

**TÜRK EKONOMİ BANKASI
ANONİM ŞİRKETİ**

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2009**

To the Board of Directors of
Türk Ekonomi Bankası A.Ş.
İstanbul

Report on Review of Condensed Consolidated Interim Financial Information

Introduction

We have reviewed the accompanying condensed balance sheet of Türk Ekonomi Bankası A.Ş. as of June 30, 2009 and the related condensed statements of income, 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

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

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.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MUŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**

İstanbul, August 20, 2009

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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2009

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

	Notes	June 30, 2009	December 31, 2008
ASSETS			
Cash and balances with central banks		2,212,965	2,477,071
Deposits with and loans due from banks and other financial institutions		1,299,184	1,196,248
Other money market placements		128,252	756,902
Financial assets at fair value through profit and loss		102,537	101,141
Derivatives used for hedging purposes		45,654	56,424
Available-for-sale financial assets		1,170,187	1,236,706
Loans and advances to customers		7,689,484	8,744,834
Remeasurement adjustment on interest rate risk hedged portfolios		48,749	45,757
Held-to-maturity investments		869,461	818,811
Factoring receivables		348,615	462,472
Minimum lease payments receivable		480,671	574,993
Premises and equipment		156,363	171,855
Intangible assets		13,676	12,861
Deferred tax asset		28,242	34,993
Other assets		423,369	358,340
Total assets		15,017,409	17,049,408
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from other banks		371,599	270,262
Customers' deposits		8,902,507	10,225,624
Other money market deposits		537,180	201,744
Financial liabilities at fair value through profit and loss		69,621	176,247
Derivatives used for hedging purposes		58,482	67,611
Factoring payables		58,189	142,829
Funds borrowed:			
- Subordinated debt		491,601	489,091
- Other funds borrowed		2,180,044	3,327,285
Other liabilities		622,913	553,107
Provisions		24,557	34,250
Income taxes payable		17,543	656
Deferred tax liability		-	223
Total liabilities		13,334,236	15,488,929
EQUITY			
Equity attributable to equity holders of the parent			
Share capital issued		1,100,000	1,100,000
Premium in excess of par		2,158	2,158
Adjustment to share capital		926	926
Unrealized gains/(losses) on available-for-sale investments, net of tax		13,081	5,218
Other reserves and retained earnings		567,008	452,177
Total equity		1,683,173	1,560,479
Total liabilities and equity		15,017,409	17,049,408

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF INCOME FOR THE 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
Interest income		
Interest on loans and advances due from customers	729,260	719,477
Interest on securities	149,109	142,367
Interest on deposits with and loans due from banks and other financial institutions	42,266	60,759
Interest on other money market placements	24,245	30,758
Interest on financial leases	29,859	28,307
Interest income on hedging derivatives	9,275	-
Other interest income	540	103
Total interest income	984,554	981,771
Interest expense		
Interest on customer deposits	(369,802)	(397,195)
Interest on other money market deposits	(16,129)	(38,230)
Interest on funds borrowed and deposits from other banks	(149,104)	(158,195)
Interest on hedging derivatives	(34,177)	-
Total interest expense	(569,212)	(593,620)
Net interest income	415,342	388,151
Fees and commissions and other operating income		
Fees and commissions income	207,705	169,282
Fees and commissions expenses	(68,438)	(54,819)
Net gain/(loss) on financial instruments at fair value through profit or loss	28,531	22,271
Gains less losses on investment securities	44,140	1,111
Net income from other activities	(2,987)	2,496
Net banking income	624,293	528,492
Operating expenses		
Salaries and employee benefits	(199,371)	(215,075)
Other operating expenses	(115,364)	(107,432)
Depreciation, amortization and impairment of tangible and intangible assets	(26,901)	(21,661)
Taxes other than on income	(11,079)	(25,642)
Gross operating income	271,578	158,682
(Provisions for) / recoveries from impairment of loan, lease and factoring receivables	(130,471)	(51,456)
Net operating income	141,107	107,226
Gain/(loss) on sale of fixed assets and investments	32	885
Profit from operating activities before income tax	141,139	108,111
Income tax – current	(23,022)	37,098
Income tax – deferred	(4,809)	(20,048)
Net profit for the period	113,308	125,161
Net income attributable to:		
Equity holders of the Parent	113,308	125,161
Earnings per share (full TRY)	7	0.1658

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 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
Profit for the period	113,308	125,161
Other comprehensive income		
Fair value gains on available-for-sale financial assets, net of tax	7,863	(27,521)
Net change in fair values	43,006	(28,222)
Net amount transferred to income	(35,143)	701
Currency translation differences	1,523	15,563
Other comprehensive income for the period, net of tax	9,386	(11,958)
Total comprehensive income for the period	122,694	113,203
Total comprehensive income attributable to Equity holders of the Parent	122,694	113,203

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2009**

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

Attributable to equity holders of the Parent									
	Notes	Share Capital	Premium in excess of Par	Adjustment to share capital	Unrealized gains/(losses) on available-for-sale investments, net of tax	Currency translation reserve	Legal reserves and retained earnings	Total Equity	
At January 1, 2008		755,000	1,736	926	2,398	(23,236)	253,451	990,275	
Total comprehensive income for the period		-	-	-	(27,521)	15,563	125,161	113,203	
At June 30, 2008		755,000	1,736	926	(25,123)	(7,673)	378,612	1,103,478	
At January 1, 2009		1,100,000	2,158	926	5,218	8,576	443,601	1,560,479	
Total comprehensive income for the period		-	-	-	7,863	1,523	113,308	122,694	
At June 30, 2009		1,100,000	2,158	926	13,081	10,099	556,909	1,683,173	

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 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 flows from operating activities			
Interest received		1,059,700	1,131,984
Interest paid		(741,510)	(664,320)
Fees and commissions received		207,705	169,282
Trading income		(484,338)	(6,419)
Recoveries of impairment of loan, lease and factoring receivables		57,422	29,239
Fees and commissions paid		(68,438)	(54,819)
Cash payments to employees and other parties		(213,663)	(199,789)
Other operating activities		(221,948)	(78,851)
Income taxes paid		(5,088)	(12,798)
Cash flows from operating activities before changes in operating assets and liabilities		(410,158)	313,509
Changes in operating assets and liabilities			
Net (increase) / decrease in trading securities		(12,583)	168,592
Net (increase) / decrease in reserve deposits at central banks		532,639	(138,464)
Net (increase) / decrease in due from banks and other financial institutions		6,232	12,004
Net (increase) / decrease in loans and advances		777,469	(1,682,540)
Net (increase) / decrease in factoring receivables		106,669	(8,247)
Net (increase) / decrease in minimum lease payments receivable		85,277	(120,546)
Net (increase) / decrease in other assets		(20,675)	(82,596)
Net increase / (decrease) in deposits from other banks		101,337	(262,830)
Net increase / (decrease) in customers' deposits		(1,308,829)	2,532,130
Net increase / (decrease) in other money market deposits		335,436	(887,033)
Net increase / (decrease) in factoring payables		(84,640)	(67,756)
Net increase / (decrease) in other liabilities		85,960	305,404
Net cash (used in) provided by operating activities		604,292	(231,882)
Cash flows from investing activities			
Purchases of available for sale securities		(1,152,206)	(373,026)
Proceeds from sale and redemption of available for sale securities		1,805,504	176,526
Purchases of held to maturity securities		(59,542)	-
Proceeds from redemption of held to maturity securities		-	3,836
Purchases of property and equipment		(8,154)	(28,196)
Proceeds from the sale of premises and equipment		2,409	3,930
Purchases of intangible assets		(4,081)	(3,057)
Net cash provided by (used in) investing activities		583,930	(219,987)
Cash flows from financing activities			
Proceeds from funds borrowed and debt securities		10,608,511	6,951,879
Repayment of funds borrowed and debt securities		(11,636,761)	(6,820,525)
Net cash provided by (used in) financing activities		(1,028,250)	131,354
Effect of net foreign exchange differences		4,425	94,759
Net increase/ (decrease) in cash and cash equivalents		(245,761)	87,753
Cash and cash equivalents at the beginning of the year		2,886,657	2,254,587
Cash and cash equivalents at the end of the year		2,640,896	2,342,340

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

TÜRK EKONOMİ 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

Türk Ekonomi Bankası A.Ş. (the Bank) was incorporated in Turkey in 1927 under the name of Kocaeli Halk Bankası T.A.Ş. and was acquired by the Çolakoğlu Group in 1982. The name of the Bank was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to Istanbul. Certain shares of the Bank, representing 20% of the total, were listed on the Istanbul Stock Exchange in February 2000. Currently, 15.63% of the total shares are publicly traded. TEB's shares are also listed and traded on the London Stock Exchange as GDR's since 2000. The registered office address of TEB is Meclis-i Mebusan Caddesi, No: 57, Fındıklı-Istanbul/Turkey.

For the purposes of the accompanying consolidated financial statements, the Bank and its consolidated subsidiaries are referred to as "the Group".

On February 10, 2005 BNP Paribas acquired 50% shares of TEB Mali Yatırımlar A.Ş., the ultimate shareholder of the Group by 84.25%.

The consolidated financial statements of the Bank were authorized for issuance by the management on August 20, 2009. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

Nature of Activities of the Group

The operations of the Group consist of banking, leasing, factoring, securities brokerage and portfolio management, which are conducted mainly with local customers.

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

	Place of Incorporation	Effective Shareholding And Voting Rights %	
		June 30, 2009	December 31, 2008
The Economy Bank N.V. (Economy Bank)	Netherlands	100.0	100.0
TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım)	Turkey	100.0	100.0
TEB Faktoring A.Ş. (TEB Faktoring)	Turkey	100.0	100.0
TEB Finansal Kiralama A.Ş. (TEB Leasing)	Turkey	100.0	100.0
TEB Portföy Yönetimi A.Ş. (TEB Portföy)	Turkey	100.0	100.0
Stichting Effecten Dienstverlening	Netherlands	100.0	100.0
Kronenburg Vastgoed B.V.	Netherlands	100.0	100.0

TÜRK EKONOMİ 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 (continued)

The principal activities of the consolidated subsidiaries are as follows:

Economy Bank – Operating as a commercial bank which mainly deals in foreign trade finance, corporate banking, private banking and correspondent banking services.

TEB Yatırım – Rendering fixed income and equity brokerage and corporate finance services in line with the rules of the Capital Markets Board of Turkey.

TEB Faktoring – Providing both domestic and export factoring services to industrial and commercial enterprises in Turkey.

TEB Leasing – Providing financial leasing services to corporate customers, investing in industrial machinery and equipment, various equipment and transport vehicles.

TEB Portföy – Manages individual customer portfolios, as well as managing mutual funds which consist of capital market instruments.

Stichting Effecten Dienstverlening – Operating under Economy Bank for holding securities of customers, located in the Netherlands.

Kronenburg Vastgoed B.V. – Real Estate Company founded for the purpose of the ownership of property possessed by Economy Bank in the Netherlands.

2. BASIS OF PREPARATION

The interim financial statements as of June 30, 2009 have been prepared in accordance with IAS 34 (Interim Financial Reporting) and should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2008. Certain reclassifications have been made to in the prior year financial statements in order to comply with the current year presentation.

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 which are incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the provisions of Turkish Banking Law and accounting standards promulgated by the other relevant laws and regulations. The foreign subsidiaries 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and presented in Turkish Lira (TRY). For the purpose of fair presentation in accordance with IFRS, certain adjustments and reclassifications have been made, which mainly comprise the effects of deferred taxation and reserve for impairment of loans.

TÜRK EKONOMİ 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 (continued)

In the current year, the Bank has adopted all of the new and revised Standards, Amendments and Interpretations issued by the International Accounting Standards Board (“the IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2009. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group’s accounting policies in the following areas:

- IAS 1(Revised) , “Presentation of financial statements”

The revised standard prohibits the presentation of items of income and expenses (referred to as ‘non-owner changes in equity’) in the statement of changes in equity. Non-owner changes in equity are to be presented separately from owner changes in equity and are required to be disclosed in a Statement of Comprehensive Income. Entities have the option of either presenting one statement or two statements. The Group has applied IAS1 (Revised) from 1 January 2009 and have chosen to present both a statement of income / (loss) and a statement of comprehensive income / (loss).

The adoption of IAS 1 (Revised) does not have any impact on the reported results or financial position of the Group.

- IFRS 8 ‘Operating Segments’

IFRS 8 replaces IAS 14 ‘Segment reporting’ and requires segment information to be presented under a ‘management approach’, where segment information is to be shown on the same basis as that used for internal reporting purposes.

3. SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

In the statement of income presented for comparison purposes, as a result of a lawsuit opened against the Ministry of Finance of the Turkish Republic (“Ministry”) based on the requirement about the deduction of losses arising from the capital decrease in the financial statements of the Bank dated December 31, 2001 based on the Temporary Article 4 with the law numbered 4743 added to the Banking Law No: 4389 that is ceased to be effective on November 1, 2005, by using the statutory and optional reserves as an expense in determining the banks’ profit within the framework set out in Paragraph 7 of Article 14 of the annulled Corporate Tax Law No: 5422, the Bank has settled its tax reimbursement issue with the Ministry based on Article 3 of Law No: 5736 “Collection of Some Government Receivables by Compromise Procedures” published in the Official Gazette No: 26800 on February 27, 2008, and it has reflected its receivable amounting to TRY 41,207 in its statement of income as of June 30, 2008, which became collectible with the notification to the Bank by the Ministry in regards to the decision made on the settlement of this reimbursement by deducting that receivable amount from other taxes payable to the extent that 65% of the losses arising from year 2001 inflation accounting adjustment should be taken into account.

BNP Paribas, holding 50% of TEB Mali Yatırımlar A.Ş. which holds the controlling shareholding of 84.25% of the Parent Bank, has acquired 75% of the shares of Fortis Bank Belgium being the main shareholder of Fortis Bank A.Ş. with 94.11% shareholding, from the State of Belgium based on the resolutions taken at Fortis Holding General Assembly of Shareholders held in Belgium and Netherlands on April 28 and 29, respectively. The share transfer procedures were completed as of May 13, 2009.

In this respect, as explained also in the Special Public Disclosure of the Parent Bank dated June 22, 2009, the Parent Bank has signed a confidentiality agreement with Fortis Bank A.Ş. Turkey in order to exchange information and assess the options for several corporate structures. These assessments take place solely for consultation purposes and do not intend to make decisions regarding any business transactions.

TÜRK EKONOMİ 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 two main business segments which are organized and managed separately according to the nature of the products and services provided.

As of and for the period ended June 30, 2009

	Retail Banking	Corporate Banking	Other	Eliminations	Group
External revenues	450,152	912,185	(169,373)	(3,692)	1,189,272
Revenues from other segments	-	-	-	-	-
Total revenues	450,152	912,185	(169,373)	(3,692)	1,189,272
Segment result (A)	(23,793)	143,379	21,784	(233)	141,137
Unallocated costs (B)	-	-	-	-	-
Operating profit (A-B)	(23,793)	143,379	21,784	(233)	141,137
Dividend income	-	-	14,556	(14,554)	2
Profit before income tax	(23,793)	143,379	36,340	(14,787)	141,139
Income tax	-	-	(27,831)	-	(27,831)
Net profit	(23,793)	143,379	8,509	(14,787)	113,308
Assets and Liabilities					
Segment assets	1,720,228	6,508,280	6,238,579	(71,328)	14,395,759
Investment in associates	-	-	163,893	(163,893)	-
Unallocated assets	-	-	621,652	(2)	621,650
Total assets	1,720,228	6,508,280	7,024,124	(235,223)	15,017,409
Segment liabilities	5,133,760	3,852,920	3,753,844	(71,301)	12,669,223
Unallocated liabilities	-	-	665,015	(2)	665,013
Total liabilities	5,133,760	3,852,920	4,418,859	(71,303)	13,334,236
Other segment information					
Capital expenditures					
Tangible fixed assets	-	-	-	-	8,116
Intangible fixed assets	-	-	-	-	4,097
Depreciation	-	-	-	-	(23,623)
Amortization	-	-	-	-	(3,278)

TÜRK EKONOMİ 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)

Period ended June 30, 2008

	Retail Banking	Corporate Banking	Other	Eliminations	Group
External revenues	444,077	856,091	(147,291)	672	1,153,549
Revenues from other segments	-	-	-	-	-
Total revenues	444,077	856,091	(147,291)	672	1,153,549
Segment result (A)	39,324	190,283	(124,122)	2,626	108,111
Unallocated costs (B)	-	-	-	-	-
Operating profit (A-B)	39,324	190,283	(124,122)	2,626	108,111
Dividend income	-	-	21,815	(21,815)	-
Profit before income tax	39,324	190,283	(102,307)	(19,189)	108,111
Income tax	-	-	17,050	-	17,050
Net profit	39,324	190,283	(85,257)	(19,189)	125,161

As of December 31, 2008

Assets and Liabilities

Segment assets	1,716,410	7,677,408	7,126,609	(49,068)	16,471,359
Investment in associates	-	-	163,893	(163,893)	-
Unallocated assets	-	-	578,049	-	578,049
Total assets	1,716,410	7,677,408	7,868,551	(212,961)	17,049,408
Segment liabilities	5,798,061	4,472,221	4,679,686	(49,275)	14,900,693
Unallocated liabilities	-	-	588,236	-	588,236
Total liabilities	5,798,061	4,472,221	5,267,922	(49,275)	15,488,929

Period ended June 30, 2008

Other segment information

Capital expenditures

Tangible fixed assets	-	-	-	-	23,399
Intangible fixed assets	-	-	-	-	3,173
Depreciation	-	-	-	-	(19,317)
Amortization	-	-	-	-	(2,345)

Geographical segments

The Group's geographical segments are based on the location of Group's assets. The Group's activities are conducted predominantly in Turkey and Turkey is the home country of the Parent Bank, which is also the main operating company. The areas of operation include all the primary business segments.

Total assets and total liabilities are based on the country in which the branch or subsidiary is located. Segment revenue from external customers included in operating income is based on the geographical location of customers or counterparties. The Group conducts majority of its business activities with local customers in Turkey. Accordingly, geographical segment revenue from customers outside of Turkey does not exceed 5% of total entity revenue.

TÜRK EKONOMİ 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)**Period ended June 30, 2009**

	Turkey	European Union	Total
Other segment information			
Segment assets	12,988,497	1,407,262	14,395,759
Unallocated assets	610,190	11,460	621,650
Total assets	13,598,687	1,418,722	15,017,409
Capital expenditures			
Tangible fixed assets	7,952	164	8,116
Intangible fixed assets	3,338	759	4,097

Year ended December 31, 2008

	Turkey	European Union	Total
Other segment information			
Segment assets	15,061,435	1,409,924	16,471,359
Unallocated assets	567,353	10,696	578,049
Total assets	15,628,788	1,420,620	17,049,408

Period ended June 30, 2008

Capital expenditures			
Tangible fixed assets	23,351	48	23,399
Intangible fixed assets	3,123	50	3,173

TÜRK EKONOMİ 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 PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. The Group is controlled by the Çolakoğlu family and BNP Paribas Group each of which directly or indirectly own 50% of the shares of Parent of the Bank. For the purpose of these consolidated financial statements, unconsolidated subsidiaries, associates, shareholders, Çolakoğlu Group companies and BNP Paribas Group entities 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.

In the course of conducting its business, the Group conducted various business transactions with related parties. These include primarily loans, deposits, borrowings and derivative transactions. The significant outstanding balances with related parties at period-ends and relating expense and income for the periods are as follows:

June 30, 2009:

Related party	Cash loans	Non-cash loans	Funds borrowed	Deposits taken	Deposits with banks	Derivative financial assets	Other liabilities	Derivative financial liabilities	Notional amount of derivative transactions	Interest income	Interest expense	Other operating income	Other operating expense
Direct/Indirect shareholders	9,795	64,078	567,635	342,993	35,138	40,007	-	41,865	1,248,024	6,162	72,207	76	7,391
Others	19,797	45,390	709,040	536,930	22,885	6,524	-	26,779	900,281	967	48,460	791	136

December 31, 2008:

Related party	Cash loans	Non-cash loans	Funds borrowed	Deposits taken	Deposits with banks	Derivative financial assets	Other liabilities	Derivative financial liabilities	Notional amount of derivative transactions	Interest income (*)	Interest expense (*)	Other operating income (*)	Other operating expense (*)
Direct/Indirect shareholders	953	14,059	1,517,698	189,247	81,280	45,800	1,563	67,195	2,724,130	4,119	87,951	3,320	3,477
Others	10,744	7,573	887,365	836,370	111,249	1,092	-	7,303	419,698	2,487	44,568	886	112

(*) Figures indicate results as of June 30, 2008.

No provisions have been recognized in respect of loans given to related parties (December 31, 2008 - nil).

Compensation of Key Management Personnel of the Group

The executive and non-executive members of Board of Directors and management received remuneration and fees totaling approximately TRY 11,481 as of June 30, 2009 (June 30, 2008 – TRY 16,419) comprising mainly salaries and other short-term benefit.

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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	2,521,900	2,535,512
Letters of credit	692,392	615,975
Acceptance credits	48,261	51,320
Other guarantees	276,509	217,433
Total non-cash loans	3,539,062	3,420,240
Other commitments	1,873,863	1,604,915
Credit card limit commitments	769,133	760,765
Letters of guarantee obtained	119,793	112,783
Total	6,301,851	5,898,703

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 nominal values of the assets (excluding investment funds) held by the Group in agency or custodian capacities and financial assets under portfolio management amounted to TRY 1,281,337 as at June 30, 2009 (December 31, 2008 - TRY 1,138,946). As of June 30, 2009, securities at custody include investment funds with market value of TRY 1,294,202 (December 31, 2008 - TRY 1,013,676).

The Group has twenty 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, in line with the requirements of IGM, letters of guarantee amounting to USD 410,000 (December 31, 2008 - USD 410,000) had been obtained from local banks and were provided to IGM for transactions conducted in that market.

As of June 30, 2009, according to the general requirements of the ISE, letters of guarantee amounting to TRY 5,679, USD 10,000,000 and EUR 10,000 (December 31, 2008 - TRY 5,679, USD 7,500,000 and EUR 10,000) had been obtained from various local banks and were provided to ISE for bond and stock market transactions. Also, as of June 30, 2009 according to the general requirements, letters of guarantee amounting to TRY 1,413 (December 31, 2008 - TRY 1,313), were given to the Capital Markets Board.

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6. COMMITMENTS AND CONTINGENCIES (continued)

Litigation

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

Other

Except for the Head-Office-İstanbul and İzmir-Konak Branch buildings, all branch premises of TEB are leased under operational leases. The lease periods vary between 1 and 10 years and lease agreements are cancelable subject to a certain period of notice which does not exceed 6 months. There are no restrictions placed upon the lessee by entering into these leases.

7. EARNINGS PER SHARE

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

In Turkey, companies can increase their share capital by making a pro rata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from profit reserves such as retained earnings and revaluation surplus. For the purpose of the EPS calculation such Bonus Share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Bank, are regarded similarly. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares, which are shown in the table below.

	Number of Shares (in millions) Issued Attributable to							Total	Closing
	Opening	Cash	Transfers from Retained Earnings	Transfers From Revaluation Surplus	Transfers From Adjustment to Share Capital	Reinvestment of Dividend Payments			
Before 1995	-	150	3,000	250	-	-	3,400	3,400	
1996	3,400	-	-	330	-	1,270	1,600	5,000	
1997	5,000	-	1,022	596	-	4,382	6,000	11,000	
1998	11,000	5,512	529	682	-	7,277	14,000	25,000	
1999	25,000	-	600	2,062	-	16,338	19,000	44,000	
2000	44,000	40,182	-	-	-	26,068	66,250	110,250	
2001	110,250	-	-	-	-	-	-	110,250	
2002	110,250	-	-	-	-	-	-	110,250	
2003	110,250	-	5,350	-	-	-	5,350	115,600	
2004	115,600	-	-	-	-	-	-	115,600	
2005	115,600	-	-	-	-	-	-	115,600	
2006 (*)	57,800	18,700	-	-	-	-	18,700	76,500	
2007	76,500	210,000	216,750	251,750	-	-	678,500	755,000	
2008	755,000	-	-	-	-	-	-	755,000	
2009	1,100,000	-	-	-	-	-	-	1,100,000	

(*) In the Extraordinary General Assembly Meeting dated May 31, 2006, the shares with nominal value of TRY 0.5 (full TRY) has been decided to be changed to nominal value of TRY 1.00 (full TRY), based on the amendment in the Turkish Commercial Code No: 5274. Thus, the total number of shares has been declined and 115,600 thousand numbers of shares each with par value of TRY 0.5 (full TRY) has been replaced with 57,800 thousand numbers of shares each with par value of TRY 1.00 (full TRY). Related with this replacement, rights of the shareholders arising from the shares owned are reserved. After the capital increases in June 30, 2006 and the sale of unused pre-emptive rights in August 11, 2006, total number of shares has become 76,500 thousand, each with par value of TRY 1.00 (full TRY).

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7. EARNINGS PER SHARE (continued)

There is no dilution of shares as of June 30, 2009 and December 31, 2008.

The following reflects the income (in full TRY) and share data (in thousand) 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	0.1030	0.1658
Weighted average number of ordinary shares (in millions) for basic earnings per share	1,100,000	755,000

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.

8. SUBSEQUENT EVENTS

None.