net)	I-l	1.233.308	-	1.233.308	1,229.401	-	1,229.401
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		253.815	-	253.815	249.908	-	249.908
XVI. Investment property (net)	I-m	-	-	-	-	-	-
XVII. Tax asset		248.583	-	248.583	215.964	-	215.964
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		248.583	-	248.583	215.964	-	215.964
XVIII. Assets held for resale and related to discontinued operations (net)	I-n	80.553	-	80.553	79.377	-	79.377
18.1 Held for sale purposes		80.553	-	80.553	79.377	-	79.377
18.2 Related to discontinued operations		-	-	-	-	-	-
XIX. Other assets	I-o	723.795	860.359	1.584.154	546.620	821.200	1.367.820
Total assets		61.624.875	37.413.112	99.037.987	52.893.717	31.882.429	84.776.146

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of June 30, 2011 and December 31, 2010

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

I. Balance sheet

Liabilities	Note (Section Five)	(30/06/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
I. Deposits	II-a	32.232.870	23.682.262	55.915.132	32.345.382	20.379.150	52.724.532
1.1 Deposits of the Bank's risk group		3.560.020	2.616.397	6.176.417	4.096.117	2.753.585	6.849.702
1.2 Other		28.672.850	21.065.865	49.738.715	28.249.265	17.625.565	45.874.830
II. Derivative financial liabilities held for trading	II-b	246.617	80.616	327.233	290.361	42.773	333.134
III. Funds borrowed	II-c	932.006	9.109.838	10.041.844	967.174	7.405.771	8.372.945
IV. Money markets		5.037.291	4.292.474	9.329.765	44.350	2.915.611	2.959.961
4.1 Funds from interbank money market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		5.037.291	4.292.474	9.329.765	44.350	2.915.611	2.959.961
V. Marketable securities issued (net)	II-d	950.075	-	950.075	-	-	-
5.1 Bonds		950.075	-	950.075	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bills		-	-	-	-	-	-
VI. Funds		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. Miscellaneous payables		3.714.666	519.949	4.234.615	3.261.858	677.040	3.938.898
VIII. Other liabilities	II-e	1.086.887	656.586	1.743.473	699.659	314.021	1.013.680
IX. Factoring payables		-	-	-	-	-	-
X. Lease payables (net)		-	21.170	21.170	-	16.044	16.044
10.1 Financial lease payables	II-f	-	21.916	21.916	-	16.430	16.430
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred lease expenses (-)		-	(746)	(746)	-	(386)	(386)
XI. Derivative financial liabilities held for hedging	II-g	150.390	138.659	289.049	352.025	101.638	453.663
11.1 Fair value hedge		135.912	-	135.912	313.917	-	313.917
11.2 Cash flow hedge		14.478	138.659	153.137	38.108	101.638	139.746
11.3 Foreign net investment hedge		-	-	-	-	-	-
XII. Provisions	II-h	1.930.944	389.248	2.320.192	1.904.100	375.417	2.279.517
12.1 General loan loss provision		582.058	320.764	902.822	521.573	298.726	820.299
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		174.568	-	174.568	162.205	-	162.205
12.4 Insurance technical provisions (net)		-	-	-	-	-	-
12.5 Other provisions		1.174.318	68.484	1.242.802	1.220.322	76.691	1.297.013
XIII. Tax liability	II-i	257.033	-	257.033	255.798	-	255.798
13.1 Current tax liability		257.033	-	257.033	255.798	-	255.798
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. Liabilities for property and equipment held for sale and related to discontinued operations (net)		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
XV. Subordinated loans	II-j	-	2.425.266	2.425.266	-	2.110.274	2.110.274
XVI. Shareholders' equity	II-k	11.220.845	(37.705)	11.183.140	10.325.912	(8.212)	10.317.700
16.1 Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital reserves		699.873	(37.705)	662.168	716.069	(8.212)	707.857
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-k	(25.687)	77.845	52.158	101.047	84.026	185.073
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)		35.038	(115.550)	(80.512)	(9.590)	(92.238)	(101.828)
16.2.9 Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		146.641	-	146.641	80.731	-	80.731
16.3 Profit reserves		5.197.101	-	5.197.101	3.202.502	-	3.202.502
16.3.1 Legal reserves		266.973	-	266.973	163.959	-	163.959
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		4.930.128	-	4.930.128	3.038.543	-	3.038.543
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Income or (loss)		976.820	-	976.820	2.060.290	-	2.060.290
16.4.1 Prior years' income or (loss)		-	-	-	-	-	-
16.4.2 Current year income or (loss)		976.820	-	976.820	2.060.290	-	2.060.290
Total liabilities and shareholders' equity		57.759.624	41.278.363	99.037.987	50.446.619	34.329.527	84.776.146

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of June 30, 2011 and December 31, 2010

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

II. Off-balance sheet commitments

		(30/06/2011)			(31/12/2010)			
		Note (Section Five)	TL	FC	Total	TL	FC	Total
A	Off-balance sheet commitments (II+III)		58.258.834	64.130.923	122.389.757	46.765.703	54.018.284	100.783.987
I.	Guarantees and warranties	III -a-2,3	9.728.435	14.015.202	23.743.637	7.798.057	11.665.319	19.463.376
1.1	Letters of guarantee		9.057.376	7.611.009	16.668.385	7.780.045	7.030.946	14.810.991
1.1.1	Guarantees subject to state tender law		472.880	603.352	1.076.232	510.007	596.097	1.106.104
1.1.2	Guarantees given for foreign trade operations		1.008.843	7.007.657	8.016.500	840.037	6.434.849	7.274.886
1.1.3	Other letters of guarantee		7.575.653	-	7.575.653	6.430.001	-	6.430.001
1.2	Bank acceptances		-	157.481	157.481	-	165.797	165.797
1.2.1	Import letter of acceptance		-	157.481	157.481	-	165.797	165.797
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		12.178	5.089.384	5.101.562	12.337	3.894.831	3.907.168
1.3.1	Documentary letters of credit		12.178	5.089.384	5.101.562	12.337	3.894.831	3.907.168
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Prefinancing given as guarantee		143	2.174	2.317	143	2.062	2.205
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		658.738	414.056	1.072.794	5.532	269.072	274.604
1.9	Other warranties		-	741.098	741.098	-	302.611	302.611
II.	Commitments	III -a-1	23.422.082	2.533.479	25.955.561	19.805.392	2.750.840	22.556.232
2.1	Irrevocable commitments		22.944.070	2.533.479	25.477.549	19.370.406	2.750.840	22.121.246
2.1.1	Asset purchase and sale commitments		1.426.986	2.195.606	3.622.592	-	2.544.040	2.544.040
2.1.2	Deposit purchase and sales commitments		771	8.756	9.527	44	9.797	9.841
2.1.3	Share capital commitments to associates and subsidiaries		-	-	2.000	2.000	-	2.000
2.1.4	Loan granting commitments		3.748.836	329.091	4.077.927	3.070.259	186.250	3.256.509
2.1.5	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheques		4.134.407	-	4.134.407	3.653.626	-	3.653.626
2.1.8	Tax and fund liabilities from export commitments		36.103	-	36.103	39.486	-	39.486
2.1.9	Commitments for credit card limits		12.724.853	-	12.724.853	11.706.172	-	11.706.172
2.1.10	Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11	Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12	Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		870.114	26	870.140	898.819	10.753	909.572
2.2	Revocable commitments		478.012	-	478.012	434.986	-	434.986
2.2.1	Revocable loan granting commitments		478.012	-	478.012	434.986	-	434.986
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	Derivative financial instruments		25.108.317	47.582.242	72.690.559	19.162.254	39.602.125	58.764.379
3.1	Derivative financial instruments for hedging purposes		7.602.003	19.555.901	27.157.904	3.446.632	9.397.626	12.844.258
3.1.1	Transactions for fair value hedge		1.822.003	2.004.522	3.826.525	2.106.632	2.210.606	4.317.238
3.1.2	Transactions for cash flow hedge		5.780.000	17.551.379	23.331.379	1.340.000	7.187.020	8.527.020
3.1.3	Transactions for foreign net investment hedge		-	-	-	-	-	-
3.2	Trading transactions		17.506.314	28.026.341	45.532.655	15.715.622	30.204.499	45.920.121
3.2.1	Forward foreign currency buy/sell transactions		2.642.586	4.440.156	7.082.742	2.332.158	3.667.734	5.999.892
3.2.1.1	Forward foreign currency transactions-buy		585.410	2.954.163	3.539.573	639.241	2.347.493	2.986.734
3.2.1.2	Forward foreign currency transactions-sell		2.057.176	1.485.993	3.543.169	1.692.917	1.320.241	3.013.158
3.2.2	Swap transactions related to foreign currency and interest rates		8.165.302	14.872.099	23.037.401	7.923.100	20.304.304	28.227.404
3.2.2.1	Foreign currency swap-buy		6.226.165	2.233.628	8.459.793	5.869.467	7.007.043	12.876.510
3.2.2.2	Foreign currency swap-sell		1.597.537	6.721.489	8.319.026	1.853.633	10.479.439	12.333.072
3.2.2.3	Interest rate swap-buy		170.800	2.958.491	3.129.291	100.000	1.408.911	1.508.911
3.2.2.4	Interest rate swap-sell		170.800	2.958.491	3.129.291	100.000	1.408.911	1.508.911
3.2.3	Foreign currency, interest rate and securities options		5.991.426	8.250.155	14.241.581	4.910.363	5.878.631	10.788.994
3.2.3.1	Foreign currency options-buy		2.457.257	3.624.425	6.081.682	2.205.493	2.995.626	5.201.319
3.2.3.2	Foreign currency options-sell		2.743.138	3.354.210	6.097.348	2.399.726	2.815.730	5.215.456
3.2.3.3	Interest rate options-buy		300.000	635.760	935.760	-	-	-
3.2.3.4	Interest rate options-sell		300.000	635.760	935.760	-	-	-
3.2.3.5	Securities options-buy		106.388	-	106.388	152.572	67.075	219.647
3.2.3.6	Securities options-sell		84.643	-	84.643	152.572	-	152.572
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		-	-	-	1	-	1
3.2.5.1	Interest rate futures-buy		-	-	-	1	-	1
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		707.000	463.931	1.170.931	550.000	353.830	903.830
B.	Custody and pledges received (IV+V+VI)		93.379.127	23.068.984	116.448.111	99.965.963	20.279.816	120.245.779
IV.	Items held in custody		45.796.058	3.690.858	49.486.916	58.791.500	3.686.984	62.478.484
4.1	Customer fund and portfolio balances		-	117	117	-	102	102
4.2	Investment securities held in custody		35.943.338	3.189.562	39.132.900	50.473.276	3.243.930	53.717.206
4.3	Checks received for collection		8.154.353	76.500	8.230.853	6.607.943	58.497	6.666.440
4.4	Commercial notes received for collection		1.695.592	401.000	2.096.592	1.707.506	363.578	2.071.084
4.5	Other assets received for collection		-	23.679	23.679	-	20.877	20.877
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		2.775	-	2.775	2.775	-	2.775
4.8	Custodians		-	-	-	-	-	-
V.	Pledges received		46.643.328	18.748.681	65.392.009	40.304.331	15.999.918	56.304.249
5.1	Marketable securities		208.759	176	208.935	281.601	167	281.768
5.2	Guarantee notes		520.353	390.766	911.119	433.773	380.268	814.041
5.3	Commodity		78.804	-	78.804	58.680	-	58.680
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		31.861.966	13.792.407	45.654.373	27.491.727	11.473.952	38.965.679
5.6	Other pledged items		13.973.446	4.562.408	18.535.854	12.038.650	4.142.785	16.181.335
5.7	Pledged items-depository		-	2.924	2.924	-	2.746	2.746
VI.	Accepted independent guarantees and warranties		939.741	629.445	1.569.186	870.132	592.914	1.463.046
Total off-balance sheet commitments (A+B)			151.637.961	87.199.907	238.837.868	146.731.666	74.298.100	221.029.766

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

Yapı ve Kredi Bankası A.Ş.

**Unconsolidated financial statements
As of June 30, 2011 and 2010**

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

III. Income statement

Income and expense items		Note (Section Five)	01/01-30/06/201	01/01-30/06/2010
I.	Interest income	IV-a	3.220.438	2.841.371
1.1	Interest on loans	IV-a-1	2.496.906	2.204.482
1.2	Interest received from reserve deposits		-	34.899
1.3	Interest received from banks	IV-a-2	11.594	10.229
1.4	Interest received from money market transactions		1.849	32.364
1.5	Interest received from marketable securities portfolio	IV-a-3	709.433	558.787
1.5.1	Trading financial assets		8.405	5.508
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		260.320	78.900
1.5.4	Held to maturity investments		440.708	474.379
1.6	Financial lease income		-	-
1.7	Other interest income		656	610
II.	Interest expense	IV-b	(1.698.118)	(1.214.399)
2.1	Interest on deposits	IV-b-3	(1.361.105)	(1.065.372)
2.2	Interest on funds borrowed	IV-b-1	(200.188)	(134.957)
2.3	Interest expense on money market transactions		(129.326)	(13.595)
2.4	Interest on securities issued		(3.990)	-
2.5	Other interest expenses		(3.509)	(475)
III.	Net interest income (I + II)		1.522.320	1.626.972
IV.	Net fees and commissions income		851.846	757.107
4.1	Fees and commissions received		1.001.029	873.710
4.1.1	Non-cash loans		110.059	101.881
4.1.2	Other	IV-k	890.970	771.829
4.2	Fees and commissions paid		(149.183)	(116.603)
4.2.1	Non-cash loans		(262)	(66)
4.2.2	Other		(148.921)	(116.537)
V.	Dividend income		128.203	155.181
VI.	Trading gain/(loss) (net)	IV-c	(46.047)	(17.081)
6.1	Trading gains/(losses) on securities		8.814	28.997
6.2	Derivative financial transactions gains/(losses)	IV-d	(193.231)	(920.316)
6.3	Foreign exchange gains/(losses)		138.370	874.238
VII.	Other operating income	IV-e	453.697	481.345
VIII.	Total operating income (III+IV+V+VI+VII)		2.910.019	3.003.524
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(406.994)	(331.722)
X.	Other operating expenses (-)	IV-g	(1.296.484)	(1.211.062)
XI.	Net operating income/(loss) (VIII-IX-X)		1.206.541	1.460.740
XII.	Excess amount recorded as income after merger		-	-
XIII.	Income/(loss) from investments accounted based on equity method		-	-
XIV.	Income/(loss) on net monetary position		-	-
XV.	Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-h	1.206.541	1.460.740
XVI.	Tax provision for continuing operations (±)	IV-i	(229.721)	(270.739)
16.1	Current tax provision		(235.986)	(353.662)
16.2	Deferred tax provision		6.265	82.923
XVII.	Net profit/loss from continuing operations (XV±XVI)		976.820	1.190.001
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		-	-
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		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	Profit /losses before taxes from discontinued operations (XVIII-XIX)		-	-
XXI.	Tax provision for discontinued operations (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	Net profit/loss from discontinued operations (XX±XXI)		-	-
XXIII.	Net profit/loss (XVII+XXII)	IV-j	976.820	1.190.001
	Earnings/(loss) per share (full TL)		0,0022	0,0027

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements As of June 30, 2011 and 2010

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

III. Income statements

Income and expense items		Note (Section Five)	01/04-30/06/2011	01/04-30/06/2010
I.	Interest income	IV-a	1.642.725	1.381.906
1.1	Interest on loans	IV-a-1	1.310.626	1.125.939
1.2	Interest received from reserve deposits		-	18.188
1.3	Interest received from banks	IV-a-2	6.333	5.015
1.4	Interest received from money market transactions		416	17.323
1.5	Interest received from marketable securities portfolio	IV-a-3	324.845	215.066
1.5.1	Trading financial assets		5.090	2.605
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		137.201	41.634
1.5.4	Held to maturity investments		182.554	170.827
1.6	Financial lease income		-	-
1.7	Other interest income		505	375
II.	Interest expense	IV-b	(911.428)	(650.928)
2.1	Interest on deposits	IV-b-3	(704.036)	(574.142)
2.2	Interest on funds borrowed	IV-b-1	(108.194)	(68.188)
2.3	Interest expense on money market transactions		(92.560)	(8.284)
2.4	Interest on securities issued		(3.990)	-
2.5	Other interest expenses		(2.648)	(314)
III.	Net interest income (I + II)		731.297	730.978
IV.	Net fees and commissions income		434.549	392.799
4.1	Fees and commissions received		511.761	456.357
4.1.1	Non-cash loans		57.712	50.092
4.1.2	Other	IV-k	454.049	406.265
4.2	Fees and commissions paid		(77.212)	(63.558)
4.2.1	Non-cash loans		(214)	(38)
4.2.2	Other		(76.998)	(63.520)
V.	Dividend income		14.272	7.893
VI.	Trading gain/(loss) (net)	IV-c	(62.253)	(10.218)
6.1	Trading gains/(losses) on securities		7.839	16.564
6.2	Derivative financial transactions gains/(losses)	IV-d	(217.107)	(547.922)
6.3	Foreign exchange gains/(losses)		147.015	521.140
VII.	Other operating income	IV-e	173.034	315.253
VIII.	Total operating income (III+IV+V+VI+VII)		1.290.899	1.436.705
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(110.380)	(178.501)
X.	Other operating expenses (-)	IV-g	(634.386)	(571.804)
XI.	Net operating income/(loss) (VIII-IX-X)		546.133	686.400
XII.	Excess amount recorded as income after merger		-	-
XIII.	Income/(loss) from investments accounted based on equity method		-	-
XIV.	Income/(loss) on net monetary position		-	-
XV.	Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-h	546.133	686.400
XVI.	Tax provision for continuing operations (±) (±)	IV-i	(104.305)	(135.488)
16.1	Current tax provision		(119.840)	(145.993)
16.2	Deferred tax provision		15.535	10.505
XVII.	Net profit/loss from continuing operations (XV±XVI)		441.828	550.912
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		-	-
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		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	Profit /losses before taxes from discontinued operations (XVIII-XIX)		-	-
XXI.	Tax provision for discontinued operations (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	Net profit/loss from discontinued operations (XX±XXI)		-	-
XXIII.	Net profit/loss (XVII+XXII)	IV-j	441.828	550.912
	Earnings/(loss) per share (full TL)		0,0010	0,0013

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

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

Yapı ve Kredi Bankası A.Ş.

**Unconsolidated financial statements
As of June 30, 2011 and 2010**

(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	(30/06/2011)	(30/06/2010)
I. Transfers to marketable securities valuation differences from financial assets available for sale	(169.173)	(6.195)
II. Property and equipment revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Currency translation differences for foreign currency transactions	(449)	3.925
V. Profit/loss on cash flow hedges (effective part of the fair value changes)	31.669	(104.718)
VI. Profit/loss on foreign net investment hedges (effective part of the fair value changes)	-	-
VII. Effects of changes in accounting policy and adjustment of errors	-	-
VIII. Other income and expense items accounted under shareholders' equity according to TAS	219	-
IX. Deferred tax on valuation differences	26.354	21.831
X. Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	(111.380)	(85.157)
XI. Current year profit/loss	976.820	1.190.001
11.1 Net change in fair value of marketable securities (recycled to profit-loss)	1.674	2.306
11.2 Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(87.835)	(1.451)
11.3 Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4 Other	1.062.981	1.189.146
XII. Total income/loss accounted for the period (X+XI)	865.440	1.104.844

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

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

Yapı ve Kredi Bankası A.Ş.

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

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

V. Statement of changes in shareholders' equity

June 30, 2010	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
I. Period opening balance		4.347.051	-	543.881	-	96.220	-	1.769.658	61.969	1.354.777	-	93.811	-	-	-	-	8.267.367
II. Changes in accounting policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)		4.347.051	-	543.881	-	96.220	-	1.769.658	61.969	1.354.777	-	93.811	-	-	-	-	8.267.367
Changes in the period																	
IV. Increase/decrease due to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(5.308)	-	-	-	-	(5.308)
VI. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	(83.774)	-	-	(83.774)
6.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	(83.774)	-	-	(83.774)
6.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	3.925	-	-	-	-	3.925
XI. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current year income or loss		-	-	-	-	-	-	-	-	1.190.001	-	-	-	-	-	-	1.190.001
XX. Profit distribution		-	-	-	-	67.739	-	1.268.885	18.153	(1.354.777)	-	-	-	-	-	-	-
20.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	67.739	-	1.268.885	18.153	(1.354.777)	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+.....+ XVIII +XIX+XX)		4.347.051	-	543.881	-	163.959	-	3.038.543	80.122	1.190.001	-	92.428	-	-	(83.774)	-	9.372.211

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated statement of changes in shareholders' equity as of June 30, 2011

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

V. Statement of changes in shareholders' equity

June 30, 2011	Note (Section Five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves	Status reserves	Extraordinary reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
I. Prior period end balance		4.347.051	-	543.881	-	163.959	-	3.038.543	80.731	2.060.290	-	185.073	-	-	(101.828)	-	10.317.700
Changes in the period																	
II. Increase/decrease due to the merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(137.490)	-	-	-	-	(137.490)
IV. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	25.335	-	25.335
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	25.335	-	25.335
4.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	4.575	-	-	(4.019)	-	556
IX. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	219	-	-	-	-	-	-	-	219
XVII. Current year income or loss		-	-	-	-	-	-	-	-	976.820	-	-	-	-	-	-	976.820
XVIII. Profit distribution		-	-	-	-	103.014	-	1.891.585	65.691	(2.060.290)	-	-	-	-	-	-	-
18.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	103.014	-	1.891.585	65.691	(2.060.290)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (I+II+III+...+XVI+XVII+XVIII)		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	976.820	-	52.158	-	-	(80.512)	-	11.183.140

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as June 30, 2011 and 2010

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

VI. Statement of cash flows

	Notes (Section five)	(30/06/2011)	(30/06/2010)
A. Cash flows from banking operations			
1.1	Operating profit before changes in operating assets and liabilities	1.340.120	2.358.228
1.1.1	Interest received	3.194.801	2.943.340
1.1.2	Interest paid	(1.594.256)	(1.157.751)
1.1.3	Dividend received	113.970	145.822
1.1.4	Fees and commissions received	1.001.644	873.942
1.1.5	Other income	(97.055)	(417.814)
1.1.6	Collections from previously written-off loans and other receivables	737.790	764.551
1.1.7	Payments to personnel and service suppliers	(1.024.030)	(933.417)
1.1.8	Taxes paid	(292.280)	(327.836)
1.1.9	Other	V-c (700.464)	467.391
1.2	Changes in operating assets and liabilities	630.589	(709.629)
1.2.1	Net (increase)/decrease in trading securities	(191.241)	114.763
1.2.2	Net (increase)/decrease in fair value through profit/loss financial assets	-	-
1.2.3	Net (increase)/ decrease/in banks	(852.580)	813.925
1.2.4	Net (increase) in loans	(10.181.246)	(8.838.389)
1.2.5	Net (increase) in other assets	(236.620)	(753.146)
1.2.6	Net(decrease)/ increase in bank deposits	(268.661)	123.471
1.2.7	Net increase in other deposits	3.434.782	5.532.518
1.2.8	Net increase in funds borrowed	7.538.941	1.517.710
1.2.9	Net increase/ (decrease) in payables	-	-
1.2.10	Net increase in other liabilities	V-c 1.387.214	779.519
I.	Net cash flows from banking operations	1.970.709	1.648.599
B. Cash flows from investing activities			
II. Net cash flows from investing activities			
2.1	Cash paid for acquisition of investments in associates, subsidiaries and joint ventures	-	-
2.2	Cash obtained from disposal of investments in associates, subsidiaries and joint ventures	-	-
2.3	Purchases of property and equipment	(71.604)	(61.504)
2.4	Disposals of property and equipment	3.663	6.799
2.5	Purchase of investments available-for-sale	(2.549.214)	(4.311.659)
2.6	Sale of investments available-for -sale	662.317	3.031.873
2.7	Purchase of investment securities	(553.607)	(385.086)
2.8	Sale of investment securities	1.453.913	974.236
2.9	Other	-	-
C. Cash flows from financing activities			
III. Net cash flows from financing activities			
3.1	Cash obtained from funds borrowed and securities issued	3.127.768	1.608.768
3.2	Cash used for repayment of funds borrowed and securities issued	(1.757.314)	(663.616)
3.3	Issued capital instruments	-	-
3.4	Dividends paid	-	-
3.5	Payments for finance leases	(20.741)	(12.664)
3.6	Other	-	-
IV.	Effect of change in foreign exchange rates on cash and cash equivalents	V-c 228.479	(116.483)
V.	Net increase in cash and cash equivalents (I+II+III+IV)	2.494.369	1.719.263
VI.	Cash and cash equivalents at beginning of the period	V-a 4.966.401	4.457.804
VII.	Cash and cash equivalents at end of the period	V-a 7.460.770	6.177.067

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011

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

Section three

Explanations on accounting policies

I. Basis of presentation:

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which is effective from November 1, 2005, the Turkish Commercial Code (“TCC”), and Turkish tax legislation.

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No. 26333 dated November 1, 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards (“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 26430 dated February 10, 2007.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until December 31, 2004, except for the trading and available for sale financial assets, trading and hedging derivative financial assets and financial liabilities carried at fair value. Besides, the carrying values of financial assets carried at amortised cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

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

The accounting policies and valuation principles applied in the preparation of interim financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied at financial statements for the year ended December 31, 2010. TAS/TFRS changes (TFRIC 14 (Change) “Repayments of a Minimum Funding Instrument”; TAS 32 (Change), “Classification on Rights Issue”; TFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments; TAS 24, “Related Party Disclosures” Improvements to TFRS (Published in 2010)) (effective from January 1, 2011) do not have an effect on the Bank’s accounting policies, financial position or performance. Those accounting policies and valuation principles are explained in Notes II. to XXVII. below.

TFRS 9, “Financial Instruments” which will be compulsory for periods beginning on or after January 1, 2013, is allowed for the volunteering banks for early adoption starting as of December 31, 2010 as announced in “Change in Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette numbered 27824 dated January 23, 2011. The standard which the Bank did not early adopt for 2010, will primarily have an effect on the classification and measurement of the Bank’s financial assets. The Bank is currently assessing the impact of adopting TFRS 9. However, as the impact of adoption depends on the assets held by the Bank at the date of adoption itself, it is not practical or possible to quantify the effect at this stage. As of the date of these financial statements, the other TAS/TFRS standards announced but not yet effective are not expected to have significant impact on the Bank’s accounting policies, financial position and performance.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

Additional paragraph for convenience translation into English:

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

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

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

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency subsidiaries and foreign currency non-performing loans. Since the foreign currency investments and subsidiaries are considered as non-monetary items, they are translated with the exchange rates at the transaction date and therefore no foreign exchange differences are realized. Foreign currency non-performing loans are translated with the exchange rates at the date of transfer to non-performing loans accounts.

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

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

The Bank's derivative transactions mostly include foreign currency money and interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently re-measured at their fair values. As a result, the fair values of derivatives are reflected as net liability or net asset on a contract by contract basis. The accounting method of the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

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

Changes in the fair value of derivative instruments subject to fair value hedges are recognized under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities. If the underlying hedge does not conform to the hedge accounting requirements, the adjustments made to the carrying value (amortised cost) of the hedged item are discounted within the time to maturity and recognized under the profit and loss accounts.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using interest rate swaps. The effective portion of the fair value changes of the hedging instruments within this context are recorded in "Hedging funds" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization for sale of the hedging instrument, or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit and loss accounts as these cash flows of the hedged item are realized.

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

"Financial instruments at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "financial assets at fair value through profit or loss" in "derivative financial assets held for trading" and if the fair value difference is negative, it is disclosed under "derivative financial liabilities held for trading". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement.

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

Options in the Bank's portfolio are valued on a daily basis. Parameters vary according to the type of option (barrier/digital etc.).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to TAS 39; in case, (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another.

As of June 30, 2011, the Bank's credit derivatives portfolio included in the off-balance sheet accounts is composed of credit linked notes (embedded derivatives are separated from host contract in line with TAS 39 and recorded as credit default swaps) and credit default swaps.

Credit default swaps are the contracts, in which the seller commits to pay the contract value to the buyer in cases of certain credit risk events in return for the premium paid by the buyer for the contract.

Credit linked notes are bonds that have repayments depending on a credit event or the credit risk evaluation of a reference asset or asset pool. Since the active assets in the reference asset pool are recorded in the balance sheet of the issuer or the owner of the active assets, the issuer or the owner of the active assets can assume the offering of the credit linked bonds as an insurance for the credit losses of the active assets that are in the reference asset pool.

Credit default swaps are valued daily by the valuation model of the Bank and then accounted over their fair values; while credit linked notes are valued and accounted monthly.

Market risks of these products are monitored using the Bank's internal modelling system for the Value-at-Risk and basis points sensitivity analysis; the liquidity risks are monitored using the short term liquidity report on daily and the long term liquidity report on monthly basis.

According to the regulations of BRSA, those currency exchange transactions realized at value date in the initial phase of currency swaps are recorded and followed as irrevocable commitments in off-balance sheet accounts until the value date.

V. Explanations on interest income and expense:

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

VI. Explanations on fee and commission income and expenses:

All fees and commission income/expenses are recognized on an accrual basis, certain commission income and fees from various banking services are recorded as income at the time of realization. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted using the effective interest method. Contract-based fees or fees received in return for services like the purchase and sale of assets on behalf of a third party are recognized as income at the time of collection.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

VII. Explanations on financial assets:

The Bank classifies and accounts its financial assets as "fair value through profit or loss", "available-for-sale", "loans and receivables" or "held-to-maturity". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment. Regular purchases and sales of financial assets are recorded based on settlement date. Settlement date of a financial asset is the date that the asset is received or delivered by the Bank. Settlement date accounting requires; (a) accounting for the financial asset when the asset is received and (b) accounting of disposal of the financial asset and recording the related profit and loss when the asset is delivered. The fair value changes of an asset to be acquired between the trade date and settlement date is accounted in the same manner as acquired assets.

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

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

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be measured reliably and fair values are calculated by alternative models. All gains and losses arising from these valuations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of this section.

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are non-derivative financial assets other than loans and receivables, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity and that are not initially classified as financial assets at fair value through profit/loss or available for sale. Held-to-maturity financial assets are initially recognized at total of acquisition and transaction cost. Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

c. Loans and receivables:

Loans and receivables are non-derivative financial assets that are not quoted in a market or classified as held for trading at fair value through profit or loss or available for sale, and which have fixed or determinable payments. Loans and receivables are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No. 26333 dated November 1, 2006. In this context, the management estimates are determined, on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. General provisions are determined in accordance with the "incurred loss" model taking into consideration the factors listed above and the principles of TAS 39. The parameters of the incurred loss model are reviewed regularly and the effects of the changes are reflected in the income statement accordingly. The general loan loss provision determined through this methodology is higher than the minimum amount required by the related regulations.

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

d. Available-for-sale financial assets:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

VIII. Explanations on impairment of financial assets:

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

Impairment for held to maturity financial assets carried at amortized cost is calculated as the difference between the expected future cash flows discounted at the effective interest rate method and the carrying value. The impairment amount transferred from shareholders' equity to profit or loss for available for sale securities is calculated as the difference between the purchase cost (after deduction of principal repayments and redemption) and the fair value less any impairment that was previously recorded in profit or loss. This amount is recorded in expense accounts in accordance with the Uniform Chart of Accounts ("UCA").

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

IX. Explanations on offsetting financial assets:

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

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

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

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

The Bank has no securities lending transactions.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

XI. Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets:

According to the TFRS 5, a tangible asset (or a group of assets to be disposed) classified as "asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as "asset held for sale" only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

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

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

The Bank has no discontinued operations.

XII. Explanations on goodwill and other intangible assets:

a. Goodwill:

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

In line with "Turkish Financial Reporting Standard for Business Combinations" ("TFRS 3"), the goodwill is not subject to amortisation but is tested annually or more frequently for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36").

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

b. Other intangible assets:

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

The Bank evaluates the possibility of existence of impairment of other intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates the recoverable amount. The recoverable amount is the higher of net sales price or the value in use. When the book value of an other intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

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

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

XIII. Explanations on property and equipment:

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

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

Buildings	2%
Movables, movables acquired under financial leasing	20%

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

Where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down to its "recoverable amount" and the provision for impairment is charged to the income statement.

Property and equipment have not been 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 proceeds.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

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

XIV. Explanations on leasing transactions:

The Bank performs financial and operational leasing in the capacity of the lessee.

Financial lease

The Bank includes the lower of the market value of the fixed asset subject to financial leasing in the beginning of the financial leasing period or present value of the lease payments in property and equipment and records the liabilities arising from financial leasing in liabilities. Financing costs arising due to leasing are spread through the lease period forming a fixed interest rate. In addition, fixed assets that are obtained by the way of financial leasing are subject to depreciation based on their useful lives. If a decrease in the value of fixed assets that are subject to financial leasing is noticed, impairment provision is recognized. The liabilities arising from financial leasing contracts are accounted under "financial lease payables". Expenses arising from interest and exchange rate changes related to financial leasing liabilities are charged to the income statement. Lease payments are deducted from financial leasing payables. The Bank does not perform financial leasing operations as "Lessor".

Operational lease

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operational lease. Payments that are made under operational leases, are accounted in income statements on a straight line basis during the lease period.

XV. Explanations on provisions, contingent assets and liabilities:

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

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

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

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

XVI. Explanations on obligations related to employee rights:

a. Employee termination benefits

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

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Bank determined by using certain actuarial assumptions.

b. Pension rights

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008 and came into force. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period is extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011.

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

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

The main opposition party has applied to the Constitutional Court at June 19, 2008 for cancellation of some articles and requested them to be ineffective until the case of abrogation is finalized. The Constitutional Court announced that it has rejected the cancellation request with the decision taken in the meeting dated March 30, 2011. The decision with reasoning is not yet published in the Official Gazette. The Bank accounts for a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law.

c. Short term benefits of employee:

According to TAS 19, liabilities derived from unused vacation pay defined in "Short term benefits of employee" are accrued in the period in which they are realized and are not discounted.

XVII. Explanations on taxation:

a. Current tax:

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

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

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

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

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

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

b. Deferred tax:

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and in accordance with BRSA's explanations and circulars and the tax legislation, the Bank calculates deferred tax on temporary differences except for general loan loss provisions, to the extent that future taxable income is estimated to be available. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

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

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

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

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

c. Transfer pricing:

The article no.13 of the Corporate Tax Law No.5520 describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing (previously included as "disguised profit" in the Corporate Tax Law No.5422). "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at November 18, 2007, explains the application related issues on this topic effective from January 1, 2007, also taking into account the regulations in Article 41 of the Income Tax Law.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As discussed in the relevant section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XVIII. Explanations on borrowings:

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

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

Also, the Bank has started to obtain funds by issuing bonds at the current period.

XIX. Explanations on issuance of share certificates:

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

No dividend payments were announced after the balance sheet date.

XX. Explanations on avalized drafts and letter of acceptances:

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

XXI. Explanations on government grants:

As at June 30, 2011, in accordance with the related articles of the "Law Regarding the Supporting of Research and Development Activities" No 5746, the Bank received government grant from TÜBİTAK amounting TL 828 (December 31, 2010 - TL 609).

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

XXII. Profit reserves and profit distribution:

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

XXIII. Earnings per share:

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

	June 30, 2011	June 30, 2010
Net Income/(loss) to be appropriated to ordinary shareholders	976.820	1.190.001
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
Earnings per share (disclosed in full TL)	0,0022	0,0027

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares were issued during 2011 (December 31, 2010- no bonus shares were issued).

XXIV. Related parties:

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

XXV. Cash and cash equivalents:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations on accounting policies (continued)

XXVI. Explanations on operating segments:

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

XXVII.Reclassifications:

Reclassifications have been made on comparative figures as of December 31, 2010 and June 30, 2010, to conform to changes in presentation in the June 30, 2011 financials.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Section four

Information related to financial position of the Bank

I. Explanations on capital adequacy ratio:

- a. The capital adequacy ratio of the Bank is 14,14% (December 31, 2010 - 16,14%).
- 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 November 1, 2006 (together referred as "Regulation Regarding Capital Adequacy"). The following tables show the details of "Risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.

c. Information related to capital adequacy ratio:

	Risk weights ⁽¹⁾					
	0%	20%	50%	100%	150%	200%
Amount subject to credit risk						
Balance sheet items (net)	24.338.835	2.387.418	9.427.648	52.828.455	501.256	352.602
Cash	923.486	332	-	-	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	5.517.102	-	-	-	-	-
Domestic, foreign banks, head offices and branches abroad	-	1.377.633	-	151.323	-	-
Interbank money market placements	28.000	-	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-
Reserve requirements	3.322.051	-	-	-	-	-
Loans	2.217.412	957.776	9.287.129	47.186.090	501.256	352.602
Non-performing receivables (net)	-	-	-	438.676	-	-
Lease receivables	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-
Held-to-maturity investments	11.830.014	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	33.377	-	-
Miscellaneous receivables	-	563	-	811.537	-	-
Interest and income accruals	240.055	16.546	140.519	729.949	-	-
Investments in associates, subsidiaries and joint ventures (net)	-	-	-	1.801.223	-	-
Fixed assets	-	-	-	1.061.027	-	-
Other assets	260.715	34.568	-	615.253	-	-
Off-balance sheet items	815.558	3.737.153	430.930	15.545.949	-	-
Non-cash loans and commitments	815.558	2.437.033	430.930	15.393.336	-	-
Derivative financial instruments	-	1.300.120	-	152.613	-	-
Non-risk weighted accounts	-	-	-	-	-	-
Total risk weighted assets ⁽²⁾	25.154.393	6.124.571	9.858.578	68.374.404	501.256	352.602

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

(2) Not weighted.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

d. Summary information about capital adequacy ratio:

	June 30, 2011	December 31, 2010
Amount subject to credit risk (ASCR)	75.985.695	64.043.140
Amount subject to market risk (ASMR)	2.395.250	1.410.150
Amount subject to operational risk (ASOR)	8.842.703	7.806.018
Shareholders' equity	12.332.319	11.820.819
Shareholders' equity /(ASCR+ASMR+ASOR) *100	14,14	16,14

e. Information about shareholders' equity items:

	June 30, 2011	December 31, 2010
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	266.973	163.959
First legal reserve (Turkish Commercial Code 466/1)	266.973	163.959
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	4.930.128	3.038.543
Reserves allocated by the general assembly	4.930.128	3.038.543
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	976.820	2.060.290
Current period net profit	976.820	2.060.290
Prior periods profit	-	-
Provisions for possible risks (up to 25% of core capital)	127.464	114.906
Profit on disposal of associates, subsidiaries and immovables	146.641	80.731
Primary subordinated loans (up to 15% of core capital)	-	-
Portion of loss not covered with reserves (-)	-	-
Current period net loss	-	-
Prior periods loss	-	-
Leasehold improvements (-)	81.462	95.906
Prepaid expenses (-) ⁽¹⁾	-	121.397
Intangible assets (-)	1.233.308	1.229.401
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Amount exceeding limits as per the third clause of the article 56 of the Law (-)	-	-
Total core capital	10.024.188	8.902.657

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

	June 30, 2011	December 31, 2010
Supplementary capital		
General provisions	902.822	820.299
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⁾	1.755.762	2.097.218
45% of marketable securities valuation differences	23.472	83.283
Investments in associates and subsidiaries	-	-
Available-for-sale financial assets	23.472	83.283
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)reserves, status reserves and extraordinary reserves)	-	-
Total supplementary capital	2.682.056	3.000.800
Tier III capital	-	-
Capital	12.706.244	11.903.457
Deductions from the capital	373.925	82.638
Investments in unconsolidated financial institutions (domestic, foreign) and banks in which 10% or more equity interest exist	72.499	71.936
Investments in financial institutions (domestic, foreign) and banks, in which less than 10% equity interest exist and that exceeds 10% or more of the total core and supplementary capital of the bank	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments that have primary or secondary subordinated loan nature purchased from them	-	-
Loans extended as contradictory to the articles 50 and 51of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received due to the receivables from customers and are to be disposed according to banking law article 57 as they have been held for more than five years from the acquisition date	8.844	10.702
Other	292.582	-
Total shareholders' equity	12.332.319	11.820.819

(1) In accordance with the article no.1 of the "Regulation Regarding Banks' Shareholders Equity" published in the Official Gazette No.27870 dated March 10, 2011, prepaid expenses are no longer deducted from core capital.

(2) In accordance with the Regulation, the balance is disclosed net of the related receivables from banks and debt instruments issued by these banks.

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

II. Explanations on market risk:

The Bank considers currency risk, liquidity risk and interest rate risk as the most important components of market risk. The Bank's market risk exposure is calculated on a daily and weekly basis with the "Value-at-Risk Method" on the basis of the marketable securities portfolio and net foreign currency position including the Bank's currency risk. The Bank monitors its position in terms of portfolio according to risk management policy and value-at-risk limits on a daily basis. All the Bank's on- and off-balance-sheet positions and exchange positions are taken into consideration in the value-at-risk calculations. The results are presented daily to the senior management and monthly to the Executive Committee as a result of its Asset and Liability Management function. The below table represents the details of market risk calculation as of June 30, 2011 in accordance with Section 3 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No. 26333 dated November 1, 2006, namely the "Calculation of Market Risk with Standard Method".

a. Information on market risk:

	June 30, 2011	December 31, 2010
(I) Capital to be employed for general market risk - standard method	110.876	60.040
(II) Capital to be employed for specific risk -standard method	41.696	35.319
(III) Capital to be employed for currency risk – standard method	6.796	16.182
(IV) Capital to be employed for commodity risk - standard method	6.400	390
(V) Capital to be employed for settlement risk-standard method	-	-
(VI) Capital to be employed for market risk due to options-standard method	25.852	881
(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)	191.620	112.812
(IX) Amount subject to market risk 12,5xVIII) or (12,5xVII)	2.395.250	1.410.150

III. Explanations on operational risk:

The Bank calculates the amount subject to operational risk based on "Basic Indicator Method" by using 2010, 2009 and 2008 year-end gross income balances of the Bank, in accordance with Section 4 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" effective from June 1, 2007, published in the Official Gazette No. 26333 dated November 1, 2006, namely "The Calculation of the Amount Subject to Operational Risk". As of June 30, 2011, the total amount subject to operational risk is TL 8.842.703 (December 31, 2010 - TL 7.806.018) and the amount of the related capital requirement is TL 707.416 (December 31, 2010 - TL 624.481).

IV. Explanations on currency risk:

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

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

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular basis. Notwithstanding, the internal exchange position limit is minimal when compared to the related legal limit, internal position limits are not exceeded during the period. As a tool of currency risk management, derivatives such as swap and forwards are used to reduce risk whenever needed. In order to guard against extreme volatility during the year stress tests are applied.

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

(Exchange rates presented as full TL)

	USD	EUR	Yen
Balance sheet evaluation rate	TL 1,58940	TL 2,29040	TL 0,01956
June 29, 2011 bid rate	TL 1,59150	TL 2,27200	TL 0,01965
June 28, 2011 bid rate	TL 1,59450	TL 2,26300	TL 0,01971
June 27, 2011 bid rate	TL 1,58270	TL 2,25310	TL 0,01966
June 24, 2011 bid rate	TL 1,57780	TL 2,46640	TL 0,01953
June 23, 2011 bid rate	TL 1,56660	TL 2,25420	TL 0,01949

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

USD : TL 1,53353
Euro : TL 2,23372
Yen : TL 0,01927

As of December 31, 2010;

	USD	EUR	Yen
Balance sheet evaluation rate	TL 1,50730	TL 1,99780	TL 0,01845

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

Information on currency risk of the Bank:

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

	EURO	USD	Yen	Other FC	Total
June 30, 2011					
Assets					
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	2.858.288	1.796.263	723	15.099	4.670.373
Banks	499.886	934.215	1.197	43.433	1.478.731
Financial assets at fair value through profit or loss	11.811	55.033	126	1.084	68.054
Money market placements	-	-	-	-	-
Available-for-sale financial assets	22.465	850.992	-	2	873.459
Loans ⁽¹⁾	8.378.867	15.095.802	77.863	489.216	24.041.748
Investments in associates, subsidiaries and joint ventures	275.967	132.456	-	43.404	451.827
Held-to-maturity investments	469.246	7.594.462	-	-	8.063.708
Hedging derivative financial assets	833	11.317	-	-	12.150
Tangible assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets	201.102	394.142	7	240.431	835.682
Total assets	12.718.465	26.864.682	79.916	832.669	40.495.732
Liabilities					
Bank deposits	33.071	511.938	14	43.427	588.450
Foreign currency deposits	5.830.859	16.456.919	4.574	801.460	23.093.812
Funds from money market	356.932	3.935.540	-	2	4.292.474
Funds borrowed from other financial institutions	4.813.987	4.248.285	45.415	2.151	9.109.838
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	272.744	235.190	5.038	6.977	519.949
Hedging derivative financial liabilities	-	138.659	-	-	138.659
Other liabilities	2.809.928	361.125	486	12.099	3.183.638
Total liabilities	14.117.521	25.887.656	55.527	866.116	40.926.820
Net on-balance sheet position	(1.399.056)	977.026	24.389	(33.447)	(431.088)
Net off-balance sheet position ⁽²⁾	1.480.162	(2.650.215)	(26.660)	35.233	(1.161.480)
Financial derivative assets	5.626.787	17.000.927	39.517	543.150	23.210.381
Financial derivative liabilities	4.146.625	19.651.142	66.177	507.917	24.371.861
Non-cash loans	4.632.870	8.863.855	341.620	176.857	14.015.202
December 31, 2010					
Total assets	10.361.532	22.790.732	88.582	749.919	33.990.765
Total liabilities	13.047.640	20.044.191	55.417	815.074	33.962.322
Net on-balance sheet position	(2.686.108)	2.746.541	33.165	(65.155)	28.443
Net off-balance sheet position	3.699.938	(4.023.903)	(48.640)	35.104	(337.501)
Financial derivative assets	7.131.378	11.971.441	137.937	391.556	19.632.312
Financial derivative liabilities	3.431.440	15.995.344	186.577	356.452	19.969.813
Non-cash loans	3.925.920	7.227.463	324.972	186.964	11.665.319

(1) Includes FX indexed loans amounting to TL 3.117.294 (December 31, 2010 – TL 2.161.909) which have been disclosed as TL in the financial statements.

(2) Foreign exchange purchase commitments with future value dates amounting to TL 1.296.950 booked under commitments are not included.

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

V. Explanations on interest rate risk:

The monitoring of interest rate sensitive assets and liabilities and sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements are performed by the risk management department for all interest sensitive instruments. The results are presented monthly to the Executive Committee as a result of its Asset and Liability Management function. By using sensitivity and scenario analyses, the possible effects due to the interest rate volatility are analyzed. In these analyses possible losses are calculated for the change in fair value of interest sensitive products by applying shock tests to interest rates.

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

The bank utilizes TL/foreign currency and TL/TL interest rate swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the TL balance sheet. Furthermore, in order to reduce the repricing mismatch in the foreign currency balance sheet, foreign currency/foreign currency interest rate swaps were utilized.

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

June 30, 2011	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	-	-	-	-	-	9.702.122	9.702.122
Banks	331.683	207.731	120.757	159.886	-	711.081	1.531.138
Financial assets at fair value through profit/loss	101.010	96.087	173.161	333.403	46.128	-	749.789
Money market placements	28.085	-	-	-	-	-	28.085
Available-for-sale financial assets	1.071.412	37.523	411.972	2.269.059	2.885.701	3.091	6.678.758
Loans	9.502.064	5.021.833	15.187.537	19.434.469	11.176.579	1.813.550	62.136.032
Held-to-maturity investments	424.080	2.136.172	1.239.281	1.928.314	6.308.585	-	12.036.432
Other assets	526.593	42.486	34.522	-	-	5.572.030	6.175.631
Total assets	11.984.927	7.541.832	17.167.230	24.125.131	20.416.993	17.801.874	99.037.987
Liabilities							
Bank deposits	500.901	37.913	4.774	-	-	213.643	757.231
Other deposits	32.955.636	10.655.098	1.968.350	3.891	-	9.574.926	55.157.901
Funds from money market	6.007.283	1.640.375	1.443.690	238.417	-	-	9.329.765
Miscellaneous payables	-	-	-	-	-	4.234.615	4.234.615
Marketable securities issued	-	-	950.075	-	-	-	950.075
Funds borrowed from other financial institutions	2.716.644	4.356.796	2.313.045	87.771	567.588	-	10.041.844
Other liabilities and shareholders' equity	225.587	1.324.756	1.509.801	4.176	2.779	15.499.457	18.566.556
Total liabilities	42.406.051	18.014.938	8.189.735	334.255	570.367	29.522.641	99.037.987
Balance sheet long position	-	-	8.977.495	23.790.876	19.846.626	-	52.614.997
Balance sheet short position	(30.421.124)	(10.473.106)	-	-	-	(11.720.767)	(52.614.997)
Off-balance sheet long position	4.281.756	9.461.617	2.458.283	-	-	-	16.201.656
Off-balance sheet short position	-	-	-	(16.109.946)	(889.467)	-	(16.999.413)
Total position	(26.139.368)	(1.011.489)	11.435.778	7.680.930	18.957.159	(11.720.767)	(797.757)

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

December 31, 2010	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	-	-	-	-	-	5.903.483	5.903.483
Banks	56.318	315.246	103.256	229.252	-	360.469	1.064.541
Financial assets at fair value through profit/loss	277.150	352.636	102.369	23.300	126.666	-	882.121
Money market placements	949.427	-	-	-	-	-	949.427
Available-for-sale financial assets	589.046	104.872	712.803	1.756.402	1.767.062	3.059	4.933.244
Loans	9.735.927	5.371.958	13.410.601	15.410.095	7.711.756	974.823	52.615.160
Held-to-maturity investments	1.906.880	2.141.929	817.963	1.987.010	5.676.875	-	12.530.657
Other assets	477.200	9.298	28.903	-	-	5.382.112	5.897.513
Total assets	13.991.948	8.295.939	15.175.895	19.406.059	15.282.359	12.623.946	84.776.146
Liabilities							
Bank deposits	264.672	240.856	160	246.139	-	302.311	1.054.138
Other deposits	36.317.162	5.939.190	704.871	9.361	-	8.699.810	51.670.394
Funds from money market	889.114	1.692.612	378.235	-	-	-	2.959.961
Miscellaneous payables	2.640.080	-	-	-	-	1.298.818	3.938.898
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	3.905.526	1.675.425	1.985.616	273.283	533.095	-	8.372.945
Other liabilities and shareholders' equity	149.222	1.173.573	1.587.573	2.748	-	13.866.694	16.779.810
Total liabilities	44.165.776	10.721.656	4.656.455	531.531	533.095	24.167.633	84.776.146
Balance sheet long position	-	-	10.519.440	18.874.528	14.749.264	-	44.143.232
Balance sheet short position	(30.173.828)	(2.425.717)	-	-	-	(11.543.687)	(44.143.232)
Off-balance sheet long position	3.043.780	4.581.012	415.602	-	-	-	8.040.394
Off-balance sheet short position	-	-	-	(7.766.037)	(500.565)	-	(8.266.602)
Total position	(27.130.048)	2.155.295	10.935.042	11.108.491	14.248.699	(11.543.687)	(226.208)

b. Average interest rates for monetary financial instruments:

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

June 30, 2011	EURO	USD	Yen	TL
	%	%	%	%
Assets⁽²⁾				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	1,27	1,26	-	8,73
Financial assets at fair value through profit/loss	5,04	6,54	-	7,45
Money market placements	-	-	-	8,73
Available-for-sale financial assets	7,94	6,44	-	9,10
Loans ⁽¹⁾	5,24	4,47	4,81	12,78
Held-to-maturity investments	5,26	6,71	-	9,04
Liabilities⁽²⁾				
Bank deposits	-	0,56	-	6,25
Other deposits	3,52	4,32	0,30	9,40
Funds from money market	2,01	1,63	-	6,77
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	8,86
Funds borrowed from other financial institutions	2,97	2,35	2,36	13,87

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

December 31, 2010	EURO	USD	Yen	TL
	%	%	%	%
Assets⁽²⁾				
Cash (Cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	1,19	-	7,91
Financial assets at fair value through profit/loss	8,02	4,62	-	8,24
Money market placements	-	-	-	6,02
Available-for-sale financial assets	6,89	6,81	-	7,72
Loans ⁽¹⁾	4,95	4,35	4,72	12,87
Held-to-maturity Investments	5,23	6,76	-	9,98
Liabilities⁽²⁾				
Bank deposits	0,55	1,05	-	8,13
Other deposits	2,54	2,78	0,30	8,71
Funds from money market	1,75	1,49	-	5,42
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2,44	2,46	2,38	10,74

(1) Does not include credit card loans.

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

VI. Explanations on liquidity risk:

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

Off-balance-sheet derivative instruments and bonds issued are used in order to extend the short-term funding structure in the banking sector. The liquidity risk according to the mismatch of assets and liabilities is limited by investing in short-term instruments and liquid bonds.

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

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
June 30, 2011								
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	6.380.071	3.322.051	-	-	-	-	-	9.702.122
Banks	711.081	331.683	128.169	120.757	239.448	-	-	1.531.138
Financial assets at fair value through profit or loss	-	66.386	52.490	133.436	422.877	74.600	-	749.789
Money market placements	-	28.085	-	-	-	-	-	28.085
Available-for-sale financial assets	75.046	-	11	85.315	2.474.249	4.041.046	3.091	6.678.758
Loans	-	10.875.116	4.808.801	15.061.178	19.129.865	11.822.396	438.676	62.136.032
Held-to-maturity investments	-	-	548.094	218.879	3.940.472	7.328.987	-	12.036.432
Other assets ⁽¹⁾	803.412	861.356	30.294	26.038	26.950	1.249	4.426.332	6.175.631
Total assets	7.969.610	15.484.677	5.567.859	15.645.603	26.233.861	23.268.278	4.868.099	99.037.987
Liabilities								
Bank deposits	213.643	500.901	37.913	4.774	-	-	-	757.231
Other deposits	9.574.926	31.688.155	10.524.705	3.282.978	87.137	-	-	55.157.901
Funds borrowed from other financial institutions	-	292.801	292.222	5.662.680	2.842.418	951.723	-	10.041.844
Funds from money market	-	5.565.202	1.177.536	1.798.562	654.154	134.311	-	9.329.765
Marketable securities issued	-	-	-	950.075	-	-	-	950.075
Miscellaneous payables	450.671	3.783.944	-	-	-	-	-	4.234.615
Other liabilities ⁽²⁾	1.877.713	237.623	102.276	332.175	3.485.112	766.507	11.765.150	18.566.556
Total liabilities	12.116.953	42.068.626	12.134.652	12.031.244	7.068.821	1.852.541	11.765.150	99.037.987
Net liquidity gap	(4.147.343)	(26.583.949)	(6.566.793)	3.614.359	19.165.040	21.415.737	(6.897.051)	-
December 31, 2010								
Total assets	4.410.548	15.647.522	5.558.151	12.200.004	22.642.672	19.259.752	5.057.497	84.776.146
Total liabilities	9.568.362	42.664.764	7.690.945	5.532.470	5.354.047	3.287.105	10.678.453	84.776.146
Net liquidity gap	(5.157.814)	(27.017.242)	(2.132.794)	6.667.534	17.288.625	15.972.647	(5.620.956)	-

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

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

VII. Explanations on operating segments:

The Bank carries out its banking operations through three main business units: (1) Retail Banking (including credit cards and SME banking), (2) Corporate and Commercial Banking (3) Private Banking and Wealth Management.

The Bank's Retail Banking activities include credit cards, SME (small 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 Bank's Clubs and Programs within the World brand include Gold Club, Platinum Club, Crystal Club, Adios (Travel Program), Adios Premium (VIP Travel Program), Play Club (Young Employees Program and Student Program), Fenerbahçe Worldcard, KoçAilem Worldcard, Business Club (Corporate Program, Trio Program, Company Program and SME Program), Verimli Kart, Taksitçi Card, Share Program and Communication Program. The Bank also offers debit cards and a prepaid card named World Hediye Card.

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Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

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

Through its Private Banking and Wealth Management activities, the Bank serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposits, mutual funds, derivative products such as forwards, futures and options, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products, safe deposit boxes and e-banking services. Private Banking services are enhanced by investment advisory and portfolio management services provided by the Bank.

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

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

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

June 30, 2011	Retail banking	Corporate and commercial banking	Private banking and wealth management	Other	Total operations of the Bank
Operating revenue	1.230.626	609.127	68.502	873.561	2.781.816
Operating expenses	(686.484)	(185.449)	(33.152)	(798.393)	(1.703.478)
Net operating income	544.142	423.678	35.350	75.168	1.078.338
Dividend income ⁽¹⁾				128.203	128.203
Profit before tax	544.142	423.678	35.350	203.371	1.206.541
Tax provision ⁽¹⁾				(229.721)	(229.721)
Net profit	544.142	423.678	35.350	(26.350)	976.820
Segment assets	30.831.523	31.352.906	323.220	34.656.616	97.164.265
Investments in associates, subsidiaries and joint ventures				1.873.722	1.873.722
Total assets	30.831.523	31.352.906	323.220	36.530.338	99.037.987
Segment liabilities	26.936.591	16.791.578	12.840.933	31.285.745	87.854.847
Shareholders' equity				11.183.140	11.183.140
Total liabilities	26.936.591	16.791.578	12.840.933	42.468.885	99.037.987

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Information related to financial position of the Bank (continued)

December 31, 2010	Retail banking	Corporate and commercial banking	Private banking and wealth management	Other	Total operations of the Bank
Operating revenue ⁽²⁾	1.340.654	541.774	89.401	876.514	2.848.343
Operating expenses ⁽²⁾	(605.951)	(218.923)	(30.724)	(687.186)	(1.542.784)
Net operating income⁽²⁾	734.703	322.851	58.677	189.328	1.305.559
Dividend income ^{(1) (2)}				155.181	155.181
Profit before tax⁽²⁾	734.703	322.851	58.677	344.509	1.460.740
Tax provision ^{(1) (2)}				(270.739)	(270.739)
Net profit⁽¹⁾	734.703	322.851	58.677	73.770	1.190.001
Segment assets	26.522.965	28.966.163	347.550	27.077.691	82.914.369
Investments in associates, subsidiaries and joint ventures				1.861.777	1.861.777
Total assets	26.522.965	28.966.163	347.550	28.939.468	84.776.146
Segment liabilities	23.676.641	18.520.932	10.719.556	21.541.317	74.458.446
Shareholders' equity				10.317.700	10.317.700
Total liabilities	23.676.641	18.520.932	10.719.556	31.859.017	84.776.146

(1) Dividend income and tax provision have not been distributed based on operating segments and presented under "Other".

(2) Income statement figures represent balances for the 6 months period ended June 30, 2010.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Section five

Explanations and notes related to unconsolidated financial statements

I. Explanations and notes related to assets

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

1. Information on cash and the account of the CBRT:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Cash	633.978	228.659	513.677	172.513
The CBRT	4.397.771	4.441.382	2.044.632	3.172.303
Other	-	332	-	358
Total	5.031.749	4.670.373	2.558.309	3.345.174

2. Information on the account of the CBRT:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Demand unrestricted amount ⁽¹⁾	4.397.771	1.119.331	2.044.632	865.256
Time unrestricted amount	-	-	-	-
Reserve requirement	-	3.322.051	-	2.307.047
Total	4.397.771	4.441.382	2.044.632	3.172.303

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

3. Information on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements" numbered 2005/1, the banks operating in Turkey place reserves in the CBRT for their TL and foreign currency liabilities according to the maturities stated below.

- a) TL liabilities;
- Demand, notice deposits and private current accounts 16%,
 - Up to 1 month time deposit accounts (1 month included) 16%,
 - Up to 3 months time deposit accounts (3 months included) 13%,
 - Up to 6 months time deposit accounts (6 months included) 9%,
 - Up to 1 year time deposit accounts 6%,
 - 1 year and over 1 year time deposit accounts and accumulating deposit accounts 5%,
 - Liabilities excluding deposit 13%.
- b) Foreign currency liabilities;
- Demand, notice FC deposits and private current accounts and up to 1 month, up to 3 months , up to 6 months, and up to 1 year time FC deposits 12%
 - 1 year time and more than 1 year time FC deposits 11%,
 - Up to 1 year time FC liabilities (1 year included) 12%,
 - Up to 3 years time FC liabilities (3 years included) 11,5%,
 - More than 3 years time FC liabilities 11%,

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

1. As of June 30, 2011, the Bank does not have financial assets at fair value through profit and loss subject to repo transactions (December 31, 2010 - TL 43.734), and does not have financial assets at fair value through profit and loss given as collateral/blocked amount (December 31, 2010 - None).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

2. Positive differences related to trading derivative financial assets:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Forward transactions	69.904	-	26.842	-
Swap transactions	115.116	28.916	541.681	25.312
Futures transactions	-	-	-	-
Options	98.511	26.211	49.412	17.800
Other	-	-	-	-
Total	283.531	55.127	617.935	43.112

c. Information on banks:

1. Information on banks:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Banks	52.407	1.478.731	69.745	994.796
Domestic	30.660	188.160	49.623	399
Foreign	21.747	1.290.571	20.122	994.397
Head quarters and branches abroad	-	-	-	-
Total	52.407	1.478.731	69.745	994.796

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

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

As of June 30, 2011, available-for-sale financial assets given as collateral/blocked amount to TL 612.997 (December 31, 2010 - TL 7.654) and available-for-sale financial assets subject to repo transactions amount to TL 2.637.959. (December 31, 2010 - none).

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

	June 30, 2011	December 31, 2010
Debt securities	6.622.627	4.879.749
Quoted in stock exchange ⁽¹⁾	4.941.713	3.569.394
Not quoted ⁽²⁾	1.680.914	1.310.355
Share certificates	48.392	44.862
Quoted in stock exchange	-	-
Not quoted	48.392	44.862
Impairment provision (-)	(67.307)	(44.332)
Other ⁽³⁾	75.046	52.965
Total	6.678.758	4.933.244

(1) As of June 30, 2011, Eurobonds amounting to TL 533.462 (December 31, 2010 - TL 530.625) have been classified under debt securities quoted on stock exchange even though they are not quoted on a stock exchange since they are traded in the secondary market.

(2) As of June 30, 2011, not quoted debt securities amounting to TL 928.799 (December 31, 2010 - TL 729.227) are credit linked notes.

(3) As of June 30, 2011, other available-for-sale financial assets include mutual funds amounting to TL 75.046 (December 31, 2010 - TL 52.965).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

e. Explanations on loans:

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

	June 30, 2011		December 31, 2010	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	10.750	97.037	7.962	81.282
Loans granted to employees	87.315	71	84.879	83
Total	98.065	97.108	92.841	81.365

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

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Cash Loans				
Non-specialised loans	60.283.042	-	1.321.884	92.430
Discount and purchase notes	915.139	-	2.424	-
Export loans	9.729.773	-	192.163	-
Import loans	-	-	-	-
Loans granted to financial sector	1.299.681	-	-	-
Foreign loans	975.303	-	51.596	-
Consumer loans	11.074.096	-	369.389	3.054
Credit cards	9.022.006	-	175.237	20.124
Precious metal loans	340.207	-	4.857	-
Other ⁽¹⁾	26.926.837	-	526.218	69.252
Specialised loans	-	-	-	-
Other receivables	-	-	-	-
Total	60.283.042	-	1.321.884	92.430

- (1) As explained in the Note I.k of Section V, TL 114.129 of fair value difference of hedged items is classified under other loans.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	Short- term	Medium and long-term	Total
Consumer loans-TL	85.407	10.990.623	11.076.030
Real estate loans	5.975	5.632.198	5.638.173
Automotive loans	7.481	1.060.959	1.068.440
Consumer loans	346	42.802	43.148
Other	71.605	4.254.664	4.326.269
Consumer loans-FC indexed	-	194.522	194.522
Real estate loans	-	189.073	189.073
Automotive loans	-	1.430	1.430
Consumer loans	-	1.385	1.385
Other	-	2.634	2.634
Consumer loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual credit cards-TL	8.606.276	172.475	8.778.751
With installments	4.368.820	162.029	4.530.849
Without installments	4.237.456	10.446	4.247.902
Individual credit cards- FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel loans-TL	2.968	35.893	38.861
Real estate loans	7	1.205	1.212
Automotive loans	16	940	956
Consumer loans	-	-	-
Other	2.945	33.748	36.693
Personnel loans-FC indexed	-	6	6
Real estate loans	-	6	6
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	47.377	393	47.770
With installments	26.870	393	27.263
Without installments	20.507	-	20.507
Personnel credit cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit deposit account-TL (real person)⁽¹⁾	137.120	-	137.120
Credit deposit account-FC (real person)	-	-	-
Total	8.879.148	11.393.912	20.273.060

- (1) TL 678 of the credit deposit account belongs to the loans used by personnel.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	Short-term	Medium and long-term	Total
Commercial installments loans-TL	209.408	4.806.325	5.015.733
Business loans	1.049	304.278	305.327
Automotive loans	38.092	1.508.733	1.546.825
Consumer loans	-	215	215
Other	170.267	2.993.099	3.163.366
Commercial installments loans-FC indexed	27.085	518.626	545.711
Business loans	-	30.219	30.219
Automotive loans	1.073	108.291	109.364
Consumer loans	-	-	-
Other	26.012	380.116	406.128
Commercial installments loans-FC	-	-	-
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	387.853	2.993	390.846
With installment	131.397	2.993	134.390
Without installment	256.456	-	256.456
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Credit deposit account-TL (legal person)	433.914	-	433.914
Credit deposit account-FC (legal person)	-	-	-
Total	1.058.260	5.327.944	6.386.204

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

	June 30, 2011	December 31, 2010
Domestic loans	60.670.457	51.236.608
Foreign loans	1.026.899	952.331
Total	61.697.356	52.188.939

6. Loans granted to associates and subsidiaries:

	June 30, 2011	December 31, 2010
Direct loans granted to associates and subsidiaries	463.749	194.199
Indirect loans granted to associates and subsidiaries	-	-
Total	463.749	194.199

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

7. Specific provisions provided against loans:

	June 30, 2011	December 31, 2010
Loans and other receivables with limited collectability	61.390	47.547
Loans and other receivables with doubtful collectability	183.139	340.021
Uncollectible loans and other receivables	1.178.414	1.046.875
Total	1.422.943	1.434.443

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

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
June 30, 2011			
(Gross amounts before specific reserves)	25.189	29.451	65.248
Restructured loans and other receivables	25.189	29.451	65.248
Rescheduled loans and other receivables	-	-	-
December 31, 2010			
(Gross amounts before specific reserves)	22.242	34.388	31.201
Restructured loans and other receivables	22.242	34.388	31.201
Rescheduled loans and other receivables	-	-	-

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
December 31, 2010			
	233.800	373.419	1.253.445
Additions (+)	631.698	35.161	71.886
Transfers from other categories of non-performing loans (+)	-	361.540	316.811
Transfer to other categories of non-performing loans (-)	361.540	316.811	-
Collections (-)	284.694	137.433	315.663
Write-offs(-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
June 30, 2011	219.264	315.876	1.326.479
Specific provision (-)	(61.390)	(183.139)	(1.178.414)
Net balance on balance sheet	157.874	132.737	148.065

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
June 30, 2011			
Period end balance	1.203	27	50.223
Specific provision (-)	(218)	(27)	(41.211)
Net balance on-balance sheet	985	-	9.012
December 31, 2010			
Period end balance	-	-	94.322
Specific provision (-)	-	-	(62.707)
Net balance on-balance sheet	-	-	31.615

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 collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
June 30, 2011 (net)			
Loans granted to real persons and corporate entities (gross)	219.264	290.886	1.242.473
Specific provision amount (-)	(61.390)	(158.162)	(1.094.408)
Loans granted to real persons and corporate entities (net)	157.874	132.724	148.065
Banks (gross)	-	24.990	-
Specific provision amount (-)	-	(24.977)	-
Banks (net)	-	13	-
Other loans and receivables (gross)	-	-	84.006
Specific provision amount (-)	-	-	(84.006)
Other loans and receivables (net)	-	-	-
December 31, 2010 (net)			
Loans granted to real persons and corporate entities (gross)	233.800	372.696	1.168.053
Specific provision amount (-)	(47.547)	(339.298)	(961.483)
Loans granted to real persons and corporate entities (Net)	186.253	33.398	206.570
Banks (gross)	-	723	1.380
Specific provision amount (-)	-	(723)	(1.380)
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (net)	-	-	-

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

9. Information on the performing loans the maturity of which were extended:

Extended Agreements	Up to 1 month	1-3 months	3-6 months	6months-1 year	1 year and over	Total
1	75.251	155.300	90.697	35.282	2.694	359.224
2	50.330	1.155	2.783	8.511	615	63.394
3 and over	59.954	2.246	-	-	-	62.200
Total	185.535	158.701	93.480	43.793	3.309	484.818

f. Information on held-to-maturity investments:

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

	June 30, 2011	December 31, 2010
Government bond	12.036.432	12.530.657
Treasury bill	-	-
Other debt securities	-	-
Total	12.036.432	12.530.657

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

	June 30, 2011	December 31, 2010
Debt securities	12.130.192	12.609.092
Quoted on stock exchange ⁽¹⁾	12.130.192	12.609.092
Not quoted	-	-
Impairment provision (-)	(93.760)	(78.435)
Total	12.036.432	12.530.657

(1) As of June 30, 2011, Eurobonds amounting to TL 8.063.708 have been classified under debt securities quoted on stock exchange even though they are not quoted on a stock exchange because they are traded in the secondary market (December 31, 2010 - TL 7.285.189).

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

	June 30, 2011	December 31, 2010
Beginning balance	12.530.657	12.014.792
Foreign currency differences on monetary assets ⁽¹⁾	421.406	96.351
Purchases during year	553.607	3.002.737
Disposals through sales and redemptions	(1.453.913)	(2.569.034)
Impairment provision (-)	(15.325)	(14.189)
Period end balance	12.036.432	12.530.657

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

As of June 30, 2011, held-to-maturity investments given as collateral/blocked amount to TL 2.387.282 (December 31, 2010 - TL 1.416.697). Held-to-maturity investments subject to repo transactions amount to TL 7.696.560 (December 31, 2010 - TL 3.336.835).

g. Information on investments in associates (net):

1. General information on unconsolidated investments in associates:

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

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Market value
1	2.346.977	154.149	4.099	20.897	3.580	15.349	23.364	-
2	34.267	23.852	2.053	1.279	-	8.204	5.964	-
3	20.567	17.454	6.356	181	3	1.589	1.905	-

Financial statement information disclosed above shows June 30, 2011 results.

- (1) Financial statement information is disclosed in CHF. As of June 30, 2011, the evaluation rate for CHF is full TL 1,9060 (December 31, 2010 – full TL 1,6027).
(2) Financial statement information disclosed above shows June 30, 2011 results.
(3) Financial statement information disclosed above shows March 31, 2011 results.

3. Movement of unconsolidated investments in associates:

	June 30, 2011	December 31, 2010
Balance at the beginning of the period	47.344	47.344
Movements during the period	563	-
Purchases	-	-
Transfers	-	-
Bonus shares obtained ⁽¹⁾	563	-
Share of current period income	-	-
Sales	-	-
Revaluation (decrease)/increase	-	-
Impairment provision	-	-
Balance at the end of the period	47.907	47.344
Capital commitments	-	-
Share holding percentage at the end of the period (%)	-	-

- (1) As a result of the General Assembly Meeting of Bankalararası Kart Merkezi A.Ş registered on April 12, 2011; this amount represents the share of the Bank in capital increase .

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	June 30, 2011	December 31, 2010
Banks	43.404	43.404
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	4.503	3.940
Total financial investments	47.907	47.344

5. Valuation of unconsolidated investments in associates:

	June 30, 2011	December 31, 2010
Valuation with cost	47.907	47.344
Valuation with fair value	-	-
Valuation with equity method	-	-
Total	47.907	47.344

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

h. Information on subsidiaries (net):

1. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1	Yapı Kredi Portföy Yönetimi A.Ş.	Istanbul/Turkey	12,65	99,99
2	Yapı Kredi Holding B.V. ⁽¹⁾	Amsterdam/The Netherlands	100,00	100,00
3	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Istanbul/ Turkey	99,98	99,99
4	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	Istanbul/ Turkey	99,99	100,00
5	Yapı Kredi Faktoring A.Ş.	Istanbul/ Turkey	99,95	100,00
6	Yapı Kredi Moscow ⁽²⁾	Moscow/Russia	99,84	100,00
7	Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	74,01	93,94
8	Yapı Kredi Finansal Kiralama A.O.	Istanbul/Turkey	98,85	99,58
9	Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş.	Istanbul/ Turkey	11,09	56,07
10	Enternasyonal Turizm Yatırım A.Ş.	Istanbul/ Turkey	99,96	99,99
11	Yapı Kredi Azerbaijan ⁽³⁾	Baku/Azerbaijan	99,80	100,00
12	Yapı Kredi Nederland N.V. ⁽¹⁾	Amsterdam/The Netherlands	67,24	100,00

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

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

(3) Financial statement information is expressed in AZN in Note 2. As of June 30, 2011, the evaluation rate for AZN is full TL 1,9043 (December 31, 2010 – full TL 1,8891).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value ⁽¹⁾
1	65.808	58.491	801	3.074	30	22.554	25.473	-
2	45.356	45.318	-	-	-	(121)	674	-
3	996.593	275.307	5.783	33.812	7.080	69.213	58.603	-
4	12.843	10.636	192	30	-	1.072	1.250	-
5	1.687.556	103.204	595	57.822	-	19.899	13.605	-
6	209.323	64.984	6.255	6.614	697	3.324	4.523	-
7	934.554	198.495	16.324	17.607	10.750	35.388	36.103	1.264.000
8	2.754.101	804.749	2.390	106.366	-	69.543	47.633	1.883.400
9	76.900	75.684	32	1.121	(521)	(1.956)	1.295	37.100
10	37.147	23.046	3.971	499	-	349	776	-
11	165.995	52.350	4.227	5.603	252	3.066	3.503	-
12	1.597.136	215.532	282	34.633	5.588	4.399	12.681	-

(1) Calculated with the ISE market prices as of June 30, 2011 considering the total number of shares.

Financial statement information disclosed above shows June 30, 2011 results.

3. Movement schedule of subsidiaries:

	June 30, 2011	December 31, 2010
Balance at the beginning of the period	1.789.841	1.781.948
Movements during the period	11.382	7.893
Purchases	-	-
Transfers	-	-
Bonus shares obtained ⁽¹⁾⁽²⁾	11.382	7.893
Share of current year income	-	-
Sales	-	-
Revaluation (decrease) / increase	-	-
Impairment provision	-	-
Balance at the end of the period	1.801.223	1.789.841
Capital commitments	-	-
Share holding percentage at the end of the period (%)	-	-

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

(2) As a result of the General Assembly Meeting of Yapı Kredi Azerbaijan registered on April 20, 2011; capital was increased by 6.499 thousand AZN from the profit of 2010.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

Financial subsidiaries	June 30, 2011	December 31, 2010
Banks	297.519	286.137
Insurance companies	148.019	148.019
Factoring companies	183.325	183.325
Leasing companies	722.491	722.491
Finance companies	-	-
Other financial subsidiaries	447.569	447.569
Total financial subsidiaries	1.798.923	1.787.541

5. Subsidiaries quoted to stock exchange:

	June 30, 2011	December 31, 2010
Quoted on domestic stock exchanges	876.095	876.095
Quoted on foreign stock exchanges	-	-
Total of subsidiaries quoted to stock exchanges	876.095	876.095

i. Information on joint ventures (net):

1. Information on joint ventures:

Joint ventures	Bank's share	Group's share	Current assets	Non- current assets	Long term debt	Income	Expense
Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	30,45	30,45	84.937	1.885	239	10.819	(13.720)

Financial statement information disclosed above shows June 30, 2011 results.

j. Information on lease receivables (net):

None (December 31, 2010 - None).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

k. Information on hedging derivative financial assets:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Fair value hedge	59.438	-	34.463	-
Cash flow hedge	12.943	12.150	-	3.738
Foreign net investment hedge	-	-	-	-
Total	72.381	12.150	34.463	3.738

Starting from March 1, 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on part of its fixed interest TL mortgage and car loan portfolios and fair value effects of changes in foreign exchange rates on part of its foreign currency denominated funds using cross-currency interest rate swaps. The net carrying value of hedging instruments at June 30, 2011 is a liability amounting to TL 76.474 (December 31, 2010 - TL 279.454). At June 30, 2011, the fair value difference of the hedging instruments since the inception date is TL 120.085 (December 31, 2010 - TL 240.233) and the fair value difference of the hedged item is TL 114.129 (December 31, 2010 - TL 224.429).

In order to hedge its cash flow risk from liabilities, the Bank started to apply cash flow hedge accounting from January 1, 2010 onwards. The hedging instruments are USD, EUR and TL interest rate swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing USD, EUR and TL deposits and repos.

l. Information on intangible assets:

	June 30, 2011	December 31, 2010
Balance at the beginning of the period	1.229.401	1.186.024
Additions during the period	30.748	83.295
Unused and disposed items (-)	-	(159)
Impairment reversal	-	4.015
Amortisation expenses (-)	(26.841)	(43.774)
Balance at the end of the period	1.233.308	1.229.401

m. Information on investment property:

None (December 31, 2010 - None).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	June 30, 2011	December 31, 2010
Net book value at the beginning of the period	79.377	86.966
Additions	23.847	56.716
Disposals (-), net	(22.212)	(64.901)
Impairment reversal	800	2.752
Impairment (-)	(119)	(219)
Depreciation (-)	(1.140)	(1.937)
Net book value at the end of the period	80.553	79.377
Cost at the end of the period	87.019	85.836
Accumulated depreciation at the end of the period (-)	(6.466)	(6.459)
Net book value at the end of the period	80.553	79.377

As of June 30, 2011, the Bank booked impairment provision on assets held for resale with an amount of TL 10.252 (December 31, 2010 - TL 10.933).

o. Information on other assets:

As of June 30, 2011, other assets do not exceed 10% of the total assets.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

II. Explanations and notes related to liabilities

a. Information on deposits:

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

1 (i). June 30, 2011:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Total
Saving deposits	2.054.794	1.742.640	13.795.647	742.034	608.444	1.620.456	20.564.015
Foreign currency deposits	3.740.626	2.610.291	14.586.116	950.468	62.001	595.135	22.544.637
Residents in Turkey	3.652.049	2.593.226	13.393.468	846.346	60.031	411.476	20.956.596
Residents abroad	88.577	17.065	1.192.648	104.122	1.970	183.659	1.588.041
Public sector deposits	827.461	366	1.008	-	152	561	829.548
Commercial deposits	2.530.165	1.456.978	5.171.712	948.592	84.955	111.559	10.303.961
Other institutions deposits	41.794	14.691	194.838	107.734	154	7.354	366.565
Precious metals vault	380.086	9.949	62.507	29.899	33.429	33.305	549.175
Bank deposits	213.643	496.056	5.288	37.461	4.783	-	757.231
The CBRT	-	-	-	-	-	-	-
Domestic banks	121.390	495.726	-	-	-	-	617.116
Foreign banks	85.994	330	5.288	37.461	4.783	-	133.856
Participation banks	6.259	-	-	-	-	-	6.259
Other	-	-	-	-	-	-	-
Total	9.788.569	6.330.971	33.817.116	2.816.188	793.918	2.368.370	55.915.132

1 (ii). December 31, 2010:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Total
Saving deposits	1.816.685	4.434.620	10.869.254	210.358	37.088	114.112	17.482.117
Foreign currency deposits	3.875.115	3.885.684	10.800.664	461.711	68.061	334.546	19.425.781
Residents in Turkey	3.782.129	3.821.711	9.661.596	233.794	63.117	194.396	17.756.743
Residents abroad	92.986	63.973	1.139.068	227.917	4.944	140.150	1.669.038
Public sector deposits	320.906	14.937	60.880	543	-	-	397.266
Commercial deposits	2.414.474	3.252.232	6.502.676	177.890	3.206	70.312	12.420.790
Other institutions deposits	34.853	85.306	1.478.796	288	65	990	1.600.298
Precious metals vault	237.777	-	45.422	16.774	17.917	26.252	344.142
Bank deposits	302.311	262.655	36.965	-	206.068	246.139	1.054.138
The CBRT	-	-	-	-	-	-	-
Domestic banks	68.467	261.885	4.022	-	-	246.139	580.513
Foreign banks	219.571	770	32.943	-	206.068	-	459.352
Participation banks	14.273	-	-	-	-	-	14.273
Other	-	-	-	-	-	-	-
Total	9.002.121	11.935.434	29.794.657	867.564	332.405	792.351	52.724.532

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

2. Information on saving deposits insurance:

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

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Saving deposits				
Saving deposits	8.860.135	8.779.823	11.700.623	8.651.347
Foreign currency savings deposit	2.203.209	2.448.173	6.701.077	5.572.934
Other deposits in the form of savings deposits	216.866	117.017	278.044	196.827
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

2 (ii). Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons:

	June 30, 2011	December 31, 2010
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	26.389	21.080
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Turkey in order to engage in off-shore banking activities solely	15.100	116.231

b. Information on trading derivative financial liabilities:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Forward transactions	30.490	-	41.498	-
Swap transactions	134.558	51.177	203.119	21.075
Futures transactions	-	-	-	-
Options	81.569	29.439	45.744	21.698
Other	-	-	-	-
Total	246.617	80.616	290.361	42.773

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

c. Information on borrowings:

1. Information on borrowings:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	117.437	174.982	98.681	125.898
From foreign banks, institutions and funds	814.569	8.934.856	868.493	7.279.873
Total	932.006	9.109.838	967.174	7.405.771

2. Information on maturity structure of borrowings:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Short-term	149.084	5.174.208	451.197	3.807.190
Medium and long-term	782.922	3.935.630	515.977	3.598.581
Total	932.006	9.109.838	967.174	7.405.771

3. Information on securitisation borrowings:

The Bank has a securitisation borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting USD 477 million and EUR 241 million, the equivalent of TL 1.310.723 using Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity") as an intermediary and Assured Guaranty, MBIA, Radian, Ambac, FGIC and XL Capital as guarantors. The borrowing has floating interest rates based on Euribor/Libor, the maturity is between 2014 and 2015. The repayments commenced in 2010, and during 2011, a total of TL 181.298 is paid (2010 – TL 345.191).

d. Information on marketable securities issued:

- e. On June 8-9-10, 2011, the Bank issued bonds amounting to TL 1.000.000 (nominal) at an interest rate of 8,67% with 175 day maturity. These bonds could be re-purchased according to related legislation.

Information on other liabilities:

As of June 30, 2011, other liabilities do not exceed 10% of the total balance sheet commitments.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

f. Information on lease payables:

1. Information on financial leasing agreements:

	June 30, 2011		December 31, 2010	
	Gross	Net	Gross	Net
Less than 1 year	-	-	-	-
Between 1-4 years	21.800	21.058	13.619	13.300
More than 4 years	116	112	2.811	2.744
Total	21.916	21.170	16.430	16.044

2. Information on operational leasing agreements:

The Bank enters into operational leasing agreements annually for some of its branches and ATMs. The leases are prepaid and accounted as prepaid expenses under "Other Assets". The Bank has no liability that stems from operational leasing agreements.

g. Information on hedging derivative financial liabilities:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Fair value hedge ⁽¹⁾	135.912	-	313.917	-
Cash flow hedge ⁽¹⁾	14.478	138.659	38.108	101.638
Foreign net investment hedge	-	-	-	-
Total	150.390	138.659	352.025	101.638

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

h. Information on provisions:

1. Information on general provisions:

	June 30, 2011	December 31, 2010
Provisions for Group I loans and receivables	649.342	577.959
Provisions for Group II loans and receivables	88.917	104.422
Provisions for non cash loans	58.038	61.590
Other	106.525	76.328
Total	902.822	820.299

2. Information on reserve for employee rights:

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. TAS 19 necessitates actuarial valuation methods to calculate the liabilities of enterprises.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	June 30, 2011	December 31, 2010
Discount rate (%)	4,66	4,66
Possibility of being eligible for retirement (%)	94,48	94,71

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 2.731,85 effective from July 1, 2011 (July 1, 2010: full TL 2.517,01) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	June 30, 2011	December 31, 2010
Prior period ending balance	88.800	89.805
Changes during the period	14.720	15.145
Paid during the period	(12.494)	(16.150)
Balance at the end of the period	91.026	88.800

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 83.542 as of June 30, 2011 (December 31, 2010 - TL 73.405).

3. Other provisions:

	June 30, 2011	December 31, 2010
Pension fund provision	838.036	838.036
Non-cash loan provision	116.021	127.958
Provision for possible risks ⁽¹⁾	96.407	87.435
Provisions on credit cards and promotion campaigns related to banking services	39.701	39.697
Provision on export commitment tax and funds liability	36.103	39.486
Legal risk provision ⁽¹⁾	31.057	27.471
Other	85.477	136.930
Total	1.242.802	1.297.013

(1) Considered as provisions for possible risks, and charges.

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

As of June 30, 2011, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 5.334 (December 31, 2010 - TL 21.327).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

Provisions related to the foreign currency difference of foreign currency indexed loans is netted from the loan amount in the financial statements.

i. Information on taxes payable:

(i) Information on taxes payable:

	June 30, 2011	December 31, 2010
Corporate Tax Payable	118.321	104.458
Taxation of Marketable Securities	63.053	79.235
Property Tax	1.326	1.355
Banking Insurance Transaction Tax ("BITT")	36.536	31.627
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.541	3.167
Other	18.309	19.500
Total	239.086	239.342

As at June 30, 2011, the Bank has submitted its application to Boğaziçi Corporate Tax Authority and Taxpayers Office to claim for the benefit of the tax amnesty (the Law numbered 6111) regarding 6 tax penalties resulting from tax inspectors review of 2005, 2006, 2007, 2009 and 2010 fiscal years. As a result of this application, the restructured tax payable amounting to TL 1.332 was paid on due date at once.

(ii) Information on premium payables:

	June 30, 2011	December 31, 2010
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	7.953	7.291
Bank pension fund premiums – employer	8.291	7.604
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	567	520
Unemployment insurance – employer	1.136	1.041
Other	-	-
Total	17.947	16.456

(iii) Information on deferred tax liability:

None (December 31, 2010 - None).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

j. Information on subordinated loans:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	2.425.266	-	2.110.274
From other foreign institutions	-	-	-	-
Total	-	2.425.266	-	2.110.274

At March 31, 2006, Yapı Kredi obtained a subordinated loan amounting to EUR 500 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined as EURIBOR+2% for the first five years. The loan was obtained from Merrill Lynch Capital Corporation with UniCredito Italiano S.p.A. as guarantor. In addition, the subordinated loan obtained by Koçbank on April 27, 2006 amounting to EUR 350 million, with 10 years maturity and a repayment option at the end of 5 years has been transferred to the Bank. The interest rate is determined as EURIBOR+2,25% for the first five years. The loan was obtained from Goldman Sachs International Bank with Unicredit S.p.A. as guarantor. The Bank has not exercised the early repayment option related to these two loans which was available as of the date of these financial statements. In addition, the Bank obtained a subordinated loan on June 25, 2007 amounting to EUR 200 million, with 10 years maturity and a repayment option at the end of 5 years. The interest rate is determined as EURIBOR+1,85% for the first 5 years. The loan was obtained from Citibank, N.A., London Branch with Unicredito Italiano SpA as guarantor. With the written approvals of the BRSA dated April 3, 2006, May 2, 2006 and June 19, 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the Capital Adequacy Regulation. According to the Regulation, subordinated loans obtained from Merrill Lynch Capital Corporation and Goldman Sachs International Bank are considered in the supplementary capital calculation at the rate of 80% as the remaining maturity of these loans is less than 5 years.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	June 30, 2011	December 31, 2010
Common stock	4.347.051	4.347.051
Preferred stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The Bank's paid-in-capital is amounting to TL 4.347.051 and in accordance with the decision taken in the Ordinary General Assembly at April 7, 2008, the Bank has switched to the registered capital system and the registered share capital ceiling is TL 5.000.000.

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

None (December 31, 2010 - None).

4. Information on transfers from capital reserves to capital during the current period: None.

5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.

6. Information on prior periods indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators:

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

7. Privileges on the corporate stock: None.

8. Information on marketable securities valuation differences:

	June 30, 2011		December 31, 2010	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	(25.687)	73.270	101.047	81.726
Foreign currency difference ⁽¹⁾	-	4.575	-	2.300
Total	(25.687)	77.845	101.047	84.026

(1) Includes current period foreign currency differences.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	June 30, 2011	December 31, 2010
Commitments on credit card limits	12.724.853	11.706.172
Loan granting commitments	4.077.927	3.256.509
Commitments for cheques	4.134.407	3.653.626
Other irrevocable commitments	4.540.362	3.504.939
Total	25.477.549	22.121.246

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

There are no material probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Bank has recorded a general provision for its non-cash loans amounting to TL 58.038 (December 31, 2010 - TL 61.590) and a specific provision regarding non-cash loans amounting to TL 116.021 (December 31, 2010 – TL 127.958).

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

	June 30, 2011	December 31, 2010
Bank acceptance loans	157.481	165.797
Letter of credits	5.101.562	3.907.168
Other guarantees and collaterals	1.816.209	579.420
Total	7.075.252	4.652.385

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

	June 30, 2011	December 31, 2010
Temporary letter of guarantees	1.479.753	1.020.700
Definite letter of guarantees	11.871.440	10.530.528
Advance letter of guarantees	1.976.466	2.100.373
Letter of guarantees given to customs	955.853	807.679
Other letter of guarantees	384.873	351.711
Total	16.668.385	14.810.991

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	June 30, 2011	December 31, 2010
Non-cash loans given against cash loans	234.471	218.350
With original maturity of 1 year or less than 1 year	39.968	24.803
With original maturity of more than 1 year	194.503	193.547
Other non-cash loans	23.509.166	19.245.026
Total	23.743.637	19.463.376

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

June 30, 2011	Group I		Group II⁽¹⁾	
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	8.988.661	7.567.919	68.715	43.090
Bank acceptances	-	157.481	-	-
Letters of credit	12.178	5.089.142	-	242
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	658.881	1.157.328	-	-
Total	9.659.720	13.971.870	68.715	43.332
December 31, 2010				
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	7.698.272	6.996.924	81.773	34.022
Bank acceptances	-	165.797	-	-
Letters of credit	12.337	3.894.663	-	168
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	5.675	571.843	-	1.902
Total	7.716.284	11.629.227	81.773	36.092

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

b. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 31.057 (December 31, 2010 - TL 27.471) for litigation against the Bank and has accounted for it in the financial statements under the "Other provisions" account.

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

IV. Explanations and notes related to income statement:

a. Information on interest income:

1. Information on interest income on loans:

	June 30, 2011		June 30, 2010	
	TL	FC	TL	FC
Short-term loans ⁽¹⁾	1.046.156	60.201	1.070.029	113.683
Medium/long-term loans ⁽¹⁾	943.920	397.025	752.797	227.110
Interest on loans under follow-up	49.511	93	40.397	466
Premiums received from resource utilization support fund	-	-	-	-
Total	2.039.587	457.319	1.863.223	341.259

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

2. Information on interest income on banks:

	June 30, 2011		June 30, 2010	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From domestic banks	4.496	661	3.498	353
From foreign banks	1.549	4.888	2.588	3.790
Headquarters and branches abroad	-	-	-	-
Total	6.045	5.549	6.086	4.143

3. Information on interest income on marketable securities:

	June 30, 2011		June 30, 2010	
	TL	FC	TL	FC
From trading financial assets	7.662	743	2.141	3.367
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	234.060	26.260	54.073	24.827
From held-to-maturity investments	177.958	262.750	265.586	208.793
Total	419.680	289.753	321.800	236.987

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

	June 30, 2011		June 30, 2010	
	TL	FC	TL	FC
Interests received from associates and subsidiaries		4.494		2.172

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

b. Information on interest expense:

1. Information on interest expense on borrowings:

	June 30, 2011		June 30, 2010	
	TL	FC	TL	FC
Banks	55.287	144.796	49.722	85.139
The CBRT	-	-	-	-
Domestic banks	4.177	2.020	4.609	1.776
Foreign banks	51.110	142.776	45.113	83.363
Headquarters and branches abroad	-	-	-	-
Other institutions	-	105	-	96
Total ⁽¹⁾	55.287	144.901	49.722	85.235

(1) Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

	June 30, 2011	June 30, 2010
Interests paid to associates and subsidiaries	15.157	18.377

3. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit					Accumulating deposit	Total	June 30, 2009
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
TL									
Bank deposits	101	-	6.518	-	-	380	-	6.999	8.677
Saving deposits	21	107.418	493.006	19.584	9.969	38.079	-	668.077	613.289
Public sector deposits	-	127	677	429	5	9	-	1.247	2.742
Commercial deposits	32	85.095	243.033	31.925	1.681	4.640	-	366.406	249.880
Other deposits	-	4.640	28.652	9.681	3	187	-	43.163	17.260
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	154	197.280	771.886	61.619	11.658	43.295	-	1.085.892	891.848
FC									
Foreign currency deposits	98	74.171	180.923	13.590	621	4.703	-	274.106	169.837
Bank deposits	-	2	93	658	29	-	-	782	3.503
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	254	12	17	22	20	-	325	184
Total	98	74.427	181.028	14.265	672	4.723	-	275.213	173.524
Grand total	252	271.707	952.914	75.884	12.330	48.018	-	1.361.105	1.065.372

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	June 30, 2011	June 30, 2010
Gain	9.555.703	9.436.791
Gain from capital market transactions	23.923	33.023
Derivative financial transaction gains	6.790.377	5.311.986
Foreign exchange gains	2.741.403	4.091.782
Loss(-)	(9.601.750)	(9.453.872)
Loss from capital market transactions	(15.109)	(4.026)
Derivative financial transaction losses	(6.983.608)	(6.232.302)
Foreign exchange loss	(2.603.033)	(3.217.544)
Net gain/loss	(46.047)	(17.081)

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

	June 30, 2011	June 30, 2010
Effect of changes in foreign exchange rates	(157.206)	(784.635)
Effect of changes in interest rates	(36.025)	(135.681)
Total	(193.231)	(920.316)

e. Information on other operating income:

Other operating income mainly results from collections from provisions recorded as expense, release of provisions and sale of fixed assets.

f. Provision for impairment of loans and other receivables:

	June 30, 2011	June 30, 2010
Specific provisions for loans and other receivables	272.051	210.056
III. Group loans and receivables	129.162	54
IV. Group loans and receivables	19.267	-
V. Group loans and receivables	123.622	210.002
General provision expenses	104.419	88.153
Provision expense for possible risks	12.558	24.741
Marketable securities impairment expenses	1.690	372
Financial assets at fair value through profit or loss	1.456	-
Available-for-sale financial assets	234	372
Impairment of investments in associates, subsidiaries and held-to-maturity securities	15.635	7.712
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments	15.635	7.712
Other	641	688
Total	406.994	331.722

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

g. Information related to other operating expenses:

	June 30, 2011	June 30, 2010
Personnel expenses	577.511	482.398
Reserve for employee termination benefits	2.226	3.567
Provision expense for pension fund	-	-
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	71.390	67.220
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	26.841	20.156
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	119	139
Depreciation expenses of assets held for resale	1.140	888
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	401.695	390.900
Operational lease expenses	62.340	54.883
Repair and maintenance expenses	11.054	9.419
Advertising expenses	31.067	40.848
Other expense	297.234	285.750
Loss on sales of assets	431	1.089
Other	215.131	244.705
Total	1.296.484	1.211.062

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

Income before tax includes net interest income amounting to TL 1.522.320 (June 30, 2010 – TL 1.626.972 TL), net fee and commission income amounting to TL 851.846 (June 30, 2010 – TL 757.107) and total other operating expense amounting TL 1.296.484 (June 30, 2010 – TL 1.211.062).

i. Provision for taxes on income from continuing operations:

As of June 30, 2010, the Bank has current tax expense amounting to TL 235.986 (June 30, 2010 - TL 353.662) and deferred tax income amounting to TL 6.265 (June 30, 2010 – TL 82.923).

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

	June 30, 2011	June 30, 2010
Income before tax provision	1.206.541	1.460.740
Tax calculated with tax rate of 20%	241.308	292.148
Disallowable and deductions	(11.587)	(21.409)
Total	229.721	270.739

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance. (June 30, 2010 - The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance.)
2. Information on any change in the accounting estimates concerning the current period or future periods: None.

k. Other items in income statement:

"Other fees and commissions received" in income statement mainly includes commissions and fees from credit cards and banking transactions.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

V. Explanations and notes related to statement of cash flows

a. Information on cash and cash equivalents:

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

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

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

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

	June 30, 2011	June 30, 2010
Cash	3.953.850	1.756.111
Cash and effectives	686.548	637.571
Demand deposits in banks	3.267.302	1.118.540
Cash equivalents	1.012.551	2.701.693
Money market	949.000	1.530.000
Time deposits in banks	63.551	1.171.693
Total cash and cash equivalents	4.966.401	4.457.804

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

	June 30, 2011	June 30, 2010
Cash	7.091.152	3.230.958
Cash and effectives	862.969	568.309
Demand deposits in banks	6.228.183	2.662.649
Cash equivalents	369.618	2.946.109
Money market	28.000	1.420.000
Time deposits in banks	341.618	1.526.109
Total cash and cash equivalents	7.460.770	6.177.067

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

Reserves amounting to TL 8.838.977 (June 30, 2010 - TL 3.789. 628) in CBRT represent the reserve requirements of the Bank, including the average reserve requirements. There is also TL 95.057 blocked amount in foreign banks account.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

c. Explanations on other items in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents:

Decrease in "Other account" amounting to TL 700.464 (June 30, 2010 - TL 467.391 increase) which is classified under "Operating profit before changes in operating assets and liabilities" includes mainly fee and commissions given, other operating expenses excluding personnel expenses and foreign exchange gains/losses.

Increase in "Net increase/decrease in other liabilities" amounting to TL 1.387.214 increase (June 30, 2010 - TL 779.519 increase) which is classified under "Changes in operating assets and liabilities" mainly arises from changes in miscellaneous payables and other liabilities.

The effects of the change in foreign exchange rates on cash and cash equivalents are calculated as an increase approximately of TL 228.479 as of June 30, 2011. (June 30, 2010 – TL 116.483 decrease).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

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

1. June 30, 2011:

Banks' 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	194.199	229.243	8.893	81.282	905.508	671.131
Balance at the end of the period	463.749	248.174	40.808	97.037	777.987	815.900
Interest and commission income received	4.494	761	862	450	28.440	2.777

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

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

December 31, 2010:

Banks' 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	115.865	31.375	59.325	54.926	470.383	550.070
Balance at the end of the period	194.199	229.243	8.893	81.282	905.508	671.131
Interest and commission income received ⁽³⁾	2.172	684	1.377	464	37.627	1.727

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

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

(3) Income statement figures represent profit / loss figures for the 6 months period ended June 30, 2010.

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

Banks' 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	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Deposit						
Beginning of the period	549.533	384.711	3.449.707	2.131.632	5.019.730	2.343.771
End of the period	548.981	549.533	3.691.507	3.449.707	4.084.494	5.019.730
Interest expense on deposits ⁽³⁾	15.157	18.377	97.443	50.195	126.116	53.857

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

(2) The information in table above includes borrowings, marketable securities issued and repo transactions as well as deposits.

(3) December 31, 2010 columns represent profit / loss figures for the 6 months period ended June 30, 2010.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

Banks' 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	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Transactions at fair value through profit or loss⁽²⁾						
Beginning of the period ⁽³⁾	963.586	1.002.431	187.782	378.174	642.637	710.040
End of the period ⁽³⁾	996.798	963.586	71.908	187.782	464.382	642.637
Total profit / (loss)⁽⁴⁾	(96.053)	(95.546)	1.320	(12.727)	(16.970)	(15.966)
Transactions for hedging purposes⁽²⁾						
Beginning of the period ⁽³⁾		-		-		-
End of the period ⁽³⁾		-		-		-
Total profit / (loss)⁽⁴⁾		-		-		-

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

(2) The Bank's derivative instruments are classified as "Financial Instruments at Fair Value Through Profit or Loss" or "Derivative Financial Instruments Held for Hedging" according to TAS 39.

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

(4) December 31, 2010 columns represent profit / loss figures for the 6 months period ended June 30, 2010.

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

Salaries and benefits paid to the Bank's top management amount to TL 17.219 as of June 30, 2011 (June 30, 2010 – TL 15.616).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

VII. Explanations and notes related to subsequent events

1. Tayfun Bayazıt, the Chairman of the Board of Directors has resigned as at August 1, 2011. According to the resolution of the Board of Directors dated July 29, 2011, it has been decided to propose Mustafa Vehbi Koç as the Chairman of the Board of Directors and Board member effective August 1, 2011 in the first coming general assembly meeting and also request for an approval to designate him to act as Chairman of the Board of Directors and Board member temporarily until the date of the general assembly meeting.
2. The Bank is in the process to obtain a securitization loan with 5 year maturity amounting to USD 400 million based on diversified payment rights.
3. The Bank has decided to issue TL or equivalent foreign currency bills and/or bonds with different maturities and fixed or floating interest rates determined by the market conditions up to USD 1,250 million which is planned to be sold to real and legal persons outside Turkey in one year period. Necessary authorization is given to Head office by the Board of Directors to perform the required procedures and to apply to authorities .
4. In accordance with the "Change in communiqué regarding the reserve requirements" published in the Official gazette dated July 26, 2011; reserve requirement ratios for foreign currency liabilities are regulated as stated below. The new ratios are going to be valid starting from July 22, 2011.

Foreign currency liabilities;

Demand, call deposits, private checking accounts, up to 1 month time deposit accounts, up to 3 months time deposit accounts, up to 6 months time deposit accounts and up to 1 year time deposit accounts 12%

1 year and over 1 year time deposit accounts 10%,

Up to 1 year liabilities excluding deposit (1 year included) 12%,

Up to 3 years liabilities excluding deposit (3 years included) 10%,

Over 3 years liabilities excluding deposit 9%

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Section six

Other explanations

I. Other explanations on the Bank's operations

None

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at June 30, 2011 (continued)

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

Section seven

Explanations on independent review report

I. Explanations on independent auditor's review report

The unconsolidated interim financial statements for the period ended June 30, 2011 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's review report dated August 3, 2011 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.