

**TÜRKİYE
HALK BANKASI A.Ş.**

INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2009

Report on Review of Interim Financial Information

To the Board of Directors of
Türkiye Halk Bankası A.Ş.
Ankara, Turkey

Introduction

1. We have reviewed the accompanying condensed balance sheet of Türkiye Halk Bankası A.Ş. as of June 30, 2009 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

2. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

İstanbul, August 27, 2009

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

	June 30, 2009	December 31, 2008
ASSETS		
Cash and cash equivalents	1,837,801	2,309,963
Balances with Central Bank	2,935,932	2,797,332
Money market placements	-	425
Financial assets at fair value through profit and loss	22,576	47,901
Derivative financial instruments	26,939	79,182
Loans and advances to customers	27,341,835	25,504,959
Loans and advances to financial institutions	1,264,585	420,658
Insurance premium receivables	45,641	39,805
Investment securities:		
- Available-for-sale	4,219,478	2,468,889
- Held-to-maturity	16,170,277	15,863,664
Investment in associates	176,616	170,501
Premises and equipment	989,874	942,482
Intangible assets	6,650	6,387
Deferred tax asset	90,010	49,755
Non-current assets held for sale	144,569	132,463
Other assets	549,094	346,703
Total assets	55,821,877	51,181,069
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from customers	38,901,143	38,926,598
Deposits from banks	1,966,367	1,264,682
Obligations under repurchase agreements	4,924,531	2,390,444
Derivative financial instruments	29,303	22,246
Funds borrowed	3,251,320	2,737,353
Insurance payables	8,515	4,651
Other liabilities and provisions	1,276,713	1,104,336
Insurance technical reserves	127,632	117,164
Income taxes payable	142,891	22,393
Total liabilities	50,628,415	46,589,867
EQUITY		
Equity attributable to equity holders of the parent		
Share capital issued	2,578,184	2,578,184
Unrealized gains/(losses) on available-for-sale investments, net of tax	(8,516)	(111,812)
Currency translation reserve	(13,706)	(14,443)
Hedging funds (effective part)	(1,710)	(18,533)
Retained earnings	2,633,100	2,150,862
Minority interest	6,110	6,944
Total equity	5,193,462	4,591,202
Total liabilities and equity	55,821,877	51,181,069

The accompanying policies and explanatory notes are integral part of these consolidated financial statements.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

	January 1 - June 30, 2009	January 1 - June 30, 2008
Interest income		
Interest on loans and advances	2,137,478	1,709,901
Interest on securities	1,305,216	1,302,812
Interest on deposits with banks and other financial institutions	73,930	109,036
Interest on other money market placements	1,013	8,175
Other interest income	14,740	4,039
Total interest income	3,532,377	3,133,963
Interest expense		
Interest on customer deposits	(1,860,772)	(1,942,016)
Interest on other money market deposits	(139,634)	(66,497)
Interest on funds borrowed and deposits from other banks	(42,142)	(41,282)
Other interest expense	(31,980)	(17,164)
Total interest expense	(2,074,528)	(2,066,959)
Net interest income	1,457,849	1,067,004
Fees and commissions and other operating income		
Fees and commissions income	246,602	216,096
Fees and commissions expenses	(39,440)	(37,797)
Net fees and commissions income	207,162	178,299
Income from insurance operations	69,721	61,943
Foreign exchange (loss)	(27,693)	(72,512)
Gains/(losses) on securities	30,928	(1,824)
Other income	70,304	96,951
Cost of insurance operations	(26,963)	(39,947)
Operating expenses	(655,890)	(500,208)
Provisions for impairment of loan receivables	(141,513)	(46,682)
Operating profit	983,905	743,024
Income from associates	8,448	11,350
Profit before income tax	992,353	754,374
Taxation	(200,657)	(150,914)
Net profit for the year	791,696	603,460
Other comprehensive income:		
Net change in unrealized gain/(losses) on available-for-sale investments	103,413	(274,580)
Currency translation differences	737	10,685
Total comprehensive income	895,846	339,565
Net profit for the year attributable to:		
Equity holders of the parent	791,557	602,991
Minority interest	139	469
Total comprehensive income attributable to:		
Equity holders of the parent	895,590	339,230
Minority interest	256	335
Earnings per share (full TRY)	0.00055	0.00042

The accompanying policies and explanatory notes are integral part of these consolidated financial statements.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY), unless otherwise stated.

	Share capital	Adjustment to share capital	Unrealized gains/(losses) on available-for-sale investments	Currency translation reserve	Retained earnings	Hedging funds (effective part)	Total	Minority interest	Total equity
At December 31, 2007	1,250,000	1,328,184	45,971	(36,246)	1,889,206	-	4,477,115	5,754	4,482,869
Total comprehensive income	-	-	(274,446)	10,685	602,991	-	339,230	335	339,565
Dividends paid	-	-	-	-	(875,780)	-	(875,780)	(84)	(875,864)
Capital increase	-	-	-	-	-	-	-	(21)	(21)
Changes in minority	-	-	-	-	124	-	124	(124)	-
Hedges for investments made in foreign countries	-	-	-	-	(3,437)	(18,067)	(21,504)	-	(21,504)
At June 30, 2008	1,250,000	1,328,184	(228,475)	(25,561)	1,613,104	(18,067)	3,919,185	5,860	3,925,045
At December 31, 2008	1,250,000	1,328,184	(111,812)	(14,443)	2,150,862	(18,533)	4,584,258	6,944	4,591,202
Total comprehensive income	-	-	103,296	737	791,557	-	895,590	256	895,846
Dividends paid	-	-	-	-	(281,579)	-	(281,579)	(55)	(281,634)
Capital increase	-	-	-	-	-	-	-	230	230
Changes in minority	-	-	-	-	1,265	-	1,265	(1,265)	-
Hedges for investments made in foreign countries	-	-	-	-	(29,005)	16,823	(12,182)	-	(12,182)
At June 30, 2009	1,250,000	1,328,184	(8,516)	(13,706)	2,633,100	(1,710)	5,187,352	6,110	5,193,462

The accompanying policies and explanatory notes are integral part of these consolidated financial statements.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

	Notes	January 1- June 30, 2009	January 1- June 30, 2008
Cash flow from operating activities			
Net profit for the period		791,557	602,991
Adjustments for:			
Depreciation and amortization	4	31,390	25,559
Provision for losses on loans and advances		203,004	186,799
Provision for employment termination benefits		17,428	13,737
Other provision expenses		273	12,142
Income from associates		(5,455)	(11,350)
Impairment of premises & equipment		(389)	-
Gains on sale of property, plant & equipment		(11,695)	(40,119)
Minority interest		139	469
Add back income tax expense		200,657	150,914
Accrued interest, net		(129,120)	(756,630)
Impairment of held to maturity investments		(9,175)	-
Unrealized foreign exchange (gain) on held to maturity investments		(32,958)	-
Operating profit before changes in operating assets/liabilities		1,055,656	184,512
Changes in operating assets and liabilities:			
Net (increase)/decrease in balances with Central Bank		(157,521)	488,650
Net (increase)/decrease in interbank money market placements		425	(3,118)
Net (increase)/decrease in funds lent under securities resale agreements		2,543,834	(397,803)
Net (increase)/decrease in financial assets at fair value through profit or loss, net		23,585	8,539
Net (increase)/decrease from loans and advances		(2,916,278)	(4,208,373)
Net (increase)/ decrease in insurance receivables		(5,836)	398
Net (increase) in other assets		(202,564)	(51,410)
Net increase in deposits		758,692	5,721,073
Net increase in other creditors, taxes & liabilities		167,499	238
Retirement pay paid		(9,498)	(13,667)
Income taxes paid		(126,739)	(117,237)
Net cash provided by operating activities		1,131,255	1,611,802
Cash flows from investing activities			
Purchase of premises & equipment	4	(111,937)	(115,739)
Proceeds from premises & equipment		33,133	87,892
Proceeds from/(purchase of) available for sale investments		(772,864)	(1,661,745)
Proceeds from/(purchase of) investments in associates		-	3,821
Proceeds from/(purchase of) held to maturity securities		(983,618)	243,237
Purchase of intangible assets		(263)	(20,953)
Net cash (used in) investing activities		(1,835,549)	(1,463,487)
Cash flows from financing activities			
Proceeds from borrowed funds, net		513,711	386,021
Dividends paid		(281,579)	(875,780)
Other		-	124
Net cash provided by / (used in) financing activities		232,132	(489,635)
Net (decrease) in cash & cash equivalents		(472,162)	(341,320)
Cash & cash equivalents at the beginning of the year		2,309,963	1,442,092
Cash & cash equivalents at the end of the year		1,837,801	1,100,772

The accompanying policies and explanatory notes are integral part of these consolidated financial statements.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

1. CORPORATE INFORMATION

General

Türkiye Halk Bankası A.Ş. ("the Bank") was incorporated in Turkey in 1933 as a state economic enterprise established under law no. 2284. As of June 30, 2009, the Bank operates with a total of 629 branches, including 626 domestic branches, 2 branches in Cyprus and 1 in Bahrain. In addition, it has 3 financial service branches in Germany and 1 representative office in Iran. The operations of Türkiye Halk Bankası A.Ş. and its subsidiaries ("the Group") consist of banking, securities brokerage and insurance services provided primarily to local customers. The financial statements of the Group include the accounts of Pamukbank, transferred to the Bank in November 2004, and consolidation of separate financial statements of majority owned subsidiaries, Birlik Sigorta A.Ş., Birlik Hayat Sigorta A.Ş. and Halk Yatırım Menkul Değerler A.Ş.

In 2000, the Turkish Parliament passed Statute 4603, pursuant to which state-owned banks were required to restructure its operations and prepare themselves to eventual privatization. According to the Decree number 2006/69, dated as 11 August 2006 issued by Privatization High Council, all outstanding shares of the Bank are transferred to the Privatization Administration and 99.9 % of Bank shares should be sold to general public.

The first phase of the privatization process of the Bank corresponding to 24.98% of the shares was completed in the first week of May 2007 and Halkbank shares have been traded on İstanbul Stock Exchange (ISE) as of May 10, 2007 with the base price of TRY 8.00.

In November 2004, the Bank merged with Pamukbank, another state owned bank and integrated its operations and IT systems. In 2006, the Bank acquired a controlling share ownership in three companies - Birlik Sigorta A.Ş., a property, health and casualty insurance company, Birlik Hayat Sigorta A.Ş., a life insurance company, and Halk Yatırım Menkul Değerler A.Ş., an equity brokerage services company, from Halkbank Foundation.

The operations of the Group consist of banking, insurance and brokerage services, which are conducted mainly with local customers.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

2. BASIS OF PREPARATION

The interim financial statements as of June 30, 2009 have been prepared in accordance with IAS 34 (Interim Financial Reporting).

The interim financial statements have been prepared on a basis consistent with the accounting policies set out in the financial statements of the Bank for the year ended December 31, 2008.

The Bank and its subsidiaries incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the requirements of accounting and tax legislation in Turkey. The foreign associates maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the regulations of the countries in which they operate. The accompanying financial statements differ from the financial statements prepared for statutory purposes in that they reflect certain adjustments, appropriate to present the financial position, results of operations and cash flows in accordance with IFRS, which are not recorded in the accounting books of Group's entities.

3. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Bank, Pamukbank and the majority-owned subsidiaries. The accounts of Pamukbank, owned by Savings Deposit Insurance Fund ("SDIF"), an entity under common control, were merged with the operations of the Bank in 2004 and are presented as if the transfer of Pamukbank's interests in the Bank had occurred from the beginning of the earliest period presented. The assets and liabilities of Pamukbank transferred to the Group are recorded in these financial statements at the historical cost immediately prior to the merger.

The subsidiaries included in consolidation and effective shareholding percentages of the Group as of June 30, 2009 and December 31, 2008 are as follows:

	Principal Activities	Place of Incorporation	Effective Shareholding and Voting Rights %	
			June 30, 2009	December 31, 2008
Birlik Sigorta A.Ş.	Insurance	İstanbul	89.18 %	82.26 %
Birlik Hayat Sigorta A.Ş.	Insurance	İstanbul	98.86 %	98.51 %
Halk Yatırım Menkul Değerler A.Ş.	Securities Brokerage	İstanbul	99.96 %	99.96 %

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

4. SEGMENT INFORMATION

Business segments

The Group is organized into six main business segments – corporate banking, commercial banking, entrepreneur banking, commercial banking, treasury and investment, insurance and securities brokerage, which are organized and managed separately according to the nature of the services provided.

The segment results for the year ended June 30, 2009 are as follows:

	Corporate	Commercial	Entrepreneur	Treasury / Investment	Insurance	Securities Brokerage	Undistributed	Inter-segment Eliminations	Group
Interest Income	195,311	157,237	1,738,124	1,435,749	8,507	2,074	-	(4,625)	3,532,377
Interest Expense	(125,430)	(91,386)	(1,644,590)	(217,592)	-	(155)	-	4,625	(2,074,528)
Net interest income	69,881	65,851	93,534	1,218,157	8,507	1,919	-	-	1,457,849
Profit from before income tax	80,435	30,124	(63,251)	929,518	16,540	4,972	-	(5,985)	992,353
Income tax	-	-	-	-	(4,282)	(953)	(195,422)	-	(200,657)
Net profit	80,435	30,124	(63,251)	929,518	12,258	4,019	(195,422)	(5,985)	791,696
The segment assets and liabilities at June 30, 2009 are as follows:									
Assets and Liabilities									
Segment assets	3,701,187	2,840,419	21,807,503	27,074,870	235,213	45,454	-	(79,385)	55,645,261
Investment in associates	-	-	-	-	684	-	257,845	(81,913)	176,616
Total assets	3,701,187	2,840,419	21,807,503	27,074,870	235,897	45,454	257,845	(161,298)	55,821,877
Segment liabilities	3,361,500	2,614,825	33,459,326	11,115,036	146,931	10,182	-	(79,385)	50,628,415
Total liabilities	3,361,500	2,614,825	33,459,326	11,115,036	146,931	10,182	-	(79,385)	50,628,415
Other segment items:									
Capital expenditure	-	-	-	-	127	90	111,720	-	111,937
Depreciation	-	-	-	-	189	95	30,522	-	30,806
Amortization	-	-	-	-	102	60	422	-	584

Inter-segment transfers and transactions are entered into under the normal commercial terms and conditions that would also be available to third parties.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

4. SEGMENT INFORMATION (continued)

The segment results for the period ended June 30, 2008 are as follows:

	Corporate	Commercial	Entrepreneur	Treasury / Investment	Insurance	Securities Brokerage	Undistributed	Inter-segment Eliminations	Group
Interest Income	113,753	101,831	1,451,846	1,456,036	8,643	1,909	-	(55)	3,133,963
Interest Expense	(191,874)	(62,949)	(1,696,224)	(115,896)	(71)	-	-	55	(2,066,959)
Net interest income	(78,121)	38,882	(244,378)	1,340,140	8,572	1,909	-	-	1,067,004
Profit from before income tax	(77,825)	74,884	(112,081)	866,427	14,248	2,018	-	(13,297)	754,374
Income tax	-	-	-	-	(3,410)	(308)	(147,196)	-	(150,914)
Net profit	(77,825)	74,884	(112,081)	866,427	10,838	1,710	(147,196)	(13,297)	603,460

The segment assets and liabilities at December 31, 2008 are as follows:

Assets and Liabilities									
Segment assets	3,176,207	2,504,233	19,946,205	25,211,842	220,462	36,453	-	(84,834)	51,010,568
Investment in associates	-	-	-	-	684	-	233,034	(63,217)	170,501
Total assets	3,176,207	2,504,233	19,946,205	25,211,842	221,146	36,453	233,034	(148,051)	51,181,069
Segment liabilities	3,821,003	2,243,365	33,058,124	7,406,939	140,030	5,240	-	(84,834)	46,589,867
Total liabilities	3,821,003	2,243,365	33,058,124	7,406,939	140,030	5,240	-	(84,834)	46,589,867

Other segment items: (at June 30, 2008)

Capital expenditure	-	-	-	-	340	242	115,157	-	115,739
Depreciation	-	-	-	-	235	84	25,009	-	25,328
Amortization	-	-	-	-	48	17	166	-	231

Inter-segment transfers and transactions are entered into under the normal commercial terms and conditions that would also be available to third parties.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

5. RELATED PARTIES

A party is related to an entity if: the party controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the entity that gives it significant influence over the entity or has joint control over the entity. For the purpose of these consolidated financial statements, unconsolidated subsidiaries, associates, shareholders are referred to as related parties. Related parties also include individuals that are principal owners, management and members of the Group's Board of Directors and their families and also post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

The immediate parent and ultimate controlling party of the Group is Turkish Prime Ministry Privatization Administration (incorporated in Turkey). Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel:

Key management personnel comprise of the Group's directors and key management executive officers.

As of June 30, 2009 and December 31, 2008 the Group's directors and executive officers have no outstanding personnel loans from the Bank.

In addition to their salaries, the Group also provides non-cash benefits to directors.

Total compensation provided to key management is:

	June 30, 2009	June 30, 2008
Salaries and Short-term benefits	1,264	1,782

The Bank has agreements or protocols with several of its shareholders, consolidated subsidiaries and affiliates of the shareholders. The Bank's management believes that all such agreements or protocols are on terms that are at least as advantageous to the Company as would be available in transactions with third parties and the transactions are consummated at their fair values. None of these balances is secured.

Other related party transactions:

June 30, 2009	Cash loans Receivable	Non-cash loans Receivable	Deposits	Interest Income	Interest Expense
Halk Finansal Kiralama A.Ş.	46,092	11,705	308	1,921	-
Demir Halk NV	-	76	-	2,159	-
Kredi Garanti Fonu İşletme ve Araştırma A.Ş.	-	722	10,948	4	646
KOBİ Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	1,820	20,638	-	1,586
Ziraat Halk Alternatif Dağıtım Kanalları	-	-	208	-	113
MESBAŞ	-	-	4,636	-	328
KKB	-	-	4,874	-	-
Total	46,092	14,323	41,612	4,084	2,673

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

5. RELATED PARTIES (continued)

December 31, 2008	Cash loans Receivable	Non-cash loans Receivable	Deposits
Halk Finansal Kiralama A.Ş.	50,146	2,601	918
Demir Halk NV	30,000	200	-
Kredi Garanti Fonu İşletme ve Araştırma A.Ş.	-	165	9,080
KOBİ Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	1,080	24,592
Ziraat Halk Alternatif Dağıtım Kanalları	-	-	112
MESBAŞ	-	-	1,388
KKB	-	-	3,172
Total	80,146	4,046	39,262

June 30, 2008	Interest Income	Interest Expense
Halk Finansal Kiralama A.Ş.	679	-
Demir Halk NV	-	-
Kredi Garanti Fonu İşletme ve Araştırma A.Ş.	-	1,112
KOBİ Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	608
Ziraat Halk Alternatif Dağıtım Kanalları	-	1
MESBAŞ	-	6
KKB	-	43
Total	679	1,770

Agreements with Related Parties:

Birlik Hayat Sigorta A.Ş.:

Birlik Hayat Sigorta A.Ş. provides life insurance services in terms of individual, groups and individual accident insurance. According to agreement between the Bank and the Company, branches are assigned so as to operate as agencies of Birlik Hayat Sigorta A.Ş.

Halk Yatırım Menkul Değerler A.Ş.:

Halk Yatırım Menkul Değerler A.Ş. performs capital markets operations as public offering intermediaries, repurchase and reverse repurchase agreements, portfolio management and investment consulting. The Company is ranked in the mid-positions between more than 100 companies operating in the sector. According to agreement between the Bank and the Company, branches are assigned so as to operate as agencies of the Company.

Kredi Garanti Fonu İşletme ve Araştırma A.Ş.:

Kredi Garanti Fonu İşletme ve Araştırma A.Ş. is supporting the Small and Medium Size Enterprises (SME's) by providing guarantee for their financing and consequently increasing the credit usage in general. According to agreement with the Bank and the Company, it is decided to establish a responsibility fund which would be the collateral of the guarantee commitments given by the Company for SME's to utilize loans from the Bank.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business activities, the Group undertakes various commitments and incurs certain contingent liabilities that are not presented in the financial statements including:

	June 30, 2009	December 31, 2008
Letters of guarantee issued	5,804,588	4,853,199
Letters of credit	1,404,139	1,780,112
Acceptance credits	148,805	78,257
Other	155,735	27,184
Total non-cash loans	7,513,267	6,738,852
Other commitments	1,849,084	2,215,400
Insurance commitments	174,708,167	179,783,855
Credit card limit commitments	2,221,826	1,854,559
Total	186,296,351	190,592,666

Fiduciary Activities

The Group provides custody, investment management and advisory services to third parties. Those assets that are held in a fiduciary capacity are not included in the accompanying financial statements.

The Group also manages six investment funds, which were established under the regulations of the Turkish Capital Markets Board. In accordance with the funds' charters, the Group purchases and sells marketable securities on behalf of funds, markets their participation certificates and provides other services in return for a management fee and undertakes management responsibility for their operations.

Letters of Guarantee Given to Istanbul Stock Exchange (ISE) and Istanbul Gold Market (IGM)

As of June 30, 2009, according to the general requirements of the ISE, letters of guarantee amounting to TRY 8,252 and (December 31, 2008 - TRY 8,252) had been obtained from various local banks and were provided to ISE for bond and stock market transactions.

Litigation

In the normal course of its operations, the Group can be constantly faced with legal disputes, claims and complaints, which in most cases stem from normal insurance operations. The necessary provision, if any, for those cases are provided based on management estimates and professional advice.

Other

Except for the 359 branch buildings, all other 270 branch premises of the Parent Bank are leased under operational leases. The lease periods vary between 1 to 10 years. There are no restrictions placed upon the lessee by entering into these leases.

The Group is contingently liable with respect to reinsurance, which would become an actual liability to the extent that any reinsuring company fails to meet its obligations to the Group. In the opinion of management no provision is necessary for this remote contingency.

TÜRKİYE HALK BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2009

Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.

7. EARNINGS PER SHARE

Basic earnings per share (EPS) are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	Number of Shares Issued Attributable to				Total	Closing
	Opening	Cash	Transfers from Retained Earnings	Reinvestment of Dividend Payments		
2003 and before	1,331,120,919	-	-	-	-	1,331,120,919
2004	1,331,120,919	-	-	-	-	1,331,120,919
2005	1,331,120,919	-	-	-	-	1,331,120,919
2006	1,331,120,919	100,000,000	-	-	100,000,000	1,431,120,919
2007	1,431,120,919	-	-	-	-	1,431,120,919
June 30, 2008	1,431,120,919	-	-	-	-	1,431,120,919
2008	1,431,120,919	-	-	-	-	1,431,120,919
June 30, 2009	1,431,120,919	-	-	-	-	1,431,120,919

There is no dilution of shares as of June 30, 2009 and June 30, 2008.

The following reflects the income (in full TRY) and share data used in the basic earnings per share computations:

	June 30, 2009	June 30, 2008
Net profit / (loss) attributable to ordinary shareholders for basic earnings per share	791,696	603,460
Weighted average number of ordinary shares for basic earnings per share	1,431,120,919	1,431,120,919
Basic earnings per share	0.00055	0.00042

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

Group paid dividends to its shareholders amounting to TRY 281,634 in the current period (June 30,2008: TRY 875,864).

8. SUBSEQUENT EVENTS

None.