

TÜRKİYE HALK BANKASI AŞ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX – MONTH PERIOD ENDED 30 JUNE 2011**

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

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TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2011

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

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

ASSETS	Note	Reviewed			Audited		
		Current period			Prior period		
		30 June 2011			31 December 2010		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	6.226.155	2.304.041	8.530.196	2.782.649	1.866.916	4.649.565
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	66.238	47.216	113.454	46.631	43.356	89.987
2.1 Trading financial assets		66.238	47.216	113.454	46.631	43.356	89.987
2.1.1 Public sector debt securities		63.526	9.294	72.820	44.720	8.958	53.678
2.1.2 Share certificates		-	-	-	77	-	77
2.1.3 Financial assets held for trading		6	31.112	31.118	3	34.304	34.307
2.1.4 Other marketable securities		2.706	6.810	9.516	1.831	94	1.925
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	46.550	1.235.058	1.281.608	103.332	909.336	1.012.668
IV. MONEY MARKET PLACEMENTS		70.661	-	70.661	216.125	-	216.125
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		70.412	-	70.412	95.719	-	95.719
4.3 Receivables from reverse repurchase agreements		249	-	249	120.406	-	120.406
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	7.672.285	1.200.440	8.872.725	5.929.654	1.565.336	7.494.990
5.1 Share certificates		5.478	9.892	15.370	4.774	8.861	13.635
5.2 Public sector debt securities		7.666.807	1.190.548	8.857.355	5.924.880	1.556.475	7.481.355
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	36.239.581	15.392.692	51.632.273	32.227.015	12.069.472	44.296.487
6.1 Loans and receivables		35.974.782	15.389.238	51.364.020	31.933.792	12.069.472	44.003.264
6.1.1 Loans extended to risk group of the Bank		-	-	-	9.130	66.574	75.704
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		35.974.782	15.389.238	51.364.020	31.924.662	12.002.898	43.927.560
6.2 Loans under follow-up		1.654.980	12.870	1.667.850	1.757.753	-	1.757.753
6.3 Specific provisions (-)		1.390.181	9.416	1.399.597	1.464.530	-	1.464.530
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	10.734.583	1.861.183	12.595.766	10.838.368	1.911.472	12.749.840
8.1 Public sector debt securities		10.734.583	1.861.183	12.595.766	10.838.368	1.911.472	12.749.840
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	22.688	135.729	158.417	72.356	115.566	187.922
9.1 Accounted under equity method		13.817	135.729	149.546	64.723	115.566	180.289
9.2 Unconsolidated associates		8.871	-	8.871	7.633	-	7.633
9.2.1 Financial investments		7.819	-	7.819	6.581	-	6.581
9.2.2 Non-financial investments		1.052	-	1.052	1.052	-	1.052
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1 Accounted with equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial joint ventures		-	-	-	-	-	-
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)	(10)	96.310	562.634	658.944	-	-	-
12.1 Finance lease receivables		125.396	650.830	776.226	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		29.086	88.196	117.282	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair value risk hedging		-	-	-	-	-	-
13.2 Cash flow risk hedging		-	-	-	-	-	-
13.3 Net abroad investment risk hedging		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	1.180.303	21.784	1.202.087	1.234.390	47	1.234.437
XV. INTANGIBLE ASSETS (Net)	(13)	21.651	17.280	38.931	18.655	-	18.655
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		21.651	17.280	38.931	18.655	-	18.655
XVI. INVESTMENT PROPERTIES (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	175.739	-	175.739	222.820	-	222.820
17.1 Current assets for tax		9.939	-	9.939	-	-	-
17.2 Deferred assets for tax		165.800	-	165.800	222.820	-	222.820
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	127.627	-	127.627	98.131	-	98.131
18.1 Held for sale purpose		127.627	-	127.627	98.131	-	98.131
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	944.897	76.487	1.021.384	714.198	41.054	755.252
TOTAL ASSETS		63.625.268	22.854.544	86.479.812	54.504.324	18.522.555	73.026.879

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

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2011

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

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Reviewed			Audited		
		Current period			Prior period		
		30 June 2011			31 December 2010		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	40.867.171	17.316.287	58.183.458	39.449.915	15.104.500	54.554.415
1.1 Deposits Held by the Risk Group of the Parent Bank		51.553	4.551	56.104	50.153	6.274	56.427
1.2 Other		40.815.618	17.311.736	58.127.354	39.399.762	15.098.226	54.497.988
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	30	38.050	38.080	7	39.144	39.151
III. BORROWING FUNDING LOANS	(3)	415.389	5.078.686	5.494.075	203.429	3.622.658	3.826.087
IV. MONEY MARKET BALANCES		9.202.284	1.316.297	10.518.581	2.666.667	614.156	3.280.823
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank takings		136.520	-	136.520	125.768	-	125.768
4.3 Funds from repurchase agreements		9.065.764	1.316.297	10.382.061	2.540.899	614.156	3.155.055
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Treasury bills		-	-	-	-	-	-
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS	(4)	1.258.539	-	1.258.539	1.295.232	-	1.295.232
6.1 Borrower Funds		41.360	-	41.360	121.084	-	121.084
6.2 Other		1.217.179	-	1.217.179	1.174.148	-	1.174.148
VII. SUNDRY CREDITORS		926.868	29.854	956.722	755.869	19.362	775.231
VIII. OTHER LIABILITIES	(5)	690.061	185.120	875.181	392.985	140.658	533.643
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(6)	-	-	-	565	1	566
10.1 Finance lease payables		-	-	-	830	1	831
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	265	-	265
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(7)	-	-	-	-	-	-
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net abroad investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(8)	1.205.431	17.639	1.223.070	1.059.388	15.869	1.075.257
12.1 General loan provisions		490.732	2.618	493.350	390.121	-	390.121
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		305.209	-	305.209	276.605	-	276.605
12.4 Insurance technical reserves (Net)		295.114	-	295.114	216.750	-	216.750
12.5 Other provisions		114.376	15.021	129.397	175.912	15.869	191.781
XIII. TAX LIABILITY	(9)	190.657	1.967	192.624	274.148	1	274.149
13.1 Current tax liability		190.657	18	190.675	274.148	1	274.149
13.2 Deferred tax liability		-	1.949	1.949	-	-	-
XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(10)	-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED CAPITAL	(11)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(12)	7.903.250	(163.768)	7.739.482	7.436.636	(64.311)	7.372.325
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital Reserves		1.335.520	(184.451)	1.151.069	1.398.353	(64.311)	1.334.042
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		114.838	(184.451)	(69.613)	177.841	(64.311)	113.530
16.2.4 Tangible assets revaluation reserves		-	-	-	-	-	-
16.2.5 Intangible assets revaluation reserves		-	-	-	-	-	-
16.2.6 Revaluation reserves of real estates for investment purpose		-	-	-	-	-	-
16.2.7 Non-paid-up shares of subsidiaries, associates and joint ventures		231	-	231	61	-	61
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Non-current Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other capital reserves		1.220.451	-	1.220.451	1.220.451	-	1.220.451
16.3 Profit reserves		4.260.209	16.798	4.277.007	2.893.106	-	2.893.106
16.3.1 Legal reserves		765.200	-	765.200	620.349	-	620.349
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		3.447.828	-	3.447.828	2.225.576	-	2.225.576
16.3.4 Other profit reserves		47.181	16.798	63.979	47.181	-	47.181
16.4 Profit/Loss		1.052.658	-	1.052.658	1.888.693	-	1.888.693
16.4.1 Prior years income/loss		54.104	-	54.104	45.998	-	45.998
16.4.2 Period profit/loss		998.554	-	998.554	1.842.695	-	1.842.695
16.5 Minority shares		4.863	3.885	8.748	6.484	-	6.484
TOTAL LIABILITIES AND EQUITY		62.659.680	23.820.132	86.479.812	53.534.841	19.492.038	73.026.879

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 30 JUNE 2011

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Reviewed			Audited		
		Current period			Prior period		
		30 June 2011			31 December 2010		
OFF BALANCE SHEET	Note	TRY	FC	Total	TRY	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)	20.319.156	11.886.158	32.205.314	17.089.689	10.385.583	27.475.272
I.	GUARANTEES AND SURETYSHIPS	8.421.616	6.613.572	15.035.188	6.747.813	5.978.539	12.726.352
1.1	Letters of guarantee	6.675.661	3.830.611	10.506.272	5.140.511	3.802.506	8.943.017
1.1.1	Guarantees subject to public procurement law	510.677	2.998.531	3.509.208	477.740	3.006.494	3.484.234
1.1.2	Guarantees given for foreign trade operations	-	-	-	-	-	-
1.1.3	Other letters of guarantee	-	-	-	-	-	-
1.2	Bank loans	6.164.984	832.080	6.997.064	4.662.771	796.012	5.458.783
1.2.1	Import acceptances	-	296.356	296.356	-	149.594	149.594
1.2.2	Other bank acceptances	-	114.630	114.630	-	88.531	88.531
1.3	Letters of credit	1.609.532	2.290.579	3.900.111	1.521.453	1.855.885	3.377.338
1.3.1	Documentary letters of credit	1.609.532	2.290.579	3.900.111	1.521.453	1.855.885	3.377.338
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Guaranteed prefinancings	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to Central Bank of Turkish Republic	-	-	-	-	-	-
1.5.2	Other Endorsements	-	-	-	-	-	-
1.6	Purchase guarantees on marketable security issuance	-	-	-	-	-	-
1.7	Factoring guarantees	-	-	-	-	-	-
1.8	Other guarantees	136.193	196.026	332.219	85.619	170.554	256.173
1.9	Other suretyships	230	-	230	230	-	230
II.	COMMITMENTS	9.937.467	788.687	10.726.154	9.198.369	689.509	9.887.878
2.1	Irrevocable commitments	9.937.467	788.687	10.726.154	9.198.369	689.509	9.887.878
2.1.1	Forward asset purchase commitments	141.140	434.019	575.159	248.007	383.194	631.201
2.1.2	Forward deposit purchase and sale commitments	-	-	-	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	2.000	-	2.000	2.000	-	2.000
2.1.4	Loan granting commitments	384.813	346.740	731.553	296.308	306.315	602.623
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-	-	-	-
2.1.7	Payment commitments for cheques	3.954.394	-	3.954.394	3.604.999	-	3.604.999
2.1.8	Tax and fund liabilities from export commitments	18.786	-	18.786	34.849	-	34.849
2.1.9	Commitments for credit card expenditure limits	4.335.117	4.006	4.339.123	4.089.791	-	4.089.791
2.1.10	Commitments for credit cards and banking services promotions	25.754	-	25.754	26.217	-	26.217
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	1.075.463	3.922	1.079.385	892.979	-	892.979
2.2	Revocable commitments	-	-	-	3.219	-	3.219
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	3.219	-	3.219
III.	DERIVATIVE FINANCIAL INSTRUMENTS	1.960.073	4.483.899	6.443.972	1.143.507	3.717.535	4.861.042
3.1	Derivative financial instruments for hedging	-	-	-	-	-	-
3.1.1	Fair value risk hedging transactions	-	-	-	-	-	-
3.1.2	Cash flow risk hedging transactions	-	-	-	-	-	-
3.1.3	Net foreign investment risk hedging transactions	-	-	-	-	-	-
3.2	Transactions for trading	1.960.073	4.483.899	6.443.972	1.143.507	3.717.535	4.861.042
3.2.1	Forward foreign currency buy/sell transactions	362.482	474.791	837.273	43.389	61.207	104.596
3.2.1.1	Forward foreign currency transactions-buy	206.295	212.663	418.958	15.883	36.443	52.326
3.2.1.2	Forward foreign currency transactions-sell	156.187	262.128	418.315	27.506	24.764	52.270
3.2.2	Currency and interest rate swaps	1.377.708	2.005.704	3.383.412	814.044	2.365.756	3.179.800
3.2.2.1	Currency swap-buy	235.300	1.468.762	1.704.062	154.773	1.451.293	1.606.066
3.2.2.2	Currency swap-sell	1.142.408	536.942	1.679.350	659.271	914.463	1.573.734
3.2.2.3	Interest rate swap-buy	-	-	-	-	-	-
3.2.2.4	Interest rate swap-sell	-	-	-	-	-	-
3.2.3	Currency, interest rate and marketable securities options	21.813	38.142	59.955	88.004	104.185	192.189
3.2.3.1	Currency call options	10.928	19.051	29.979	43.922	52.174	96.096
3.2.3.2	Currency put options	10.885	19.091	29.976	44.082	52.011	96.093
3.2.3.3	Interest rate call options	-	-	-	-	-	-
3.2.3.4	Interest rate put options	-	-	-	-	-	-
3.2.3.5	Marketable securities call options	-	-	-	-	-	-
3.2.3.6	Marketable securities put options	-	-	-	-	-	-
3.2.4	Currency futures	-	-	-	-	-	-
3.2.4.1	Currency futures-buy	-	-	-	-	-	-
3.2.4.2	Currency futures-sell	-	-	-	-	-	-
3.2.5	Interest rate buy/sell futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	198.070	1.965.262	2.163.332	198.070	1.186.387	1.384.457
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	426.300.327	202.072.812	628.373.139	357.507.925	151.968.388	509.476.313
IV.	CUSTODIES	77.919.323	7.073.082	84.992.405	65.622.963	6.599.017	72.221.980
4.1	Assets under management	-	-	-	-	-	-
4.2	Custody marketable securities	30.894.585	317.908	31.212.493	27.486.898	279.199	27.766.097
4.3	Cheques in collection process	5.227.439	3.894.749	9.122.188	4.208.585	2.885.911	7.094.496
4.4	Commercial notes in collection process	25.432.684	239.533	25.672.217	19.368.036	191.272	19.559.308
4.5	Other assets in collection process	1.099	-	1.099	1.099	-	1.099
4.6	Underwritten securities	1.196	-	1.196	129	-	129
4.7	Other custodies	2.425	2.719	5.144	3.114	7.881	10.995
4.8	Custodians	16.359.895	2.618.173	18.978.068	14.555.102	3.234.754	17.789.856
V.	PLEDGED ASSETS	348.381.004	194.999.730	543.380.734	291.884.962	145.369.371	437.254.333
5.1	Marketable securities	1.594.364	189.870	1.784.234	1.356.594	184.735	1.541.329
5.2	Collateral notes	4.202.722	174.048	4.376.770	3.483.737	166.385	3.650.122
5.3	Commodity	25.830	-	25.830	25.830	-	25.830
5.4	Warranty	-	-	-	-	-	-
5.5	Land and buildings	70.443.231	29.226.186	99.669.417	56.223.803	17.792.541	74.016.344
5.6	Other pledged assets	269.413.408	164.959.999	434.373.407	228.225.320	127.085.348	355.310.668
5.7	Pledges	2.701.449	449.627	3.151.076	2.569.678	140.362	2.710.040
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		446.619.483	213.958.970	660.578.453	374.597.614	162.353.971	536.951.585

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME FOR THE SIX-MONTH PERIOD
ENDED 30 JUNE 2011

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

III. CONSOLIDATED STATEMENT OF INCOME

			Reviewed	Reviewed	Reviewed	Reviewed
			Current period	Prior period	Current period	Prior period
			1 January-30 June 2011	1 January-30 June 2010	1 April-30 June 2011	1 April-30 June 2010
INCOME AND EXPENSES		Note				
I.	INTEREST INCOME	(1)	3.255.889	3.167.105	1.704.380	1.599.317
1.1	Interest on loans		2.337.006	2.037.952	1.209.791	1.036.238
1.2	Interest received from reserve deposits		-	79	(50)	40
1.3	Interest received from banks		3.670	43.279	2.622	22.702
1.4	Interest received from money market placements		128	13	16	11
1.5	Interest income on marketable securities		911.232	1.077.490	489.580	536.439
1.5.1	Financial assets held for trading		3.333	2.356	1.592	1.136
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Financial assets available-for-sale		335.808	303.510	187.335	138.294
1.5.4	Investments held-to-maturity		572.091	771.624	300.653	397.009
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		3.853	8.292	2.421	3.887
II.	INTEREST EXPENSE	(2)	1.714.590	1.494.566	903.271	770.347
2.1	Interest on deposits		1.442.653	1.282.424	739.591	667.307
2.2	Interest on borrowings		52.445	28.212	28.964	14.087
2.3	Interest on money market borrowings		201.578	162.508	126.248	79.437
2.4	Interest on marketable securities issued		-	-	-	-
2.5	Other interest expense		17.914	21.422	8.468	9.516
III.	NET INTEREST INCOME [I – II]		1.541.299	1.672.539	801.109	828.970
IV.	NET FEES AND COMMISSIONS INCOME		324.854	265.204	172.913	132.729
4.1	Fees and commissions income		377.562	312.439	202.458	158.811
4.1.1	Non-cash loans		51.074	40.270	26.110	21.176
4.1.2	Other	(12)	326.488	272.169	176.348	137.635
4.2	Fees and commissions expenses		52.708	47.235	29.545	26.082
4.2.1	Non-cash loans		41	25	23	23
4.2.2	Other		52.667	47.210	29.522	26.059
V.	DIVIDEND INCOME	(3)	5.552	6.328	5.407	1.589
VI.	NET TRADING PROFIT (NET)	(4)	96.369	75.417	(9.144)	14.734
6.1	Profit/loss from capital market operations		52.866	122.719	14.008	34.549
6.2	Profit/loss from financial derivative transactions		186.728	(247.784)	166.349	(138.735)
6.3	Foreign exchange gains/losses		(143.225)	200.482	(189.501)	118.920
VII.	OTHER OPERATING INCOME	(5)	467.460	279.235	277.451	143.530
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		2.435.534	2.298.723	1.247.736	1.121.552
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	201.719	248.055	115.512	99.320
X.	OTHER OPERATING EXPENSES(-)	(7)	974.576	759.079	496.876	395.480
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X) AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		1.259.239	1.291.589	635.348	626.752
XII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		(471)	(1.762)	(5.567)	(4.068)
XIII.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XIV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	1.258.768	1.289.827	629.781	622.684
XV.	TAX INCOME PROVISION (±)	(9)	(261.305)	(258.937)	(129.523)	(121.310)
16.1	Current tax provision		(141.919)	(213.575)	(95.362)	(89.076)
16.2	Deferred tax provision		(119.386)	(45.362)	(34.161)	(32.234)
XVI.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	997.463	1.030.890	500.258	501.374
XVII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Property and equipment income held for sale		-	-	-	-
18.2	Sale profits from associates, subsidiaries and joint ventures (business partners)		-	-	-	-
18.3	Other income from terminated operations		-	-	-	-
XVIII.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Property and equipment expense held for sale		-	-	-	-
19.2	Sale losses from associates, subsidiaries and joint ventures (business partners)		-	-	-	-
19.3	Other expenses from discontinued operations		-	-	-	-
XIX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVII-XVIII)	(8)	-	-	-	-
XX.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1	Current tax provision		-	-	-	-
21.2	Deferred tax provision		-	-	-	-
XXI.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXII.	NET PROFIT/(LOSS) (XVI+XXII)	(11)	997.463	1.030.890	500.258	501.374
	Group's profit/loss		998.554	1.030.521	500.271	501.313
	Minority shares profit/loss		(1.091)	369	(13)	61
	Earnings/losses per share (Full TRY)		0,79884	0,82441	0,40022	0,40105

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011

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

IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

	Reviewed	Reviewed
	Current period	Prior period
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	1 January-30 June 2011	1 January-30 June 2010
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(225.148)	(38.240)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	16.798	(670)
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective portion of fair value differences)	-	-
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENTS IN FOREIGN OPERATIONS (Effective portion of fair value differences)	-	6.107
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS	170	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	42.011	15.339
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(166.169)	(17.464)
XI. PROFIT/LOSS	997.463	1.030.890
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	63.304	(34.130)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to income statement	-	(4.885)
11.4 Other	934.159	1.069.905
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X+XI)	831.294	1.013.426

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellation profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/ (loss)	Prior period net income/(loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and equip. and int. assets	Free shares from shareholders	Hedging funds	Value change in pro. and equip. held for sale purp./term. op.	Total equity excluding minority shares	Minority shares	Total equity
I January 2010 – 30 June 2010																			
I.		1.250.000	1.220.451	-	-	515.312	-	1.048.423	47.181	1.664.576	7.104	26.446	-	61	(10.087)	-	5.769.467	6.594	5.776.061
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		1.250.000	1.220.451	-	-	515.312	-	1.048.423	47.181	1.664.576	7.104	26.446	-	61	(10.087)	-	5.769.467	6.594	5.776.061
Changes within the period																			
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	(21.126)	-	-	-	-	(21.126)	-	(21.126)
VI.		-	-	-	-	-	-	-	-	-	(1.637)	102	-	-	4.885	-	3.350	-	3.350
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2		-	-	-	-	-	-	-	-	(1.637)	102	-	-	-	4.885	-	3.350	-	3.350
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	(670)	-	-	-	-	(670)	-	(670)
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(655)	(655)
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	1.030.521	-	-	-	-	-	-	1.030.521	369	1.030.890
XX.		-	-	-	-	105.002	-	1.177.153	-	(1.664.576)	24.600	-	-	-	-	-	(357.821)	-	(357.821)
20.1		-	-	-	-	-	-	-	-	-	(357.821)	-	-	-	-	-	(357.821)	-	(357.821)
20.2		-	-	-	-	105.002	-	1.177.153	-	-	(1.282.155)	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	(1.664.576)	1.664.576	-	-	-	-	-	-	-	-
Closing balance																			
		1.250.000	1.220.451	-	-	620.314	-	2.225.576	47.181	1.030.521	30.067	4.752	-	61	(5.202)	-	6.423.721	6.308	6.430.029
I January 2011 – 30 June 2011																			
I.		1.250.000	1.220.451	-	-	620.349	-	2.225.576	47.181	1.842.695	45.998	113.530	-	61	-	-	7.365.841	6.484	7.372.325
Changes within the period																			
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.885	3.885
III.		-	-	-	-	-	-	-	-	-	-	(183.143)	-	-	-	-	(183.143)	6	(183.137)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	16.798	-	-	-	-	170	-	-	170	-	170
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	998.554	-	-	-	-	-	-	998.554	(1.091)	997.463
XVIII.		-	-	-	-	144.851	-	1.222.252	-	(1.842.695)	8.106	-	-	-	-	-	(467.486)	(536)	(468.022)
18.1		-	-	-	-	-	-	-	-	-	(467.486)	-	-	-	-	-	(467.486)	(536)	(468.022)
18.2		-	-	-	-	144.851	-	1.222.252	-	-	(1.367.103)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(1.842.695)	1.842.695	-	-	-	-	-	-	-	-
Closing balance																			
		1.250.000	1.220.451	-	-	765.200	-	3.447.828	63.979	998.554	54.104	(69.613)	-	231	-	-	7.730.734	8.748	7.739.482

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE SIX-MONTH PERIOD ENDED 30 JUNE 2011

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

		Reviewed	Reviewed
		Current period	Prior period
	Note	30 June 2011	30 June 2010
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating profit before changes in operating assets and liabilities	845.739	1.110.559
1.1.1	Interest received	3.153.680	3.187.689
1.1.2	Interest paid	(1.662.717)	(1.329.683)
1.1.3	Dividend received	4.483	1.011
1.1.4	Fees and commissions received	377.562	312.439
1.1.5	Other income	299.084	276.008
1.1.6	Collections from previously written off loans	252.471	229.988
1.1.7	Cash payments to personnel and service suppliers	(468.365)	(344.262)
1.1.8	Taxes paid	(255.768)	(295.260)
1.1.9	Other	(854.691)	(927.371)
1.2	Assets and Liabilities Subject to Banking Operations	4.389.369	117.338
1.2.1	Net decrease in financial assets held for sale	(20.477)	(8.157)
1.2.2	Net (increase) decrease in financial assets at fair value through profit or loss	-	-
1.2.3	Net (increase) decrease in due from banks and other financial institutions	-	-
1.2.4	Net (increase) decrease in loans	(6.978.483)	(5.972.645)
1.2.5	Net (increase) decrease in other assets	(864.231)	(303.614)
1.2.6	Net increase (decrease) in bank deposits	1.043.278	1.060.974
1.2.7	Net increase (decrease) in other deposits	2.339.601	4.772.212
1.2.8	Net increase (decrease) in loans borrowed	1.103.084	308.659
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	7.766.597	259.909
I.	Net cash provided from banking operations	5.235.108	1.227.897
B.	CASH FLOWS FROM INVESTMENT ACTIVITIES		
II.	Net cash provided from/ (used in) investing activities	(1.246.655)	(207.539)
2.1	Cash paid for purchase of joint ventures, associates and subsidiaries	(39.133)	(944)
	Cash obtained from sale of entities joint ventures, associates and subsidiaries	-	-
2.2	Fixed assets purchases	(154.665)	(56.305)
2.3	Fixed assets sales	172.283	95.739
2.4	Cash paid for purchase of financial assets available for sale	(2.728.513)	(3.774.217)
2.5	Cash obtained from sale of financial assets available for sale	1.857.213	4.156.450
2.6	Cash paid for purchase of investment securities	(477.522)	(2.395.941)
2.7	Cash obtained from sale of investment securities	127.810	1.770.667
2.8	Other	(4.128)	(2.988)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash used in financing activities	(468.022)	(357.606)
3.1	Cash obtained from loans borrowed and securities issued	-	-
3.2	Cash used for repayment of loans borrowed and securities issued	-	-
3.3	Marketable securities issued	-	-
3.4	Dividends paid	(468.022)	(357.821)
3.5	Payments for finance leases	-	(83)
3.6	Other	-	298
IV.	Effect of change in foreign exchange rate on cash and cash equivalents (1)	54.394	154.213
V.	Net increase / (decrease) in cash and cash equivalents	3.574.825	816.965
VI.	Cash and cash equivalents at beginning of the period (4)	4.557.605	3.732.344
VII.	Cash and cash equivalents at end of the period (5)	8.132.430	4.549.309

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