

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note I)*

**Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
and Its Financial Subsidiaries**

Consolidated Interim Financial Statements
As at and for the Three-Month Period Ended
31 March 2009
With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
28 May 2009

*This report contains "Independent Auditors' Review
Report" comprising 1 page and; "Consolidated
Financial Statements and Related Disclosures and
Footnotes" comprising 65 pages.*

Convenience Translation of the Auditors' Review Report
Originally Prepared and Issued in Turkish (See Section 3 Note I)

To the Board of Directors of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı:

We have reviewed the consolidated balance sheet of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı ("the Bank") and its financial subsidiaries as at 31 March 2009 and the related consolidated statement of income, statement of cash flows and statement of changes in shareholders' equity for the three-month period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these consolidated financial statements based on our review. We did not review the financial statements of certain consolidated companies as at 31 March 2009, which statements reflect total assets constituting 5.51 percent; and total operating income constituting 4.26 percent as at and for the three-month period ended 31 March 2009 of the related consolidated totals. Those statements were reviewed by other auditors whose reports have been furnished to us, and our review report, insofar as it relates to the amounts included for those companies is based solely on the reports of the other auditors.

We conducted our review in accordance with the uniform chart of accounts, accounting and auditing standards in conformity with the (Turkish) Banking Law No 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly the financial position of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and its financial subsidiaries as at 31 March 2009, and of the results of its operations and its cash flows for the three-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 and Article 38 of the (Turkish) Banking Law No 5411; and other communiqués, disclosures and directives announced by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

İstanbul,
28 May 2009

Akis Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi

Özkan Genç
Partner
Certified Public Accountant

Additional paragraph for convenience translation to English:

As explained in Section 3 Note I, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey and IFRS.

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED INTERIM FINANCIAL REPORT
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2009

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The consolidated interim financial report as at and for the three-month period ended 31 March 2009, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITORS' REVIEW REPORT

The subsidiaries and associates included in the consolidated financial report are as follows:

SUBSIDIARIES

Güneş Sigorta AŞ
Vakıf Emeklilik AŞ
Vakıfbank International AG
Vakıf Finansal Kiralama AŞ
Vakıf Deniz Finansal Kiralama AŞ
Vakıf Finans Faktoring Hizmetleri AŞ
Vakıf Portföy Yönetimi AŞ
World Vakıf UBB Ltd.
Vakıf Yatırım Menkul Değerler AŞ

ASSOCIATES

Vakıf Gayrimenkul Yatırım Ortaklığı AŞ
Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ
Kıbrıs Vakıflar Bankası Ltd.
Türkiye Sınai Kalkınma Bankası AŞ

The consolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying consolidated interim financial statements are presented in thousands of Turkish Lira (TL), and have been subjected to limited review.

28 May 2009

Yusuf BEYAZIT
Board of Directors
Chairman

Ragıp DOĞU
Board Member
Audit Committee Member

Sabahattin BİRDAL
Board Member
Audit Committee Member

Bilal KARAMAN
General Manager and
Executive Director of
the Board

Dr. Metin Recep ZAFER
Executive Vice President

Ş. Mehmet BOZ
Director of Accounting and
Financial Affairs

The authorized contact person for questions on this financial report:

Name-Surname/Title : A. Sonat ŞEN /Manager
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S. Buğra SÜRÜEL /Assistant Manager
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Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Interim Financial Report as at and
For the Three-Month Period Ended 31 March 2009

(Currency: Thousands of Turkish Lira (“TL”))

SECTION ONE

General Information

I. History of the Parent Bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (“the Bank” or “the Parent Bank”) was established to operate as stated in the disclosure V of this section, under the authorization of a special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on 11 January 1954 within the framework of the authority granted to The General Directorate of the Foundations of Turkish Republic Prime Ministry (“The General Directorate of the Foundations”). The Bank’s statute has not been changed since its establishment.

II. The Parent Bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on Bank’s risk group

The shareholder having direct or indirect control over the shares of the Bank is the General Directorate of the Foundations.

As at 31 March 2009, The Bank’s paid-in capital is TL 2,500,000, divided into 2.500.000.000 shares with each has a nominal value of 1 Turkish Lira.

As at 31 March 2009 and 31 December 2008, the Bank’s shareholders’ structure is disclosed below:

Shareholders	Number of Shares	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
The General Directorate of the Foundations (Group A)	1.075.058.640	1,075,059	43.00
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402.552.666	402,553	16.10
Foundations (Group B)	386.224.785	386,225	15.45
Other foundations (Group B)	4.681.052	4,681	0.19
Individuals and legal entities (Group C)	1.863.455	1,863	0.08
Publicly traded (Group D)	629.619.402	629,619	25.18
Total	2.500.000.000	2,500,000	100.00

III. Information on the Parent Bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the Bank

Name and Surname	Responsibility	Date of Appointment	Education	Experience in Banking
<u>Board of Directors</u>				
Yusuf BEYAZIT	Chairman	21 March 2003	Master	12 years
Ragıp DOĞU ⁽¹⁾	Deputy Chairman	6 April 2005	University	35 years
Bilal KARAMAN	Member – General Manager	22 June 2005	University	31 years
Hasan ÖZER	Member	7 February 2003	University	24 years
Serdar TUNÇBİLEK	Member	24 July 2007	University	25 years
Sabahattin BİRDAL	Member	21 March 2008	University	24 years
İsmail ALPTEKİN ⁽³⁾	Member	3 April 2009	University	10 years
Ramazan GÜNDÜZ ⁽³⁾	Member	3 April 2009	University	30 years
Halim KANATÇI ⁽²⁾	Member	28 April 2009	University	35 years
<u>Audit Committee</u>				
Ragıp DOĞU	Member	7 April 2009	University	35 years
Sabahattin BİRDAL	Member	21 August 2008	University	24 years
<u>Auditors</u>				
Ahmet TANYOLAÇ	Auditor	21 March 2003	University	7 years
Faruk EROĞLU	Auditor	21 March 2003	University	9 years
<u>Executive Vice Presidents</u>				
Tanju YÜKSEL	International Relations and Investor Relations	1 May 2000	University	25 years
Şahin UĞUR	Support Services	9 August 2004	University	23 years
Feyzi ÖZCAN	Retail Banking, Pension Fund, Directorates of the Regions, Distribution Channels, Consumer Loans	20 September 2005	University	20 years
Doğan PENÇE	Corporate Loans and Directorates of Information	7 June 2006	University	17 years
Dr. Metin Recep ZAFER	Accounting and Financial Affairs, Planning and Performance, Human Resources, Investment Banking and Subsidiaries	13 June 2006	PHD	14 years
Birgül DENLİ	Treasury	15 June 2006	Master	15 years
İhsan ÇAKIR	Commercial Banking, Corporate Banking, Corporate Communication, Corporate Salary Payments, Commercial Centers and Cash Management Operations	30 November 2007	University	14 years
Dr. M. Kürşad DEMİRKOL	Software Development, Treasury and Foreign Operations, Banking Support, Ebis Operations, Ebis Support and Work Analysis, Alternative Distribution Channels Operations	3 December 2007	PHD	9 years
Mehmet CANTEKİN	Loans Follow-up	28 December 2007	Master	17 years
Ömer ELMAS ⁽⁴⁾	Legal Services	5 January 2009	Master	7 years

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Consolidated Interim Financial Report as at and

For the Three-Month Period Ended 31 March 2009

(Currency: Thousands of Turkish Lira ("TL"))

(1) As per the 7 April 2009 dated resolution of the Board of Directors, Ragıp Doğu, the deputy chairman of the Board of Directors has also been appointed as a member of the Audit Committee of the Bank.

(2) Halim Kanatçı has been appointed as the member of the Bank's Board of Directors to represent The General Directorate of the Foundations (A Group Shareholder), as per the article 15 of the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and has taken his duty on 28 April 2009.

(3) As per the resolution of 55th Annual General Assembly held on 3 April 2009, İsmail Alptekin and Ramazan Gündüz have been appointed as the member of the Bank's Board of Directors and have taken up their duties on the same date.

Cem Demirağ, who was also the member of Audit Committee of the Bank, Erkan Topal, and Mehmet Çekinmez have completed their Board membership period.

(4) As per the 20 November 2008 dated resolution of the Board of Directors, Ömer Elmas has been appointed as Executive Vice President in charge of Legal Services and has taken his duty on 5 January 2009.

Hasan Özer, the member of the Bank's Board of Directors, holds a C group non-admissioned share of the Bank amounting of TL 0.60. The remaining members of the top management listed above do not hold any unquoted shares of the Bank.

IV. Information on the Parent Bank's qualified shareholders

The shareholder holding direct or indirect control over the Parent Bank is The General Directorate of the Foundations having 43.00% of the Bank's outstanding shares. Another organization holding qualified share in the Parent Bank is Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (the pension fund of the employees of the Bank), having 16.10% of outstanding shares of the Bank.

V. Information about the services and nature of activities of the Parent Bank

The Parent Bank was established under the authorization of special law numbered 6219, called "the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı", on 11 January 1954 within the framework of the authority granted to The General Directorate of the Foundations. Operational activities of the Bank as stated at its Articles of Association are as follows:

- Lending loans by granting securities and real estates against,
- Establishing or participating in all kinds of insurance corporations already established,
- Trading real estates,
- Servicing all banking operations and services,
- Operating real estates and participating in industrial sectors for corporations handed over by foundations and General Directorate of the Foundations in line with conditions stipulated by agreements if signed.
- The Bank is established to render banking services to the foundations and carry out cashier transactions of the General Directorate of Foundations in compliance with the agreements signed by General Directorate of the Foundations.

As at 31 March 2009, the Bank has 524 domestic, 2 foreign, in total 526 branches (31 December 2008: 523 domestic, 2 foreign, in total 525 branches). As at 31 March 2009, the Parent Bank has 9,592 employees (31 December 2008: 9,567 employees).

SECTION TWO – FINANCIAL STATEMENTS

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and its Financial Subsidiaries

Consolidated Balance Sheet (Statement of Financial Position)

At 31 March 2009

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note I*

			Reviewed Current Period 31 March 2009			Audited Prior Year 31 December 2008		
ASSETS		Notes	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	1,716,381	1,216,140	2,932,521	826,580	1,282,522	2,109,102
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	59,794	59,661	119,455	70,307	75,359	145,666
2.1	Financial assets held for trading purpose		59,794	59,661	119,455	70,307	75,359	145,666
2.1.1	Debt securities issued by the governments		56,485	15,651	72,136	62,178	21,217	83,395
2.1.2	Equity securities		39	-	39	487	-	487
2.1.3	Derivative financial assets held for trading purpose		2,992	44,010	47,002	6,901	54,142	61,043
2.1.4	Other securities		278	-	278	741	-	741
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Debt securities issued by the governments		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Other securities		-	-	-	-	-	-
2.2.4	Loans		-	-	-	-	-	-
III.	BANKS	V-I-3	66,546	1,959,686	2,026,232	124,071	2,711,543	2,835,614
IV.	RECEIVABLES FROM INTERBANK MONEY MARKETS		4,801,900	-	4,801,900	3,201,833	-	3,201,833
4.1	Interbank money market placements		4,801,400	-	4,801,400	3,201,333	-	3,201,333
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		500	-	500	500	-	500
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	7,433,336	1,896,169	9,329,505	6,702,787	1,676,383	8,379,170
5.1	Equity securities		16,144	11,967	28,111	16,014	11,659	27,673
5.2	Debt securities issued by the governments		7,417,192	1,815,088	9,232,280	6,686,773	1,597,774	8,284,547
5.3	Other securities		-	69,114	69,114	-	66,950	66,950
VI.	LOANS AND RECEIVABLES	V-I-5	20,040,524	11,797,811	31,838,335	19,448,031	11,459,622	30,907,653
6.1	Performing loans and receivables		19,788,038	11,793,596	31,581,634	19,354,976	11,455,563	30,810,539
6.1.1	Loans provided to the same risk group	V-V-1	1,082	7,980	9,062	434	8,003	8,437
6.1.2	Debt securities issued by the governments		-	-	-	-	-	-
6.1.3	Others		19,786,956	11,785,616	31,572,572	19,354,542	11,447,560	30,802,102
6.2	Loans under follow-up		1,779,571	75,172	1,854,743	1,525,735	68,754	1,594,489
6.3	Specific provisions (-)		1,527,085	70,957	1,598,042	1,432,680	64,695	1,497,375
VII.	FACTORING RECEIVABLES		157,615	1,324	158,939	151,407	3,033	154,440
VIII.	HELD-TO-MATURITY INVESTMENTS (Net)	V-I-6	2,365,227	1,771,631	4,136,858	2,049,320	1,634,600	3,683,920
8.1	Debt securities issued by the governments		2,365,227	1,697,068	4,062,295	2,049,320	1,588,697	3,638,017
8.2	Other securities		-	74,563	74,563	-	45,903	45,903
IX.	INVESTMENTS IN ASSOCIATES (Net)	V-I-7	99,411	3	99,414	94,827	3	94,830
9.1	Associates, consolidated per equity method		80,787	-	80,787	76,203	-	76,203
9.2	Unconsolidated associates		18,624	3	18,627	18,624	3	18,627
9.2.1	Financial associates		4,605	-	4,605	4,605	-	4,605
9.2.2	Non-Financial associates		14,019	3	14,022	14,019	3	14,022
X.	INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	146,256	-	146,256	148,612	-	148,612
10.1	Unconsolidated financial subsidiaries		1,534	-	1,534	1,281	-	1,281
10.2	Unconsolidated non-financial subsidiaries		144,722	-	144,722	147,331	-	147,331
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	V-I-9	-	-	-	-	-	-
11.1	Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial joint-ventures		-	-	-	-	-	-
11.2.2	Non-Financial joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES	V-I-10	21,853	279,302	301,155	23,266	275,372	298,638
12.1	Finance lease receivables		28,194	321,175	349,369	28,719	310,300	339,019
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		6,341	41,873	48,214	5,453	34,928	40,381
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE	V-I-11	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1,078,935	2,237	1,081,172	1,080,769	2,176	1,082,945
XV.	INTANGIBLE ASSETS (Net)		35,237	71	35,308	33,333	76	33,409
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		35,237	71	35,308	33,333	76	33,409
XVI.	INVESTMENT PROPERTIES (Net)	V-I-12	53,974	-	53,974	54,119	-	54,119
XVII.	TAX ASSETS		103,704	1,752	105,456	86,087	1,932	88,019
17.1	Current tax assets		3,159	-	3,159	1,253	-	1,253
17.2	Deferred tax assets	V-I-13	100,545	1,752	102,297	84,834	1,932	86,766
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,654	-	1,654	1,558	-	1,558
18.1	Assets held for sale		1,654	-	1,654	1,558	-	1,558
18.2	Assets related to the discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	V-I-15	1,028,873	305,610	1,334,483	980,397	341,682	1,322,079
TOTAL ASSETS			39,211,220	19,291,397	58,502,617	35,077,304	19,464,303	54,541,607

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and its Financial Subsidiaries

Consolidated Balance Sheet (Statement of Financial Position)

At 31 March 2009

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes*

Originally Issued in Turkish, See Section 3 Note I

			Reviewed Current Period 31 March 2009			Audited Prior Year 31 December 2008		
LIABILITIES AND SHAREHOLDERS' EQUITY		Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	27,574,729	12,532,102	40,106,831	25,381,331	12,332,440	37,713,771
1.1	Deposits of the same risk group	V-V-1	1,259,051	79,106	1,338,157	1,286,230	76,066	1,362,296
1.2	Other deposits		26,315,678	12,452,996	38,768,674	24,095,101	12,256,374	36,351,475
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	7,947	33,115	41,062	5,551	21,576	27,127
III.	FUNDS BORROWED	V-II-3	103,068	6,340,541	6,443,609	106,650	5,996,611	6,103,261
IV.	INTERBANK MONEY MARKET		1,999,570	503,800	2,503,370	1,039,798	693,360	1,733,158
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		16,095	-	16,095	16,103	-	16,103
4.3	Obligations under repurchase agreements		1,983,475	503,800	2,487,275	1,023,695	693,360	1,717,055
V.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		97,360	-	97,360	99,056	-	99,056
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		97,360	-	97,360	99,056	-	99,056
VII.	MISCELLANEOUS PAYABLES		919,605	134,977	1,054,582	931,581	138,836	1,070,417
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	154,074	205,866	359,940	118,283	239,903	358,186
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES	V-II-5	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE	V-II-6	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	V-II-7	1,313,378	60,112	1,373,490	1,249,513	54,214	1,303,727
12.1	General provisions		264,741	5,861	270,602	253,982	4,925	258,907
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		300,177	1,079	301,256	270,801	534	271,335
12.4	Insurance technical provisions (Net)		590,375	12,149	602,524	597,984	11,981	609,965
12.5	Other provisions		158,085	41,023	199,108	126,746	36,774	163,520
XIII.	TAX LIABILITIES		213,862	4,848	218,710	198,035	2,641	200,676
13.1	Current tax liabilities	V-II-8	207,270	4,848	212,118	191,729	2,641	194,370
13.2	Deferred tax liabilities	V-I-13	6,592	-	6,592	6,306	-	6,306
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	V-II-9	-	-	-	-	-	-
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	V-II-10	-	-	-	-	-	-
XVI.	EQUITY		6,280,517	23,146	6,303,663	5,915,071	17,157	5,932,228
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		859,583	(71,304)	788,279	807,483	(76,723)	730,760
16.2.1	Share premium		726,691	-	726,691	726,691	-	726,691
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	118,815	(71,304)	47,511	66,715	(76,723)	(10,008)
16.2.4	Revaluation surplus on tangible assets		12,526	-	12,526	12,526	-	12,526
16.2.5	Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6	Revaluation surplus on investment properties		-	-	-	-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures		1,551	-	1,551	1,551	-	1,551
16.2.8	Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		1,626,606	59,762	1,686,368	1,610,529	54,232	1,664,761
16.3.1	Legal reserves		305,389	2,832	308,221	303,514	-	303,514
16.3.2	Status reserves		2,361	-	2,361	1,863	-	1,863
16.3.3	Extraordinary reserves		1,118,749	4,693	1,123,442	1,104,860	4,693	1,109,553
16.3.4	Other profit reserves		200,107	52,237	252,344	200,292	49,539	249,831
16.4	Profit or loss		1,062,334	27,279	1,089,613	769,481	32,251	801,732
16.4.1	Prior years' profit/loss		753,221	29,417	782,638	(19,053)	29,475	10,422
16.4.2	Current period's profit/loss		309,113	(2,138)	306,975	788,534	2,776	791,310
16.5	Minority shares		231,994	7,409	239,403	227,578	7,397	234,975
TOTAL LIABILITIES AND EQUITY			38,664,110	19,838,507	58,502,617	35,044,869	19,496,738	54,541,607

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and its Financial Subsidiaries

Consolidated Off-Balance Sheet Items

At 31 March 2009

(Thousands of Turkish Lira (TL))

Convenience Translation of Financial Statements

and Related Disclosures and Footnotes

Originally Issued in Turkish, See Section 3 Note I)

		Reviewed Current Period 31 March 2009			Audited Prior Year 31 December 2008		
	Notes	TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		10,373,295	8,780,096	19,153,391	9,676,978	7,646,890	17,323,868
I. GUARANTEES AND SURETIES	V-III-2-4	3,359,191	5,062,235	8,421,426	3,455,387	4,645,223	8,100,610
1.1. Letters of guarantee		3,355,163	2,144,723	5,499,886	3,454,338	2,227,927	5,682,265
1.1.1. Guarantees subject to State Tender Law		596,934	709,994	1,306,928	562,823	767,022	1,329,845
1.1.2. Guarantees given for foreign trade operations		103,086	166	103,252	183,909	159	184,068
1.1.3. Other letters of guarantee		2,655,143	1,434,563	4,089,706	2,707,606	1,460,746	4,168,352
1.2. Bank acceptances		-	515,456	515,456	-	428,448	428,448
1.2.1. Import letter of acceptance		-	57,506	57,506	-	192,409	192,409
1.2.2. Other bank acceptances		-	457,950	457,950	-	236,039	236,039
1.3. Letters of credit		3,596	2,386,299	2,389,895	-	1,971,383	1,971,383
1.3.1. Documentary letters of credit		3,596	2,386,284	2,389,880	-	1,971,042	1,971,042
1.3.2. Other letters of credit		-	15	15	-	341	341
1.4. Guaranteed pre-financings		-	13,185	13,185	-	13,240	13,240
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Marketable securities underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		432	1,387	1,819	1,049	3,143	4,192
1.8. Other guarantees		-	1,185	1,185	-	1,082	1,082
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS		6,320,758	471,149	6,791,907	6,060,850	219,160	6,280,010
2.1. Irrevocable commitments		6,313,022	471,149	6,784,171	6,053,114	218,945	6,272,059
2.1.1. Asset purchase commitments	V-III-1	132,540	470,883	603,423	75,063	218,702	293,765
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments	V-III-1	1,414,225	-	1,414,225	1,273,207	-	1,273,207
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments	V-III-1	1,517,456	-	1,517,456	1,456,567	-	1,456,567
2.1.8. Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card limits	V-III-1	3,066,900	-	3,066,900	3,050,410	-	3,050,410
2.1.10. Commitments for credit card and banking operations promotions		181,108	-	181,108	197,148	-	197,148
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		793	266	1,059	719	243	962
2.2. Revocable commitments		7,736	-	7,736	7,736	215	7,951
2.2.1. Revocable loan granting commitments		7,736	-	7,736	7,736	215	7,951
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		693,346	3,246,712	3,940,058	160,741	2,782,507	2,943,248
3.1. Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	-	-	-	-	-
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		693,346	3,246,712	3,940,058	160,741	2,782,507	2,943,248
3.2.1. Forward foreign currency purchases/sales		40,948	38,882	79,830	12,529	12,016	24,545
3.2.1.1. Forward foreign currency purchases		20,479	19,441	39,920	6,266	6,008	12,274
3.2.2.2. Forward foreign currency sales		20,469	19,441	39,910	6,263	6,008	12,271
3.2.2. Currency and interest rate swaps		608,775	3,099,603	3,708,378	148,212	2,709,689	2,857,901
3.2.2.1. Currency swaps-purchases		-	1,493,924	1,493,924	-	1,085,805	1,085,805
3.2.2.2. Currency swaps-sales		470,000	1,018,513	1,488,513	-	1,069,121	1,069,121
3.2.2.3. Interest rate swaps-purchases		66,509	303,716	370,225	72,059	285,643	357,702
3.2.2.4. Interest rate swaps-sales		72,266	283,450	355,716	76,153	269,120	345,273
3.2.3. Currency, interest rate and security options		43,623	41,627	85,250	-	2	2
3.2.3.1. Currency call options		26,123	16,650	42,773	-	-	-
3.2.3.2. Currency put options		17,500	24,975	42,475	-	-	-
3.2.3.3. Interest rate call options		-	-	-	-	-	-
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		-	2	2	-	2	2
3.2.3.6. Security put options		-	-	-	-	-	-
3.2.4. Currency futures		-	-	-	-	-	-
3.2.4.1. Currency futures-purchases		-	-	-	-	-	-
3.2.4.2. Currency futures-sales		-	-	-	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	-	-
3.2.6. Others		-	66,600	66,600	-	60,800	60,800
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		63,280,553	22,401,284	85,681,837	60,908,976	19,853,251	80,762,227
IV. ITEMS HELD IN CUSTODY		15,926,499	438,365	16,364,864	15,955,458	373,351	16,328,809
4.1. Customers' securities held		443,058	16,195	459,253	441,826	14,785	456,611
4.2. Investment securities held in custody		14,237,821	4,124	14,241,945	14,325,828	3,602	14,329,430
4.3. Checks received for collection		529,828	129,436	659,264	544,557	102,807	647,364
4.4. Commercial notes received for collection		220,948	109,576	330,524	220,265	108,308	328,573
4.5. Other assets received for collection		62,415	473	62,888	60,914	860	61,774
4.6. Assets received through public offering		-	5,235	5,235	-	4,798	4,798
4.7. Other items under custody		254,182	31,133	285,315	221,898	30,316	252,214
4.8. Custodians		178,247	142,193	320,440	140,170	107,875	248,045
V. PLEDGED ITEMS		47,354,054	21,962,919	69,316,973	44,953,518	19,479,900	64,433,418
5.1. Securities		1,650,572	73,374	1,723,946	1,635,347	68,697	1,704,044
5.2. Guarantee notes		765,221	355,145	1,120,366	756,285	307,161	1,063,446
5.3. Commodities		8,140,078	33,300	8,173,378	7,885,064	30,400	7,915,464
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		33,580,153	18,987,714	52,567,867	31,696,546	17,194,560	48,891,106
5.6. Other pledged items		2,856,594	2,440,251	5,296,845	2,626,751	1,815,280	4,442,031
5.7. Pledged items-depository		361,436	73,135	434,571	353,525	63,802	417,327
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		73,653,848	31,181,380	104,835,228	70,585,954	27,500,141	98,086,095

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries
Consolidated Statement of Income
For The Three-Month Period Ended 31 March 2009
(Thousands of Turkish Lira (TL))
Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note 1

		Notes	Reviewed Current Period 31 March 2009	Reviewed Prior Period 31 March 2008
I.	INTEREST INCOME		1,743,107	1,516,375
1.1	Interest income from loans	V-IV-1	1,184,372	963,451
1.2	Interest income from reserve deposits		33,714	41,633
1.3	Interest income from banks	V-IV-1	8,988	34,791
1.4	Interest income from money market transactions		35,401	27,580
1.5	Interest income from securities portfolio		450,150	425,394
1.5.1	Trading financial assets		846	17,018
1.5.2	Financial assets at fair value through profit or loss		-	-
1.5.3	Available-for-sale financial assets		319,102	336,974
1.5.4	Held-to-maturity investments		130,202	71,402
1.6	Finance lease income		7,280	7,713
1.7	Other interest income		23,202	15,813
II.	INTEREST EXPENSE		949,240	1,014,606
2.1	Interest expense on deposits		831,639	870,408
2.2	Interest expense on funds borrowed	V-IV-2	59,596	72,436
2.3	Interest expense on money market transactions		52,368	55,350
2.4	Interest expense on securities issued		-	-
2.5	Other interest expenses		5,637	16,412
III.	NET INTEREST INCOME (I – II)		793,867	501,769
IV.	NET FEES AND COMMISSIONS INCOME		101,689	110,418
4.1	Fees and commissions received		139,853	148,563
4.1.1	Non-cash loans		19,308	13,021
4.1.2	Others		120,545	135,542
4.2	Fees and commissions paid		38,164	38,145
4.2.1	Non-cash loans		106	183
4.2.2	Others		38,058	37,962
V.	DIVIDEND INCOME		12,124	3,21
VI.	TRADING INCOME/LOSSES (Net)	V-IV-3	57,808	4,69
6.1	Trading account income/losses	V-IV-3	34,173	15,36
6.2	Income/losses from derivative financial instruments	V-IV-3	2,825	(2,54)
6.3	Foreign exchange gains/losses	V-IV-3	20,810	(8,12)
VII.	OTHER OPERATING INCOME	V-IV-4	144,375	198,338
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		1,109,863	818,428
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	189,787	154,262
X.	OTHER OPERATING EXPENSES (-)	V-IV-6	535,072	391,819
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)		385,004	272,347
XII.	INCOME RESULTED FROM MERGERS		-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		3,538	2,775
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)		388,542	275,122
XVI.	CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-7	(77,903)	(58,494)
16.1	Current tax charges	V-IV-7	(90,369)	(61,571)
16.2	Deferred tax credits	V-IV-7	12,466	3,077
XVII.	NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)		310,639	216,628
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from investment properties		-	-
18.2	Income from sales of subsidiaries, affiliates and joint-ventures		-	-
18.3	Other income from discontinued activities		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS		-	-
19.1	Investment property expenses		-	-
19.2	Losses from sales of subsidiaries, affiliates and joint ventures		-	-
19.3	Other expenses from discontinued activities		-	-
XX.	INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-
XXI.	DISCONTINUED OPERATIONS PROVISION FOR TAXES (±)		-	-
21.1	Current tax charge		-	-
21.2	Deferred tax charge		-	-
XXII.	NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)		310,639	216,628
23.1	Group's share		306,975	210,979
23.2	Minority share	V-IV-9	3,664	5,649
	Earnings per Share (full TL)	III-XXIV	0.1243	0.0867

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

	Reviewed Current Period 31 March 2009	Reviewed Prior Period 31 March 2008
GAINS AND LOSSES RECOGNIZED IN EQUITY		
I. VALUATION DIFFERENCES OF AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF THE MARKETABLE SECURITIES	70,650	(128,658)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	2,699	15,072
V. GAINS/(LOSSES) FROM CASH FLOW HEDGES		
(Effective Portion of Fair Value Changes)	-	-
VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES		
(Effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS	-	-
VIII. OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	(2,692)	(2,992)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(9,861)	25,236
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY	60,796	(91,342)
XI. CURRENT PERIOD'S PROFIT/(LOSS)	310,639	216,628
11.1 Change in fair value of securities (transfers to the statement of income)	(6,268)	7,337
11.2 Gains/Losses recognized in the statement of income due to reclassification of cash flow hedges	-	-
11.3 Gains/Losses recognized in the statement of income due to reclassification of net foreign investment hedges	-	-
11.4 Others	316,907	209,291
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD	371,435	125,286

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity

For the Three-Month Period Ended 31 March 2009

(Thousands of Turkish Lira (TL))

Convenience Translation of Financial Statements

and Related Disclosures and Footnotes

Originally Issued in Turkish, See Section 3 Note I

	Paid-in Capital	Capital Reserves from Inflation Adj.s to Paid in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period's Net Profit/(Loss)	Prior Years' Net Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Discount. Op.s	Shareholders' Equity before Minority Shares	Minority Shares	Total Equity
CHANGES IN SHAREHOLDERS' EQUITY																		
I. Previous period – 31 March 2008																		
Balances at the beginning of the period	2,500,000	-	726,687	-	197,941	-	338,246	197,974	1,030,521	6,389	118,889	10,149	12,051	-	-	5,138,847	209,466	5,348,313
II. Corrections made as per TAS 8	-	-	4	-	2,477	1,245	8,323	245	2,746	16,541	(28,036)	2,377	(10,330)	-	-	(4,408)	2,270	(2,138)
2.1 Effect of correction of errors	-	-	4	-	2,477	1,245	8,323	245	2,746	16,541	(28,036)	2,377	(10,330)	-	-	(4,408)	2,270	(2,138)
2.2 Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at the beginning of the year (I+II)	2,500,000	-	726,691	-	200,418	1,245	346,569	198,219	1,033,267	22,930	90,853	12,526	1,721	-	-	5,134,439	211,736	5,346,175
Changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Merges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation differences of the marketable securities	-	-	-	-	-	-	-	-	-	-	(126,800)	-	-	-	-	(126,800)	(205)	(127,005)
VI. Hedging reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Translation differences	-	-	-	-	-	-	-	13,616	-	-	-	-	-	-	-	13,616	1,456	15,072
XI. Changes resulted from disposal of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in equities of associates on the Bank's equity	-	-	-	-	-	-	-	-	2,775	-	21,170	-	-	-	-	23,945	(579)	23,366
XIV. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current year's profit/loss	-	-	-	-	-	-	-	-	208,204	-	-	-	-	-	-	208,204	5,649	213,853
XX. Profit distribution	-	-	-	-	101,343	618	761,493	35,970	(1,033,267)	(8,357)	-	-	-	-	-	(142,200)	(1,935)	(144,135)
20.1 Dividends	-	-	-	-	-	-	-	-	(142,200)	-	-	-	-	-	-	(142,200)	(1,935)	(144,135)
20.2 Transferred to reserves	-	-	-	-	101,343	618	761,493	35,970	(891,067)	(8,357)	-	-	-	-	-	-	-	-
20.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period	2,500,000	-	726,691	-	301,761	1,863	1,108,062	247,805	210,979	14,573	(14,777)	12,526	1,721	-	-	5,111,204	216,122	5,327,326
Current period – 31 March 2009																		
I. Balances at the beginning of the period	2,500,000	-	726,691	-	303,514	1,863	1,109,553	249,831	791,310	10,422	(10,008)	12,526	1,551	-	-	5,697,253	234,975	5,932,228
II. Corrections made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at the beginning of the year (I+II)	2,500,000	-	726,691	-	303,514	1,863	1,109,553	249,831	791,310	10,422	(10,008)	12,526	1,551	-	-	5,697,253	234,975	5,932,228
Changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Merges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation differences of marketable securities	-	-	-	-	-	-	-	-	-	-	56,276	-	-	-	-	56,276	548	56,824
VI. Hedging Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Translation differences	-	-	-	-	-	-	-	2,513	-	-	-	-	-	-	-	2,513	186	2,699
XI. Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes resulted from reclassifications of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in equities of associates on the Bank's equity	-	-	-	-	-	-	-	-	3,538	-	1,243	-	-	-	-	4,781	30	4,811
XIV. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current year's profit/loss	-	-	-	-	-	-	-	-	303,437	-	-	-	-	-	-	303,437	3,664	307,101
XX. Profit distribution	-	-	-	-	4,707	498	13,889	-	(791,310)	772,216	-	-	-	-	-	-	-	-
20.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transferred to reserves	-	-	-	-	4,707	498	13,889	-	(791,310)	772,216	-	-	-	-	-	-	-	-
20.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period	2,500,000	-	726,691	-	308,221	2,361	1,123,442	252,344	306,975	782,638	47,511	12,526	1,551	-	-	6,064,260	239,403	6,303,663

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries**Consolidated Statement of Cash Flows**

For the Three-Month Period Ended 31 March 2009

(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note I*

	Reviewed Current Period 31 March 2009	Reviewed Prior Period 31 March 2008
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	589,549	17,729
1.1.1 Interests received	1,903,829	1,491,227
1.1.2 Interests paid	(954,838)	(967,536)
1.1.3 Dividends received	1,213	3,211
1.1.4 Fee and commissions received	101,689	110,418
1.1.5 Other income	135,325	122,980
1.1.6 Collections from previously written-off loans and other receivables	5,662	21,048
1.1.7 Payments to personnel and service suppliers	(501,206)	(419,143)
1.1.8 Taxes paid	(48,859)	(72,416)
1.1.9 Others	(53,266)	(272,060)
1.2 Changes in operating assets and liabilities	2,473,784	1,433,693
1.2.1 Net (increase) decrease in financial assets held for trading purpose	10,797	(48,664)
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss	-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions	30,549	(200,108)
1.2.4 Net (increase) decrease in loans	(1,032,514)	(2,626,692)
1.2.5 Net (increase) decrease in other assets	(416)	(98,474)
1.2.6 Net increase (decrease) in bank deposits	541,933	(144,264)
1.2.7 Net increase (decrease) in other deposits	1,878,308	3,451,373
1.2.8 Net increase (decrease) in funds borrowed	342,940	702,617
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	702,187	397,905
I. Net cash flow from banking operations	3,063,333	1,451,422
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(1,401,235)	(536,573)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	-	(294)
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Purchases of tangible assets	(30,353)	(66,612)
2.4 Proceeds from disposal of tangible assets	2,092	20,476
2.5 Cash paid for purchase of available-for-sale financial assets	(1,894,447)	(1,054,320)
2.6 Proceeds from disposal of available-for-sale financial assets	464,884	782,480
2.7 Cash paid for purchase of held-to-maturity investments	(63,271)	(275,297)
2.8 Proceeds from disposal of held-to-maturity investments	119,860	56,994
2.9 Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities	-	-
3.1 Cash obtained from funds borrowed and securities issued	-	-
3.2 Cash used for repayment of funds borrowed and securities issued	-	-
3.3 Equity instruments issued	-	-
3.4 Dividends paid	-	-
3.5 Re-payments for finance leases	-	-
3.6 Others	-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	-	-
V. Net increase in cash and cash equivalents	1,662,098	914,849
VI. Cash and cash equivalents at the beginning of the period	7,107,581	5,382,011
VII. Cash and cash equivalents at the end of the period	8,769,679	6,296,860

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

SECTION THREE

Accounting Policies

I. Basis of presentation

As per the Article 37 and 38 of “Accounting and Recording Rules” and “Consolidated Financial Reports”, respectively of the Turkish Banking Law no.5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, Türkiye Vakıflar Bankası TAO (“the Bank”) and its Financial Subsidiaries (collectively “the Group”) keeps its accounting records and prepares its consolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulation and Supervision Agency (“BRSA”) and in effect since 1 November 2006, Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the related statements and guidance (collectively “Reporting Standards”).

The accompanying consolidated financial statements are prepared in accordance with the historical cost basis except for the financial assets at fair value through profit or loss, derivative financial assets and liabilities held for trading purpose, available-for-sale financial assets and investments in associates and subsidiaries that are quoted on the stock exchanges and assets available for sale, which are presented on a fair value basis.

Additional paragraph for convenience translation to English

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

II. Strategy for the use of financial instruments and foreign currency transactions

Strategy for the use of financial instruments

The Parent Bank’s core operations are based on retail banking, corporate banking, private banking, foreign exchange operations, money market operations, investment security transactions, and international banking. As a result of the nature of its operations, the Bank intensively utilizes financial instruments. The Bank funds itself through deposits with different maturities as the main funding resources that are invested in assets earning higher returns.

The most important fund sources of the Bank other than the deposits are its equity and medium and long-term borrowings obtained from foreign financial institutions. The Parent Bank pursues an effective asset-liability management strategy by securing balance between funding resources and investments so as to reduce risks and increase returns. Accordingly, the Bank attaches great significance to long-term placements bearing higher interest rates.

It is essential to consider the maturity structure of assets and liabilities in liquidity management. The essence of asset liability management is the keep the liquidity risk, interest rate risk, exchange rate risk, and credit risk within reasonable limits; while enhancing profitability and strengthening the shareholders’ equity.

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Parent Bank’s operating activities on the basis of maturity structures and market conditions. When bank placements are considered, they have short term maturity in terms of liquidity management but earn lower return.

The Parent Bank takes position against short-term foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within specified limits set by regulations.

The Parent Bank hedges itself and controls its position against the foreign exchange risk being exposed due to foreign currency available-for-sale investments, investments in other portfolios and other foreign currency transactions by various derivative transactions and setting the equilibrium between foreign currency denominated assets and liabilities. The Parent Bank also hedges itself against the risk exposed due to net investment in foreign operations by the same manner.

In order to avoid interest rate risk, assets and liabilities having fixed and floating interest rates are kept in balance, taking the maturity structure into consideration.

Information on foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities measured at the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the consolidated income statement.

If the investment, other than consolidated subsidiaries, is stated at cost, the net investments in associates and subsidiaries operating in foreign countries are reported as translated into TL by using the foreign exchange rate ruling at the date of transaction. If related associates and subsidiaries are measured at fair value, net foreign operations are reported as translated into TL by the rates prevailing at the date of the determination of the fair value.

Foreign currency differences arising from the translation of the financial statements of the net investment in foreign operations into TL for consolidation purpose are classified as "foreign currency differences arising from associates, subsidiaries, and joint ventures" sub account under "other profit reserves" presented in the shareholders' equity.

III. Information on companies subject to consolidation

As at and for the three-month period ended 31 March 2009, the financial statements of T. Vakıflar Bankası TAO, Vakıf International AG, World Vakıf UBB Ltd., Vakıf Finansal Kiralama AŞ, Vakıf Deniz Finansal Kiralama AŞ, Güneş Sigorta AŞ, Vakıf Emeklilik AŞ, Vakıf Finans Factoring Hizmetleri AŞ, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, Vakıf Yatırım Menkul Değerler AŞ, Vakıf Portföy Yönetimi AŞ, Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ, Kıbrıs Vakıflar Bankası Ltd. Şti., and Türkiye Sınai Kalkınma Bankası AŞ have been included in the consolidated financial statements of the Group.

Vakıf International AG, has been established in 1999 to operate in banking sector in foreign countries, in line with the Bank's globalization policy. Its head office is in Wien.

World Vakıf Off Shore Banking Ltd., has been established in Turkish Republic of Northern Cyprus in 1993 for offshore banking operations. Its head office is in Lefkosa. The name of the Bank has been changed as World Vakıf UBB. Ltd. on 4 February 2009.

Vakıf Finansal Kiralama AŞ, has been established in 1988 to enter into finance lease operations and make related transactions and contracts. Its head office is in Istanbul.

Vakıf Deniz Finansal Kiralama AŞ, has been established in 1993 to enter into finance lease operations through the acquisition of vessels like cargo and ro-ro ships and make related transactions and contracts. The Company qualified for TS ISO 9002 Quality Assurance Certificate in 1995 and renewed it in 1998. Vakıf Deniz Finansal Kiralama AŞ is the first institution that has qualified for this certificate in finance sector. Its head office is in Istanbul.

Güneş Sigorta AŞ, has been established under the leadership of the Bank and Soil Products Office in 1957. The Company has been operating in nearly all non-life insurance branches like fire, accident, transaction, engineering, agriculture, health, forensic protection, and loan insurance. Its head office is in Istanbul.

Vakıf Emeklilik AŞ, has been established under the name Güneş Hayat Sigorta AŞ in 1992. In 2002 the Company has taken conversion permission from Treasury and started to operate in private pension system. Its head office is in Istanbul.

Vakıf Finans Factoring Hizmetleri AŞ, has been established in 1998 to perform factoring transactions and any kind of financing transactions. Factoring, the main operation of the Company, is a financing method that includes the trade receivables of production, distribution and service companies to be sold to intermediary institutions. Its head office is in Istanbul.

Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, has been established as the first real estate investment partnership in finance sector under the adjudication of Capital Markets Law in 1996. The Company's main operation is in line with the scope in the Capital Markets Board's regulations relating to real estate investment trusts like, real estates, capital market tools based on real estates, real estate projects and investment on capital market tools. Its head office is in İstanbul.

Vakıf Yatırım Menkul Değerler AŞ, has been established in 1996 to provide service to investors through making capital markets transactions, issuance of capital market tools, commitment of repurchase and sales, and purchase and sales of marketable securities, operating as a member of stock exchange, investment consultancy, and portfolio management. Its head office is in Istanbul.

Vakıf Portföy Yönetimi AŞ, operates in investment fund management, portfolio management and pension fund management. Its head office is in Istanbul.

Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ, was established in 1991 in Istanbul. The main operation of the Company is to invest a portfolio including marketable debt securities, equity securities without having managerial power in the partnerships whose securities have been acquired; and gold and other precious metals traded in national and international stock exchange markets or active markets other than stock exchange markets, in accordance with the principles and regulations promulgated by Capital Markets Board. Its head office is in Istanbul.

Kıbrıs Vakıflar Bankası Ltd. Şti., was established in 1982 in Turkish Republic of Northern Cyprus, mainly to encourage the credit cards issued by the Bank, and increase foreign exchange inflow, and carry on retail and commercial banking operations. Its head office is in Lefkosa.

Türkiye Sınai Kalkınma Bankası AŞ, was established in 1950 to support investments in all economical sectors. Its head office is in Istanbul.

In cases where the accounting policies for the preparation of the financial statements of Financial Subsidiaries are different than that of the Parent Bank, the differences have been adjusted to the accounting policies of the Parent Bank, taking the materiality principle into account. The financial statements of local Financial Subsidiaries, and foreign Financial Subsidiaries preparing their financial statements according to the principles of the countries which they are located in, have been adjusted in accordance with Reporting Standards as at 31 March 2009, 31 December 2008, 31 March 2008 and 31 December 2007. Inter-company balances and transactions, and any unrealized gains and losses arising from inter-company transactions, are eliminated in preparing these consolidated financial statements

IV. Information on forwards, options and other derivative transactions

The derivative transactions mainly consist of foreign currency and interest rate swaps and foreign currency forward contracts.

The Group has classified its derivative transactions, mentioned above, as "trading derivatives" in accordance with the TAS 39 – *Financial Instruments: Recognition and Measurement*. Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts as stated on the related derivative contracts. Subsequently, the derivative transactions are measured at their fair values and the changes in fair values are recorded in the balance sheet under "derivative financial assets held for trading purpose" or "derivative financial liabilities held for trading purpose". The subsequent fair value changes are recorded in the statement of income.

V. Information on interest income and expenses

Banking activities

Interest income and expense are recognized according to the effective interest method based on accrual basis.

The accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

Finance leasing activities

The total of minimum rent amounts are recorded at “finance lease receivables” account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at “unearned income” account. As the rents are collected, “finance lease receivables” account is decreased by the rent amount; and the interest component is recorded in the consolidated statement of income as interest income.

VI. Information on fees and commissions

Fee and commissions are recorded based on accrual basis. Financial service fees that are an integral part of the effective yield of an instrument are recognized as an adjustment to the effective interest rate of the instrument. Some fees are related to the execution of a significant act, rather than to the effective interest rate of an associated financial instrument or to a specific service period. Such fees are earned when the related significant act has been completed.

VII. Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

When a financial asset is recognized initially, the Bank measures it at its fair value plus, in the case of a financial asset that is not classified at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets are classified in four categories; as financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments, and loans and receivables.

Financial assets at fair value through profit or loss

Such assets are measured at their fair values and gain/loss arising is recorded in the consolidated statement of income. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the consolidated statement of income. The gains/losses in case of disposal of such securities before their maturities are recorded under trading income/losses in the consolidated statement of income.

Held to maturity investments, available-for-sale financial assets and loans and receivables

Held to maturity investments are the financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables.

There are no financial assets that are not allowed to be classified as held-to-maturity investments for two years due to the tainting rules applied for the breach of classification rules.

Held-to-maturity investments are measured at amortized cost using effective interest method after deducting impairments, if any. Interest earned on held-to-maturity investments is recognized as interest income.

Available-for-sale financial assets are the financial assets other than assets held for trading purposes, held-to-maturity investments and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. However, assets that are not traded in an active market are measured by valuation techniques, including recent market transactions in similar financial instruments, adjusted for factors unique to the instrument being valued; or discounted cash flow techniques for the assets which do not have a fixed maturity. Unrecognized gains or losses derived from the difference between their fair value and the discounted values are recorded in “valuation differences of the marketable securities” under the shareholders’ equity. In case of sales, the realized gain or losses are recognized directly in the consolidated statement of income.

Purchase and sale transactions of securities are accounted at settlement dates.

Loan and receivables are the financial assets raised by the Bank providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recorded at cost and measured at amortized cost by using effective interest method. The duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Associates and subsidiaries

Subsidiaries are the entities that the Parent Bank has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. Subsidiaries are accounted in accordance with TAS 39 – *Financial Instruments: Recognition and Measurement* in the unconsolidated financial statements. Subsidiaries, which are traded in an active market or whose fair value can be reliably measured, recorded at their fair values. Subsidiaries which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any. The financial subsidiaries of the Group are consolidated in the accompanying consolidated financial statements and non-financial subsidiaries are accounted in accordance with TAS 39.

Associates have been reclassified under available-for-sale financial assets in the unconsolidated financial statements and associates which are not traded in an active market and whose fair value cannot be reliably set are reflected in the unconsolidated financial statements with their costs after deducting impairment losses, if any. In the consolidated financial statements, associates have been subject to consolidation based on equity method if the Group has the power to participate in determining the financial and operational policies. If the Group does not have this power, associates are recorded in accordance with TAS 39.

VIII. Impairment of financial assets

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Group estimates the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no.26333 dated 1 November 2006 and the amendments to this regulation. The allowances are recorded in the statement of income of the related period.

IX. Netting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements (“repo”) are recorded on the balance sheet in accordance with the Uniform Chart of Accounts for Banks. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Securities Subject to Repurchase Agreements” and valued based on their original portfolio, either at fair value or at amortized cost using effective interest. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis.

Securities purchased under resale agreements are classified under “Interbank Money Markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

XI. Information on assets and liabilities arising from assets held for sale and discontinued operations

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

A discontinued operation is a part of the Group’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the consolidated income statement. The Group has no discontinued operations.

XII. Information on goodwill and other intangible assets

The Group’s intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the TAS 38 – *Intangible Assets*.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 – *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. Information on tangible assets

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%)
Buildings	50	2
Office equipment, furniture and fixture, and motor vehicles	5-10	10-20
Assets obtained through finance leases	4-5	20-25

If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 – *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIV. Information on investment properties

Investment property is a property held either to earn rental income or for capital appreciation or for both. The Group holds investment property as a consequence of operations of its real estate company and insurance companies, consolidated in the accompanying consolidated financial statements.

Investment properties are measured initially at cost including transaction costs.

Subsequent to initial recognition, the Group measured all investment property based on the cost model in accordance with the cost model for property and equipment (i.e. at cost less accumulated depreciation and less any accumulated impairment losses).

XV. Information on leasing activities**Finance leasing activities as the lessee**

The maximum period of the lease contracts is 4 years. Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the balance sheet of the Group. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through finance lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through finance lease is calculated in the same manner as tangible assets.

Finance leasing activities as the lessor

The total of minimum rent amounts are recorded at "finance lease receivables" account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at "unearned income" account. As the rents are collected, "finance lease receivables" account is decreased by the rent amount; and the interest component is recorded at consolidated income statement as interest income.

Operational leases

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XVI. Information on provisions and contingent liabilities

In the consolidated financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as at the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Group to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the consolidated financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in consolidated financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Group discloses the contingent asset.

XVII. Information on obligations of the Group concerning employee rights**Reserve for employee termination benefits**

In accordance with existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at 31 March 2009 is TL 2.26 (31 December 2008: TL 2.17).

The Bank reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the TAS 19 – *Employee Benefits*.

As at 31 March 2009 and 31 December 2008, the major statistical assumptions used in the calculation of the total liability are as follows:

	Current Period	Previous Period
Discount rate	6.26%	6.26%
Expected rate of salary/limit increase	5.40%	5.40%
Estimated employee turnover rate	0.84%	0.84%

Other benefits to employees

The Group has provided for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with *TAS 19* in the accompanying consolidated financial statements.

Pension fund

The employees of the Bank are the members of “Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı” (“the Fund”) established on 15 May 1957 as per the temporary article no.20 of the Social Security Law no.506.

The first paragraph of the temporary article no.23 which states the Banks should transfer pension funds to the Social Security Institution within three years after the issue date of the Banking Law no.5411, issued in the 1 November 2005 dated and 25983 numbered Official Gazette, has been cancelled by the Constitutional Court’s 22 March 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on 15 December 2007 in the Official Gazette no.26731.

Following the publication of the ruling, the Turkish Parliament started to work on new legal arrangements and the Social Security Law no.5754 (“the Law”) has been approved on 17 April 2008. The Law is enacted by the approval of the President of Turkey and issued on the 8 May 2008 dated and 26870 numbered Official Gazette.

In accordance with the temporary article no.20 of the Article no.73 of the Law;

The discounted liability for each fund in terms of the persons transferred as at the transfer date, including the contributors left the fund, should be calculated by the assumptions below,

- a) The technical interest rate to be used for the actuarial calculation is 9.80%
- b) Income and expenditures in respect to fund's insurance division are considered in the calculation of discounted liability.

Law requires the transfer to be completed in three years beginning from 1 January 2008.

At 19 June 2008, Cumhuriyet Halk Partisi, opposition party, appealed to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. As at the report date, there is no arbitrement of the Constitutional Court published.

The employer of pension fund participants (the Banks) will continue to pay the non-transferable social rights, which are already disclosed in the article of association of the pension fund, to the pension participants and their right owners, even though the salary payment obligation has been transferred to the Social Security Foundation.

The technical financial statements of the Fund are audited by the certified actuary according to the the "Actuaries Regulation" which is issued as per the Article no.21 of the 5684 numbered Insurance Law. As per the actuarial report dated February 2009 which is prepared in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against.

XVIII. Taxation

Corporate tax

Corporate tax rate is 20% in Turkey. This rate is applied to total income of the Group adjusted for certain disallowable expenses, exempt income and any other allowances.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Except for the dividend payments to these institutions, the withholding tax rate on the dividend payments is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The corporate tax rate for the associate in the Turkish Republic of Northern Cyprus has been determined as 2% and this associate is exempted from stamp tax duty.

The corporate tax rate for the Group's subsidiary in Austria has been determined as 25%. Pre-paid corporate taxes for every three months are computed and paid using the related period's tax rate. Taxes which have been paid for the previous periods can be deducted from corporate taxes computed on annual taxable income. According to the Double Taxation Treaty Agreement between Turkey and Austria, Turkish corporations in Austria possess the right to benefit from tax returns.

Deferred taxes

According to the TAS 12 – *Income Taxes*; deferred tax assets and liabilities are recognized, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

The deferred tax assets and liabilities are reported as net in the consolidated financial statements only if the Group has legal right to present the net value of current year tax assets and current year tax liabilities and the deferred tax assets and deferred tax liabilities are income taxes of the same taxable entity.

In case where gains/losses resulting from the subsequent measurement of financial assets are recognized in the consolidated statement of income, then the related current and/or deferred tax effects are also recognized in the consolidated statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

Transfer Pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

XIX. Funds borrowed

Financial liabilities for trading purposes and derivative financial liabilities are valued at their fair values. All other financial liabilities are carried at amortized cost using effective interest method.

As at 31 March 2009, there are no convertible bonds or any other securities issued by the Parent Bank.

XX. Issuance of equity securities

The shares of the Parent Bank having nominal value of TL 322,000,000, representing the 25.18% of the Bank's outstanding shares, was publicly offered at a price between TL 5.13-5.40 for each share having a nominal value of TL 1 on November 2005, and TL 1,172,347 was recorded as “Share Premiums” in shareholders' equity. TL 448,429 of this amount has been utilized in capital increase on 19 December 2006.

XXI. Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any. As at the balance sheet date, there are no acceptances recorded as liability in return for assets.

XXII. Government incentives

As at 31 March 2009, the Group does not have any government incentives.

XXIII. Segment reporting

Operational segments are determined based the structure of the Group's risks and benefits and presented in Section 4 Note VII.

XXIV. Other disclosures

Corrections to the prior periods' consolidated financial statements

The Bank has classified the shares of Türkiye Sınai Kalkınma Bankası AŞ ("TSKB"), which were previously presented under available-for-sale financial assets and measured with their fair values, as associate since the condition of being represented on the board of directors or equivalent governing body of the investee is fulfilled in accordance with TAS 28 – *Investment in associates*. TSKB has been accounted for in the accompanying consolidated financial statements using equity method. The effect of the change on the Bank's consolidated shareholders' equity has been presented in the tables below.

	Share Premium	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period's Profit/ (Loss)	Prior Year's Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries, and Joint- Ventures	Minority Shares	Total Shareholders' Equity
31 December 2007												
<i>Reported Balances</i>	726,687	197,941	-	338,246	197,974	1,030,521	6,389	118,889	10,149	12,051	209,466	5,348,313
Consolidation of TSKB per equity method	4	2,477	1,245	8,323	245	2,746	16,541	(28,036)	2,377	(10,330)	2,270	(2,138)
Adjusted Balances	726,691	200,418	1,245	346,569	198,219	1,033,267	22,930	90,853	12,526	1,721	211,736	5,346,175

	Share Premium	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period's Profit/ (Loss)	Prior Year's Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries, and Joint- Ventures	Minority Shares	Total Shareholders' Equity
31 March 2008												
<i>Reported Balances</i>	726,687	298,041	-	1,098,876	247,560	208,393	(1,990)	(7,911)	10,149	12,051	214,431	5,306,287
Consolidation of TSKB per equity method	4	3,720	1,863	9,186	245	2,586	16,563	(6,866)	2,377	(10,330)	1,691	21,039
Adjusted Balances	726,691	301,761	1,863	1,108,062	247,805	210,979	14,573	(14,777)	12,526	1,721	216,122	5,327,326

Earnings per shares

As at and for the three-month period ended 31 March 2009, earnings per share is TL 0.1243 (31 March 2008: TL 0.0867).

Related parties

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 financial and operating decisions. Shareholders, top executives and board members are accepted as related party personally, with their families and companies according to TAS 24 - *Related Party Disclosures Standard*. Transactions made with related parties are disclosed in Section 5 Note V.

Cash and cash equivalents

Cash and cash equivalents which is a base for preparation of cash flow statement includes cash in TL, cash in FC, cheques, demand deposits for both Central Bank of Turkey ("CBT") and other banks, money market placements and time deposits at banks and marketable securities whose original maturity is less than 3 months.

Insurance operations of the Group

Written Premiums: Written premiums represent premiums on policies written during the period net of taxes and premiums of the cancelled policies which were produced in prior periods. Written premiums, net off ceded are recorded under other operating income in the accompanying consolidated statement of income.

Reserve for unearned premiums: Reserve for unearned premiums represents the proportions of the premiums written in a period that relate to the period of risk subsequent to the balance sheet date, without deductions of commission or any other expense. Reserve for unearned premiums is calculated for all contracts except for the insurance contracts for which the Group provides mathematical reserve. Reserve for unearned premiums is also calculated for the annual premiums of the annullay renewed long-term insurance contracts. Reserve for unearned premiums is presented under “insurance technical provisions” in the accompanying consolidated financial statements.

Reserve for outstanding claims: Reserve for the claims are provided in the year in which they incur, based on reported amounts or on the basis of estimates when the amounts could not be determined in certainty. Provision for outstanding claims represents the estimate of the total reported costs of notified claims on an individual case basis at the balance sheet date as well as the corresponding handling costs. Incurred but not reported claims (“IBNR”) are also provided for under provisions for outstanding claims. Reserve for outstanding claims is presented under “insurance technical provisions” in the accompanying consolidated financial statements.

Mathematical provisions: Mathematical provisions are the provisions recorded against the liabilities of the Group to the beneficiaries of long-term life, health and individual accident policies based on actuarial assumptions. Mathematical provisions consist of actuarial mathematical provisions and profit sharing reserves.

Actuarial mathematical provisions are calculated as the difference between the net present values of premiums written in return of the risk covered by the Group and the liabilities to policyholders for long-term insurance contracts based on the basis of actuarial mortality assumptions as approved by the Republic of Turkey Prime Ministry Undersecretariat of Treasury, which are applicable for Turkish insurance companies. In policies where the saving premium is written additionally, mathematical provision is the sum of the remainder of collected premiums and saving life insurance provision.

Profit sharing reserves are the reserves provided against income obtained from asset backing saving life insurance contracts. These contracts entitle the beneficiaries of those contracts to a minimum guaranteed crediting rate per annum or, when higher, a bonus rate declared by the Group from the eligible surplus available to date.

Mathematical provisions are presented under “insurance technical provisions” in the accompanying consolidated financial statements.

Deferred acquisition cost and deferred commission income: Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing insurance contracts are capitalized as deferred acquisition cost. Deferred acquisition costs are amortized on a straight-line basis over the life of the contracts. Deferred acquisition costs are presented under “other assets” in the accompanying consolidated financial statements. Commission income obtained against premiums ceded to reinsurance firms are also deferred and amortized on a straight-line basis over the life of the contracts. Deferred commission income is presented under “other external resources payable” in the accompanying consolidated financial statements.

SECTION FOUR

Information Related to Financial Position of the Group

I. Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 14.08% (The Parent Bank: 14.23%).

Risk measurement methods in calculation of capital adequacy ratio

Consolidated capital adequacy ratio is calculated within the scope of the "Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no.26333 dated 1 November 2006, "Regulation for an Amendment for the Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no.26824 dated 22 March 2008 and "Regulation on the Equity of Banks".

In calculation of capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used.

The items deducted from the capital base are not included in the calculation of risk weighted assets. In calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of the Banks".

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Interim Financial Report as at and
For the Three-Month Period Ended 31 March 2009
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note I*

Information related to consolidated capital adequacy ratio

	Unconsolidated – Parent Bank's Risk Weights – 31 Mart 2009							Consolidated – Group's Risk Weights – 31 Mart 2009						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
Balance Sheet Items (Net)	12,245,326	-	1,657,747	9,083,179	23,670,574	27,071	210	12,512,183	-	2,007,603	9,083,179	24,809,173	27,071	210
Cash on hand	437,112	-	5	-	-	-	-	440,446	-	27	-	-	-	-
Securities in redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,681,362	-	-	-	-	-	-	1,681,362	-	-	-	-	-	-
Domestic and foreign banks, foreign head offices and branches	281,924	-	1,351,167	-	247,073	-	-	294,150	-	1,482,946	-	248,145	-	-
Interbank Money Market placements	4,800,000	-	-	-	-	-	-	4,800,000	-	-	-	-	-	-
Receivables from reverse repurchase agreements	-	-	-	-	-	-	-	500	-	-	-	-	-	-
Reserve deposits	776,972	-	-	-	-	-	-	776,972	-	-	-	-	-	-
Loans	261,761	-	194,607	8,923,976	21,195,700	27,071	210	302,556	-	381,520	8,923,976	21,397,104	27,071	210
Loans under follow-up (Net)	-	-	-	-	246,358	-	-	-	-	-	-	256,701	-	-
Lease Receivables	-	-	-	-	-	-	-	3,026	-	-	-	296,203	-	-
Available-for-sale financial assets	-	-	19,931	-	-	-	-	-	-	26,894	-	1,217	-	-
Held-to-maturity investments	3,724,274	-	63,270	-	-	-	-	3,913,174	-	74,257	-	-	-	-
Receivables from term sale of assets	-	-	-	-	162,964	-	-	-	-	-	-	162,964	-	-
Miscellaneous receivables	-	-	-	-	158,518	-	-	-	-	-	-	158,519	-	-
Accrued interests and income	174,563	-	28,767	159,203	388,533	-	-	189,211	-	41,959	159,203	394,141	-	-
Investments in associates, subsidiaries and joint-ventures (Net)	-	-	-	-	521,080	-	-	-	-	-	-	163,338	-	-
Tangible assets (Net)	-	-	-	-	717,907	-	-	-	-	-	-	867,487	-	-
Other assets	107,358	-	-	-	32,441	-	-	110,786	-	-	-	863,354	-	-
Off-Balance Sheet Items	198,688	-	164,503	324,628	4,987,283	-	-	198,688	-	165,928	324,628	5,041,978	-	-
Non-cash loans and commitments	198,688	-	148,672	324,628	4,986,571	-	-	198,688	-	148,672	324,628	5,041,266	-	-
Derivative financial instruments	-	-	15,831	-	712	-	-	-	-	17,256	-	712	-	-
Total Risk-Weighted Assets	12,444,014	-	1,822,250	9,407,807	28,657,857	27,071	210	12,710,871	-	2,173,531	9,407,807	29,851,151	27,071	210

Summary information related to capital adequacy ratio

	Unconsolidated		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	33,767,237	32,796,049	35,030,787	34,108,440
Value at Market Risk	882,913	755,100	937,688	834,638
Value at Operational Risk (*)	4,756,200	4,130,525	5,609,963	5,045,400
Equity	5,607,257	5,389,879	5,853,912	5,619,673
Equity/ (VaCR+VaMR+VaOR)*100	14.23	14.30	14.08	14.05

(*) In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 31 December 2008 was measured by taking value at operational risk calculated based on average of gross incomes for the years ended 31 December 2005, 2006 and 2007 into consideration. For the year 2009, value at operational risk is being calculated based on average of gross incomes for the years ended 31 December 2006, 2007 and 2008.

Components of consolidated equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	2,500,000	2,500,000
Nominal capital	2,500,000	2,500,000
Capital commitments (-)	-	-
Capital reserves from inflation adjustments to paid-in capital	-	-
Share premiums	726,691	726,691
Share cancellation profits	-	-
Legal reserves	308,221	303,514
I. Legal reserve (Turkish Commercial Code 466/1)	168,274	163,567
II. Legal reserve (Turkish Commercial Code 466/2)	-	-
Reserves allocated as per special legislations	139,947	139,947
Status reserves	2,361	1,863
Extraordinary reserves	1,375,786	1,359,384
Reserve allocated as per the decision held by the General Assembly	1,123,442	1,109,553
Retained earnings	252,344	249,831
Accumulated losses	-	-
Exchange rate differences on foreign currency capital	-	-
Reserves from inflation adjustments to legal, status and extraordinary reserves	-	-
Profit	1,089,613	801,732
Current year's profit	306,975	791,310
Prior years' profit	782,638	10,422
Free provision for possible losses (up to 25% of Core Capital)	-	-
Income on sale of equity shares and real estates to be used up for capital increase	25	25
Primary subordinated loans (up to 15% of Core Capital)	-	-
Minority shares	223,210	219,329
Loss excess of reserves (-)	-	-
Current year's loss	-	-
Prior years' loss	-	-
Leasehold improvements (-) (*)	92,670	-
Prepaid expenses (-) (*)	291,534	286,135
Intangible assets (-) (*)	35,308	33,409
Deferred tax asset excess of 10% of core capital (-)	-	-
Limit excesses as per the 3 rd paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (net) (-)	-	-
Total core capital	5,806,395	5,912,538
SUPPLEMENTARY CAPITAL		
General provisions	270,602	258,907
45% of revaluation surplus on movables	5,625	5,625
Bonus shares of associates, subsidiaries and joint-ventures	1,551	1,551
Primary subordinated loans excluding the portion included in core capital	-	-
Secondary subordinated loans	-	-
45% of securities value increase fund	21,380	(10,008)
Associates and subsidiaries	3,206	9,715
Available-for-sale financial assets	18,174	(19,723)
Inflation adjustment differences of capital reserves, profit reserves and prior years' profit/(loss)	-	-
Minority shares	7,334	12,196
Total supplementary capital	306,492	268,271
TIER III CAPITAL		
CAPITAL	6,112,887	6,180,809
DEDUCTIONS FROM CAPITAL	258,975	561,136
Unconsolidated investments in entities (domestic/foreign) operating in banking and financial sectors exceeding 10% of ownership	1,545	1,292
Investments in entities (domestic/foreign) operating in banking and financial sectors at less than 10% exceeding 10% or more of the total core and supplementary capitals	80,787	76,203
Loans to banks, financial institutions (domestic/foreign) or qualified shareholders in the form of secondary subordinated loans and debt instruments purchased from such parties qualified as primary or secondary subordinated debts	-	-
Loan granted to customer against the Articles 50 and 51 of the Banking Law	-	-
Net book values of immovables exceeding 50% of the capital and of assets acquired against overdue receivables and held for sale as per the Article 57 of the Banking Law but retained more than five years	176,643	164,097
Others	-	-
TOTAL EQUITY	5,853,912	5,619,673

(*) In accordance with the Temporary Article 1, explaining adaptation period of "Regulation on Equities of the Banks", published in Official Gazette no. 26333 dated 1 November 2006, leasehold improvements, prepaid expenses and intangible assets had been considered as "deductions from capital" till 1 January 2009, although they were presented within "core capital". By the end of the adaptation period, these items have started to be deducted from "core capital".

II. Consolidated market risk

The Parent Bank has defined its risk management procedures and has taken necessary precaution in order to avoid market risk, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006.

The market risk is defined as the potential risk of loss due to changes in interest rates, foreign exchange rates and equity prices on balance sheet and off-balance sheet positions of the banks.

The capital need for general market risk and specific risks is calculated using the standard method defined by the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” and reported monthly.

In addition to the standard method, the Bank also uses internal models like Historical and Monte Carlo Simulations in measuring market risk. The Bank also performs daily back-testing in order to measure the reliability of the models. Besides, scenario analyses are implemented in order to support the Standard Method and internal models. In order to monitor the maturity structure of the asset and liability accounts, liquidity analysis are performed and the duration of the Bank’s assets and liabilities is calculated.

The market risk analysis of the Parent Bank is reported monthly and sent to the related regulatory institutions.

Value at market risk

	Amount
(I) Capital obligation against general market risk - standard method	62,028
(II) Capital obligation against specific risks - standard method	984
(III) Capital obligation against currency risk - standard method	9,319
(IV) Capital obligation against stocks risks - standard method	-
(V) Capital obligation against exchange risks - standard method	-
(VI) Capital obligation against market risks of options - standard method	2,684
(VII) Capital obligation against market risks of banks applying risk measurement models	-
(VIII) Total capital obligations against market risk (I+II+III+IV+V+VI)	75,015
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	937,688

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of the changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group’s investment portfolio.

The effect on equity as a result of change in the fair value of equity instruments quoted to İstanbul Stock Exchange (“ISE”) held as available-for-sale financial assets, associates and subsidiaries due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

		31 March 2009	31 March 2008
	Change in index	Equity	Equity
ISE – 100 (IMKB - 100)	10%	94	107

III. Consolidated operational risk

The Group calculated the value at operational risk in accordance with the fourth section published in the Official Gazette date 1 June 2007 related to the “Computation of Value of Operational Risk” of the circular, “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette numbered 26333 and dated 1 November 2006.

The amount calculated as TL 448,797 from gross income for the years ended 31 December 2006, 2007 and 2008 and used for the calculation of capital adequacy ratio as at 31 March 2009, represents the operational risk that the Bank may expose and the amount of minimum capital requirement to eliminate this risk. Value at operational risk amounting to TL 5,609,963 presented in the table included in Note I of this section is calculated as 12.5 times of the operational risk.

IV. Consolidated foreign currency exchange risk

Foreign exchange risk that the Parent Bank exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the Parent Bank for the positions being monitored on a daily basis

The Standard Method which is also used in the legal reporting is used in measuring the currency risk of the Parent Bank.

All of the foreign currency assets and liabilities and the forward foreign-currency transactions are taken into consideration in calculating the capital obligation for the currency risk. The net long and short positions are calculated in Turkish Lira equivalent of the each currency. The position with the biggest absolute value is determined as the base amount for the capital obligation. The capital obligation is calculated at that amount.

The magnitude of hedging foreign currency debt instruments and net investment in foreign operations by using derivatives

As at 31 March 2009 the Group does not have derivate financial instruments held for risk management purpose.

Foreign exchange risk management policy

Risk policy of the Bank is based on the transactions within the limits and keeping the currency position well-balanced.

In the light of the national legislations and international applications, the Bank has established a foreign currency risk management policy that enables the Bank to take position between lower and upper limits determined in respect of the current equity profile. Speculative position is not held by the Bank.

The Parent Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	US Dollar	Euro
The Parent Bank’s foreign currency purchase rate at the balance	1.6650	2.2128
Foreign currency rates for the days before balance sheet date;		
Day 1	1.6500	2.1803
Day 2	1.6000	2.1731
Day 3	1.6000	2.1698
Day 4	1.6100	2.1692
Day 5	1.6000	2.1811
	US Dollar	Euro
Last 30-days arithmetical average rate	1.6555	2.1447

Information on currency risk

Current Period	Euro	US Dollar	Japanese Yen	Other FCs	Total
Assets:					
Cash and balances with the Central Bank of Turkey	51,512	1,160,603	110	3,915	1,216,140
Banks	849,878	1,058,391	630	50,787	1,959,686
Financial assets at fair value through profit or loss	12,466	47,195	-	-	59,661
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	620,136	1,276,033	-	-	1,896,169
Loans and receivables ^(*)	4,282,366	7,575,994	5,490	62,633	11,926,483
Associates, subsidiaries and joint-ventures	3	-	-	-	3
Held-to-maturity investments	387,143	1,384,488	-	-	1,771,631
Derivative financial assets held for risk management purpose	-	-	-	-	-
Tangible assets	1,488	749	-	-	2,237
Intangible assets	71	-	-	-	71
Other assets ^(**)	201,535	355,924	-	1,865	559,324
Total assets	6,406,598	12,859,377	6,230	119,200	19,391,405
Liabilities:					
Bank deposits	172,615	206,073	-	3,282	381,970
Foreign currency deposits	4,386,652	7,717,751	838	44,891	12,150,132
Interbank money market takings	213,806	289,994	-	-	503,800
Funds borrowed ^(***)	2,390,385	3,901,110	-	54,476	6,345,971
Securities issued	-	-	-	-	-
Miscellaneous payables	40,906	93,812	1	258	134,977
Derivative financial liabilities held for risk management purpose	-	-	-	-	-
Other liabilities ^(****)	99,406	148,849	483	6,043	254,781
Total liabilities	7,303,770	12,357,589	1,322	108,950	19,771,631
Net 'on balance sheet' position	(897,172)	501,788	4,908	10,250	(380,226)
Net 'off-balance sheet' position	1,031,755	(543,386)	(1,015)	-	487,354
Derivative assets	1,056,824	775,481	-	1,428	1,833,733
Derivative liabilities	25,069	1,318,867	1,015	1,428	1,346,379
Non-cash loans ^(*****)	1,855,353	3,040,223	23,846	142,813	5,062,235
Prior Period					
Total assets	6,460,351	12,981,008	11,442	115,680	19,568,481
Total liabilities	7,417,532	11,904,555	2,582	108,356	19,433,025
Net 'on balance sheet' position	(957,181)	1,076,453	8,860	7,324	135,456
Net 'off-balance sheet' position	1,081,896	(1,042,489)	(6,198)	-	33,209
Derivative assets	1,107,676	269,338	-	444	1,377,458
Derivative liabilities	25,780	1,311,827	6,198	444	1,344,249
Non-cash loans ^(*****)	1,840,874	2,636,954	38,146	129,249	4,645,223

^(*) Foreign currency indexed loans amounting to TL 128,672 which are presented in TL column in the consolidated balance sheet are included in the table above. In accordance with the agreements signed with customers, the customers have to compensate the losses of the Parent Bank due to decline in foreign exchange rates. Accordingly, foreign currency indexed loans amounting to TL 128,672 results position for the Group when foreign exchange rates increase.

^(**) Prepaid expenses amounting to TL 28,664 are not included.

^(***) Foreign currency indexed funds borrowed amounted to TL 5,430, presented in TL column in the accompanying consolidated balance sheet are included.

^(****) Unearned income amounting to TL 49,160 is not included.

^(*****) Non-cash loans are not taken into consideration in the calculation of the net 'off-balance sheet' position.

Exposure to currency risk

A 10 percent devaluation of the TL against the following currencies as at and for three-month period ended 31 March 2009 and 31 March 2008 would have effect on consolidated equity and consolidated profit or loss (without tax effects) by the amounts shown below.

The effect of a 10 percent revaluation of the TL against the following currencies will also be at the same amount but in the opposite direction.

This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 March 2009		31 March 2008	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	4,809	(112)	(1,278)	189
EUR	7,684	9,831	2,489	5,499
Other currencies	1,311	1,311	1,132	1,132
Total, net	13,804	11,030	2,343	6,820

^(*) Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

V. Consolidated interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

The Parent Bank's interest rate risk is measured by the standard method.

Measurements for standard method are carried out monthly using the maturity ladder table.

Interest rate mismatch for the Group "Interest rate sensitivity of assets, liabilities and off balance sheet items based on re-pricing dates"

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets:							
Cash and balances with CBT	1,327,131	-	-	-	-	1,605,390	2,932,521
Banks	1,752,531	79,721	36,814	-	-	157,160	2,026,232
Financial assets at fair value through profit/loss	12,790	7,946	33,746	49,005	15,651	317	119,455
Interbank money market placements	4,801,900	-	-	-	-	-	4,801,900
Available-for-sale financial assets	2,086,294	323,063	4,879,058	1,497,897	515,082	28,111	9,329,505
Loans and receivables	11,774,570	6,765,814	5,994,427	4,886,951	2,159,872	256,701	31,838,335
Held-to-maturity investments	414,714	146,982	1,579,100	645,986	1,350,076	-	4,136,858
Other assets (*)	23,471	192,155	92,976	357,526	4,553	2,647,130	3,317,811
Total assets	22,193,401	7,515,681	12,616,121	7,437,365	4,045,234	4,694,810	58,502,617
Liabilities:							
Bank deposits	1,177,564	46,296	49,215	-	-	20,420	1,293,499
Other deposits	24,228,567	7,682,135	1,544,716	258,814	1,738	5,097,360	38,813,332
Interbank money market takings	1,494,803	132,972	-	875,595	-	-	2,503,370
Miscellaneous payables	119	-	-	63,037	-	991,420	1,054,582
Securities issued	-	-	-	-	-	-	-
Funds borrowed	1,622,613	2,831,756	1,960,361	808	28,071	-	6,443,609
Other liabilities (**)	1,777	9,258	100,010	11,121	17,410	8,254,640	8,394,225
Total liabilities	28,525,443	10,702,417	3,654,302	1,209,375	47,219	14,363,860	58,502,617
On balance sheet long position	-	-	8,961,819	6,227,990	3,998,015	-	19,187,824
On balance sheet short position	(6,332,042)	(3,186,736)	-	-	-	(9,669,046)	(19,187,824)
Off-balance sheet long position	129,870	97,779	66,509	76,067	-	-	370,225
Off-balance sheet short position	(46,620)	(51,123)	(179,459)	(78,514)	-	-	(355,716)
Position, Net	(6,248,792)	(3,140,080)	8,848,869	6,225,543	3,998,015	(9,669,046)	14,509

(*) Subsidiaries, associates and tangible and intangible assets are included in non-interest bearing column.

(**) Shareholders' equity is included in non-interest bearing column in other liabilities line.

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Interim Financial Report as at and
For the Three-Month Period Ended 31 March 2009
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note 1*

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets:							
Cash and balances with CBT	450,536	-	-	-	-	1,658,566	2,109,102
Banks	2,512,108	82,349	51,345	-	-	189,812	2,835,614
Financial assets at fair value through profit/loss	40,518	26,027	32,636	24,781	21,217	487	145,666
Interbank money market placements	3,201,833	-	-	-	-	-	3,201,833
Available-for-sale financial assets	574,690	2,484,788	3,732,742	918,760	640,517	27,673	8,379,170
Loans and receivables	8,894,317	9,141,754	5,756,017	4,761,099	2,257,352	97,114	30,907,653
Held-to-maturity investments	110,734	1,063,486	704,184	547,204	1,258,312	-	3,683,920
Other assets ^(*)	70,991	184,620	120,615	320,454	-	2,581,969	3,278,649
Total assets	15,855,727	12,983,024	10,397,539	6,572,298	4,177,398	4,555,621	54,541,607
Liabilities:							
Bank deposits	1,454,791	16,668	-	-	-	1,825	1,473,284
Other deposits	16,817,071	11,570,841	1,609,370	913,901	3,059	5,326,245	36,240,487
Interbank money market takings	538,458	70,236	278,786	845,678	-	-	1,733,158
Miscellaneous payables	196	14,153	46,675	-	-	1,009,393	1,070,417
Securities issued	-	-	-	-	-	-	-
Fund borrowed	1,219,784	3,352,804	1,288,615	242,058	-	-	6,103,261
Other liabilities ^(**)	12,162	99,380	6,364	8,892	-	7,794,202	7,921,000
Total liabilities	20,042,462	15,124,082	3,229,810	2,010,529	3,059	14,131,665	54,541,607
On balance sheet long position	-	-	7,167,729	4,561,769	4,174,339	-	15,903,837
On balance sheet short position	(4,186,735)	(2,141,058)	-	-	-	(9,576,044)	(15,903,837)
Off-balance sheet long position	114,619	94,856	76,000	72,227	-	-	357,702
Off-balance sheet short position	(82,992)	(14,153)	(165,231)	(82,897)	-	-	(345,273)
Position, Net	(4,155,108)	(2,060,355)	7,078,498	4,551,099	4,174,339	(9,576,044)	12,429

^(*) Subsidiaries, associates and tangible and intangible assets are stated in non-interest bearing column.

^(**) Shareholders' equity is included in non-interest bearing column in other liabilities line.

Average interest rates applied to monetary financial instruments

Current Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets:				
Cash and balance with CBT	-	-	-	8.40
Banks	1.67	1.75	-	13.47
Financial assets at fair value through profit/loss	-	11.88	-	15.18
Interbank money market placements	-	-	-	10.50
Available-for-sale financial assets	5.71	6.45	-	17.07
Loans and receivables	6.52	5.88	5.05	20.78
Held-to-maturity investments	6.83	7.15	-	17.47
Liabilities:				
Bank deposits	1.58	2.66	-	11.94
Other deposits	3.56	3.57	-	12.31
Interbank money market takings	4.38	3.31	-	13.89
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	3.59	2.49	-	14.17
Prior Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets:				
Cash and balance with CBT	-	-	-	12.00
Banks	2.13	2.45	-	22.47
Financial assets at fair value through profit/loss	5.50	11.88	-	18.88
Interbank money market placements	-	-	-	15.00
Available-for-sale financial assets	6.06	6.45	-	19.24
Loans and receivables	7.48	6.00	6.77	21.91
Held-to-maturity investments	6.89	7.43	-	19.37
Liabilities:				
Bank deposits	2.70	1.34	-	17.49
Other deposits	3.48	3.43	-	15.18
Interbank money market takings	5.27	3.66	-	17.71
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	4.65	3.29	-	17.43

Interest sensitivity

Interest rate sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the fair values of financial assets at fair value through profit or loss held as at 31 March 2009 and on net interest income as at and for the three-month period ended 31 March 2009, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2009.

Interest rate sensitivity of equity is calculated by revaluing fixed rate available-for-sale financial assets at 31 March 2009 for the effects of the assumed changes in interest rates.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

This analysis is performed on the same basis for 31 March 2008.

	Profit or loss		Equity ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2009				
Financial assets at fair value through profit or loss	(5,702)	6,390	(5,702)	6,390
Available-for-sale financial assets	19,133	(19,229)	(74,210)	76,776
Floating rate financial assets	54,678	(54,678)	54,678	(54,678)
Floating rate financial liabilities	(16,750)	16,750	(16,750)	16,750
Total, net	51,359	(50,767)	(41,984)	45,238

	Profit or loss		Equity ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2008				
Financial assets at fair value through profit or loss	(15,019)	15,846	(15,019)	15,846
Available-for-sale financial assets	17,341	(17,471)	(108,732)	113,365
Floating rate financial assets	45,561	(45,561)	45,561	(45,561)
Floating rate financial liabilities	(17,451)	17,451	(17,451)	17,451
Total, net	30,432	(29,735)	(95,641)	101,101

^(*) Equity effect also includes profit or loss effect of 100 bp increase or decrease in interest rates.

VI. Consolidated liquidity risk

In order to avoid the liquidity risk, the Parent Bank diverts funding resources as customer deposits and foreign borrowings, considers the maturity mismatch between assets and liabilities and maintains liquid assets to guarantee sufficient liquidity during market fluctuations.

While the Parent Bank's short term liquidity need is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndication and securitization transactions. There are no significant idle liquidity resources.

Maturity analysis of assets and liabilities according to remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ^(*)	Total
Assets:								
Cash and balance with CBT	2,932,521	-	-	-	-	-	-	2,932,521
Banks	148,969	1,760,728	79,721	36,814	-	-	-	2,026,232
Financial assets at fair value through profit/loss	-	11,893	7,821	32,609	49,130	17,963	39	119,455
Interbank money market placements	-	4,801,900	-	-	-	-	-	4,801,900
Available-for-sale financial assets	-	392,734	45,175	2,437,817	5,910,586	515,082	28,111	9,329,505
Loans and receivables	-	4,660,708	2,949,968	6,912,748	13,279,288	3,778,922	256,701	31,838,335
Held-to-maturity investments	-	106,289	142,821	981,764	1,555,908	1,350,076	-	4,136,858
Other assets	3,684	165,325	301,047	128,052	458,213	4,553	2,256,937	3,317,811
Total assets	3,085,174	11,899,577	3,526,553	10,529,804	21,253,125	5,666,596	2,541,788	58,502,617
Liabilities:								
Bank deposits	20,424	1,177,564	46,296	49,215	-	-	-	1,293,499
Other deposits	5,097,362	24,228,567	7,682,135	1,544,716	258,814	1,738	-	38,813,332
Funds borrowed	-	62,124	144,332	2,822,377	293,603	3,121,173	-	6,443,609
Interbank money market takings	-	1,444,622	72,778	110,375	875,595	-	-	2,503,370
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	98	398,908	49,115	21,007	72,649	-	512,805	1,054,582
Other liabilities	-	201,356	8,531	118,613	59,181	42,552	7,963,992	8,394,225
Total liabilities	5,117,884	27,513,141	8,003,187	4,666,303	1,559,842	3,165,463	8,476,797	58,502,617
Net Liquidity gap	(2,032,710)	(15,613,564)	(4,476,634)	5,863,501	19,693,283	2,501,133	(5,935,009)	-
Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ^(*)	Total
Total assets	3,833,168	7,779,025	3,124,467	11,079,438	19,624,599	6,828,231	2,272,679	54,541,607
Total liabilities	5,368,468	19,436,491	11,798,468	4,749,914	2,280,207	2,970,309	7,937,750	54,541,607
Net Liquidity gap	(1,535,300)	(11,657,466)	(8,674,001)	6,329,524	17,344,392	3,857,922	(5,665,071)	-

^(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash on short period such as tangible assets, intangible assets, associates, subsidiaries, miscellaneous receivables and shareholder's equity are included in this column.

VII. Consolidated segment reporting

The Parent Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; time and demand deposit, accumulating account, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account, cheques, safety boxes, bill payments, tax collections, payment orders.

The Parent Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

Additionally, the Parent Bank provides "small business" banking service to enterprises in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, TL and foreign currency deposits, investment accounts, internet banking and call-center, debit card, and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Operating profit	83,651	230,965	457,121	202,249	973,986
Undistributed expenses	-	-	-	(601,106)	(601,106)
Operating profit	83,651	230,965	457,121	(398,857)	372,880
Income from associates	-	-	-	-	15,662
Income before taxes	-	-	-	-	388,542
Provision for taxes	-	-	-	-	(77,903)
Net profit	-	-	-	-	310,639
Segment assets	8,688,605	25,633,736	19,950,120	1,178,861	55,451,322
Investments in associates and subsidiaries	-	-	-	245,670	245,670
Undistributed assets	-	-	-	2,805,625	2,805,625
Total assets	8,688,605	25,633,736	19,950,120	4,230,156	58,502,617
Segment liabilities	14,155,626	25,951,150	8,743,094	405,782	49,255,652
Equity	-	-	-	6,303,663	6,303,663
Undistributed liabilities	-	-	-	2,943,302	2,943,302
Total liabilities and equity	14,155,626	25,951,150	8,743,094	9,652,747	58,502,617

SECTION FIVE

Disclosure and Footnotes on Consolidated Financial Statements

I. Information and disclosures related to consolidated assets

1. Information on cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	389,209	50,628	375,956	67,431
Central Bank of Turkey ^(*)	1,327,131	1,164,917	450,536	1,214,603
Others	41	595	88	488
Total	1,716,381	1,216,140	826,580	1,282,522

^(*) TL 776,972 (31 December 2008: TL 815,223) of the foreign currency deposit at Central Bank of Turkey is comprised of foreign currency reserve; TL 33,714 (31 December 2008: TL 48,601) of Turkish Lira balances is comprised of interest income accruals from unrestricted portion of the deposit at Central Bank of Turkey held as reserve requirement.

According to the no. 2005/1 announcement of the CBT, "Announcement on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to 6% (31 December 2008:6%) of the liabilities in Turkish Lira and 9% (31 December 2008:9%) of the liabilities in foreign currencies. In accordance with the press announcement of CBT regarding reserve requirements, dated 5 December 2008 and numbered 2008-63, the foreign currency reserve requirement ratio of the banks which was 11% has been decreased by 2 points to 9%, aiming to diminish the negative effects of the global credit crisis and sustain foreign currency liquidity to the banks.

As at 31 March 2009, interest rate given by CBT is 8.40% for TL reserve deposits and interest rate is nil for foreign currency reserve deposits as at 31 March 2009 (31 December 2008: TL 12%, FC nil).

Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	1,293,417	387,945	401,935	399,380
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Total	1,293,417	387,945	401,935	399,380

2. Further information on financial assets at fair value through profit/loss

Financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity shares	-	-	27	-
Bonds, treasury bills and similar marketable securities	85	-	49	-
Others	-	-	-	-
Total	85	-	76	-

Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	-	813	-
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Others	-	-	-	-
Total	-	-	813	-

Trading purpose derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	680	-	410	-
Swap transactions	2,312	43,848	6,491	54,142
Futures	-	-	-	-
Options	-	162	-	-
Others	-	-	-	-
Total	2,992	44,010	6,901	54,142

3. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	66,546	1,959,686	124,071	2,711,543
Domestic	65,146	144,278	122,667	52,974
Foreign	1,400	1,815,408	1,404	2,658,569
Foreign head offices and branches	-	-	-	-
Total	66,546	1,959,686	124,071	2,711,543

4. Information on available-for-sale financial assets

Available-for-sale financial assets given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	1,972,198	326,795	2,190,248	488,711
Others	-	-	-	-
Total	1,972,198	326,795	2,190,248	488,711

Available-for-sale financial assets given as collateral against repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,762,270	162,109	1,125,762	146,155
Treasury bills	-	-	-	-
Other debt securities	-	313,648	-	361,499
Bonds issued or guaranteed by banks	-	51,286	-	43,124
Asset backed securities	-	-	-	-
Others	-	-	-	-
Total	1,762,270	527,043	1,125,762	550,778

Information on available-for-sale financial assets

	Current Period	Prior Period
Debt securities	9,379,336	8,428,325
Quoted	9,379,336	8,428,325
Unquoted	-	-
Equity securities	80,495	80,495
Quoted	1,308	1,308
Unquoted	79,187	79,187
Provision for impairment on available-for-sale financial assets (-)	130,326	129,650
Total	9,329,505	8,379,170

5. **Information on loans***Information on all types of loans and advances given to shareholders and employees of the Bank*

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders	-	471	-	668
Legal entities	-	471	-	668
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	46,813	33	40,844	44
Total	46,813	504	40,844	712

Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled

	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Cash Loans				
Loans	29,498,827	-	1,640,291	359,476
Discounted bills	283,607	-	-	16
Export loans	2,193,010	-	91,538	193,136
Import loans	7	-	-	-
Loans to the financial sectors	1,317,882	-	-	-
Overseas loans	102,764	-	456	-
Consumer loans	7,525,363	-	354,898	2,010
Credit cards	748,862	-	15,171	561
Precious metal loans	-	-	-	-
Others	17,327,332	-	1,178,228	163,753
Specialization loans	81,125	-	-	-
Other receivables	1,915	-	-	-
Total	29,581,867	-	1,640,291	359,476

Consumer loans, retail credit cards, personnel loans and personnel credit cards:

	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	312,668	6,912,692	7,225,360
Real estate loans	17,247	3,136,845	3,154,092
Automobile loans	2,697	118,467	121,164
General purpose loans	137,877	3,657,221	3,795,098
Others	154,847	159	155,006
Consumer loans – FC indexed	-	-	-
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Others	-	-	-
Consumer loans – FC	-	3,887	3,887
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	3,887	3,887
Others	-	-	-
Retail credit cards – TL	719,712	334	720,046
With installment	198,772	-	198,772
Without installment	520,940	334	521,274
Retail credit cards – FC	1,872	-	1,872
With installment	-	-	-
Without installment	1,872	-	1,872
Personnel loans – TL	1,233	27,305	28,538
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	1,233	27,305	28,538
Others	-	-	-
Personnel loans – FC indexed	-	-	-
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Others	-	-	-
Personnel loans – FC	365	-	365
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	365	-	365
Others	-	-	-
Personnel credit cards – TL	17,877	-	17,877
With installment	6,723	-	6,723
Without installment	11,154	-	11,154
Personnel credit cards – FC	33	-	33
With installment	-	-	-
Without installment	33	-	33
Deposit accounts– TL (real persons)	624,121	-	624,121
Deposit accounts– FC (real persons)	-	-	-
Total	1,677,881	6,944,218	8,622,099

Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based commercial loans – TL	252,741	4,355,782	4,608,523
Real estate loans	137	97,332	97,469
Automobile loans	20,571	437,421	457,992
General purpose loans	232,033	3,821,029	4,053,062
Others	-	-	-
Installment-based commercial loans – FC indexed	-	-	-
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Others	-	-	-
Installment-based commercial loans – FC	240	235,014	235,254
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	178,922	178,922
Others	240	56,092	56,332
Corporate credit cards – TL	24,500	1	24,501
With installment	1,026	1	1,027
Without installment	23,474	-	23,474
Corporate credit cards – FC	265	-	265
With installment	-	-	-
Without installment	265	-	265
Overdraft accounts – TL (corporate)	48,372	-	48,372
Overdraft accounts – FC (corporate)	-	-	-
Total	326,118	4,590,797	4,916,915

Allocation of domestic and overseas loans

	Current Period	Prior Period
Domestic loans	31,332,103	30,612,647
Overseas loans	249,531	197,892
Total	31,581,634	30,810,539

Loans to associates and subsidiaries

	Current Period	Prior Period
Direct loans provided to the subsidiaries and associates	746	-
Indirect loans provided to the subsidiaries and associates	-	-
Total	746	-

Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and receivables with limited collectibility	61,589	21,272
Loans and receivables with doubtful collectibility	292,791	274,052
Uncollectible loans and receivables	1,243,662	1,202,051
Total	1,598,042	1,497,375

Information on non-performing loans (NPLs) (Net)

Information on non-performing loans and other receivables restructured or rescheduled

	III. Group:	IV. Group:	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period	-	-	28,259
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	28,259
Prior period	-	-	87,748
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	87,748

Movements in non-performing loan groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balance at the beginning of the period	106,360	274,052	1,214,077
Additions (+)	298,601	6,950	6,558
Transfers from other categories of loans under follow-up (+)	31,213	89,759	57,969
Transfers to other categories of loans under follow-up (-)	99,946	61,382	5,280
Collections (-)	28,282	16,588	25,042
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Others	-	-	-
Currency differences (+)	-	-	5,724
Balance at the end of the period	307,946	292,791	1,254,006
Specific provision (-)	61,589	292,791	1,243,662
Net Balance on balance sheet	246,357	-	10,344

Information on non-performing loans and other receivables in foreign currencies

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Balance at the end of the period	9,441	52,963	306,045
Specific provision (-)	1,888	52,963	297,677
Net balance on balance sheet	7,553	-	8,368
Prior Period			
Balance at the end of the period	393	58,733	301,806
Specific provision (-)	79	58,733	291,654
Net balance on balance sheet	314	-	10,152

Write-off policy for uncollectible loans and receivables

The Parent Bank writes off a loan balance (and any related allowances for impairment losses) when Bank concludes that those loans are uncollectible. This conclusion is given after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardized loans, charge off decisions generally are based on a product specific past due status.

Loan customer concentration of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)	246,357	-	10,344
Consumer and commercial loans (Gross)	307,445	291,943	1,155,301
Specific provision (-)	61,489	291,943	1,152,748
Consumer and commercial loans (Net)	245,956	-	2,553
Banks (Gross)	-	-	4,877
Specific provision (-)	-	-	3,214
Banks (Net)	-	-	1,663
Other loans and receivables (Gross)	501	848	93,828
Specific provision (-)	100	848	87,700
Other loans and receivables (Net)	401	-	6,128
Prior Period (Net)	85,088	-	12,026
Consumer and commercial loans (Gross)	105,650	273,599	1,114,448
Specific provision (-)	21,130	273,599	1,111,914
Consumer and commercial loans (Net)	84,520	-	2,534
Banks (Gross)	-	-	4,602
Specific provision (-)	-	-	3,077
Banks (Net)	-	-	1,525
Other loans and receivables (Gross)	710	453	95,027
Specific provision (-)	142	453	87,060
Other loans and receivables (Net)	568	-	7,967

6. Information on held-to-maturity investments

Held-to-maturity debt securities issued by the governments

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	2,348,958	49,950	2,033,789	45,126
Treasury bills	16,269	-	15,531	-
Other securities issued by the governments	-	1,647,118	-	1,543,571
Total	2,365,227	1,697,068	2,049,320	1,588,697

Information on held-to-maturity investment securities

	Current Period	Prior Period
Debt Securities	4,149,555	3,688,585
Quoted at stock exchanges	4,086,164	3,653,500
Unquoted at stock exchanges	63,391	35,085
Impairment losses (-)	12,697	4,665
Total	4,136,858	3,683,920

The movement table of the held-to-maturity investments

	Current Period	Prior Period
Balances at the beginning of the period	3,683,920	1,664,351
Foreign currency differences on monetary assets	53,703	64,305
Acquisitions during the period	475,886	2,949,375
Disposals through sales/redemptions	(119,860)	(1,060,406)
Impairment losses (-)	(10,125)	(4,511)
Change in amortized costs of the securities (*)	53,334	70,806
Balances at the end of the period	4,136,858	3,683,920

(*) Differences in the amortized costs of the marketable securities are included in this column.

The Parent Bank reclassified certain investment securities that were previously classified in financial assets at fair value through profit or loss to its held-to-maturity investment securities portfolio in 2008. These investment securities have been included in held-to-maturity investment securities portfolio with their fair values as at the reclassification dates. These reclassifications are presented in “purchases during the year” line in the movement table of investments held-to-maturity.

Date of reclassification	Foreign currencies	Face value (FC'000)	Fair value as at reclassification date (FC'000)
31 October 2008	US Dollar	99,386	145,760
		99,386	145,760
31 October 2008	Euro	40,066	45,867
		40,066	45,867

The Parent Bank reclassified certain investment securities that were previously classified in available-for-sale portfolio with total face value of TL 475,000,000 (full TL) to its held-to-maturity investment securities portfolio at their fair values of TL 412,615,500 (full TL) as of their reclassification dates, in 2009. These reclassifications are presented in “purchases during the period” line in the movement table of held-to-maturity investment securities. The value increases of such securities amounting TL 856,052 (full TL) are recorded under the shareholders’ equity and will be amortized through the statement of income until their maturities.

Additionally, the Parent Bank reclassified certain investment securities that were previously classified in available-for-sale portfolio with total face value of TL 1,325,000,000 (full TL), US Dollar 610,000,000 (full US Dollar), and EUR 75,000,000 (full EUR) to its held-to-maturity investment securities portfolio at their fair values of TL 1,213,358,500 (full TL), US Dollar 590,404,170 (full US Dollar), and EUR 68,996,250 (full EUR) respectively as at their reclassification dates, in 2008. These reclassifications are presented in “purchases during the period” line in the movement table of held-to-maturity investment securities. The value increases of such securities amounting TL (9,529,171) (full TL), US Dollar (13,044,045) (full US Dollar), and EUR (5,325,575) (full EUR) respectively, are recorded under the shareholders’ equity and will be amortized through the statement of income until their maturities

Information about held-to-maturity investments

Current Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	1,288,141	65,549	1,357,850	65,728
Investments subject to repurchase agreements	293,201	207,256	298,105	209,217
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others (*)	670,040	1,475,600	709,272	1,496,686
Total	2,251,382	1,748,405	2,365,227	1,771,631

Prior Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	1,330,165	80,408	1,442,356	82,312
Investments subject to repurchase agreements	58,494	388,511	62,044	400,326
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others (*)	535,006	1,122,063	544,920	1,151,962
Total	1,923,665	1,590,982	2,049,320	1,634,600

(*) The securities held as free that are not subject to collateral/blockage or other transactions are presented in the “Others” line.

7. Investments in associates

Unconsolidated investments in associates

Title	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 İşkur İşçi İşadamı Kimya Kuruluşları AŞ	In liquidation	25.00	25.13
2 Roketsan Roket Sanayi ve Ticaret AŞ	Ankara/Turkey	10.00	10.00
3 Bankalararası Kart Merkezi AŞ	İstanbul/ Turkey	9.70	9.70
4 Kredi Kayıt Bürosu AŞ	İstanbul/ Turkey	9.09	9.09
5 Güçbirliği Holding AŞ	İzmir/ Turkey	0.07	0.07
6 İzmir Enternasyonal Otelcilik AŞ	İstanbul/ Turkey	5.00	5.00

Total Assets	Shareholders' Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Year's Profit/Loss	Company's Fair Value (if available)
1 -	-	-	-	-	-	-	-
2 465,577	141,817	209,726	2,326	-	(4,799)	(3,184)	-
3 14,315	12,620	5,456	299	-	(713)	1,487	-
4 24,490	16,289	2,320	667	19	2,353	1,291	-
5 110,028	31,362	91,007	56	-	(4,435)	(2,888)	-
6 109,613	42,986	103,602	-	-	(7,196)	(4,340)	-

In year 2008, Bankalararası Kart Merkezi AŞ, Kredi Kayıt Bürosu AŞ, Güçbirliği Holding AŞ and İzmir Enternasyonal Otelcilik AŞ shares which were previously presented as “Equity securities” under “Financial assets available for sale” with total carrying value of TL 3,031 has been reclassified as investment in associates in accordance with the directives of BRSA.

As per the resolution of the Board of Directors of the Bank on 3 April 2008, it is decided to work on disposal process of Roketsan Roket Sanayi AŞ (“Roketsan”), that the Bank owns 10% shares representing TL 14,600 nominal shares of its capital of TL 146,000 to the third parties or other shareholders of Roketsan.

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

Since İşkur İşçi İşadamı Kimya Kuruluşları AŞ, Roketsan Roket Sanayi ve Ticaret AŞ, Güçbirliği Holding AŞ and İzmir Enternasyonal Otelcilik AŞ are not among the financial subsidiaries of the Group; and the asset sums of Bankalararası Kart Merkezi AŞ and Kredi Kayıt Bürosu AŞ are less than the 1% of the Bank's assets sum, these companies have not been consolidated. The related subsidiaries have been accounted in accordance with the related provisions of TAS 39.

Consolidated investments in associates

Title	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Kıbrıs Vakıflar Bankası Ltd.	Lefkosa/NCTR	15.00	15.00
2 Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ	İstanbul/Turkey	11.75	21.77
3 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	İstanbul/Turkey	27.63	29.47
4 Türkiye Sınai Kalkınma Bankası AŞ (*)	İstanbul/Turkey	8.38	8.38

Total Assets	Shareholders' Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/Loss	Prior Years' Profit/Loss	Company's Fair Value
1 612,448	43,190	5,642	18,926	4,033	3,111	2,945	-
2 11,927	11,592	62	99	253	45	(2,265)	621
3 73,168	72,653	35,398	340	1,121	1,839	1,357	6,560
4 6,339,915	808,025	246,252	206,414	218,109	116,464	119,889	30,410

(*) The financial statements for the year ended 31 December 2008 are presented.

Movement of investments in associates

	Current Period	Prior Period
Balance at beginning of the period	46,155	81,887
Movements during the period	(5,445)	(35,732)
Acquisitions and capital increases	-	294
Bonus shares received	-	8,604
Dividends from current year profit	-	-
Sales/liquidations	-	-
Fair value changes	(5,445)	(44,630)
Impairment losses	-	-
Balance at the end of the period	40,710	46,155
Capital commitments	-	-
Share percentage at the end of period (%)	-	-

The Parent Bank has reclassified Türkiye Sınai Kalkınma Bankası AŞ (“TSKB”) shares as “Financial associates”, which were previously presented as “Equity securities” under “Available-for-sale financial assets”. In the table presented above, the beginning balances have been restated according to TSKB’s fair value as at the related periods.

As per the resolution of the Board of Directors of the Parent Bank dated 27 December 2007, it is decided to sell the shares of Kıbrıs Vakıflar Bankası Ltd in case of appropriate economic conditions occur for this transaction.

Sectoral distribution of investments and associates

	Current Period	Prior Period
Banks	33,529	40,231
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial associates	7,181	5,924
Total	40,710	46,155

Quoted associates

	Current Period	Prior Period
Quoted at domestic stock exchanges	37,591	43,036
Quoted at international stock exchanges	-	-
Total	37,591	43,036

Investments in associates disposed during the period

There is not any disposal in associates in the current period.

Investments in associates acquired during the period

There is not any associate purchased in the current period.

In year 2008, Vakıf Yatırım Menkul Kıymetler Yatırım Ortaklığı AŞ, an associate of the Bank, increased its paid-in capital by TL 2,500 from TL 5,000 to TL 7,500. The share of the Parent Bank amounting to TL 294 is presented as acquisitions in year 2008 in the movement of investments in associates table.

In year 2008, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ increased its paid-in capital from TL 18,480 to TL 19,300 by a way of stock split. The share of the Bank amounting to TL 227 is presented as bonus shares received in the movement of investments in associates table.

In year 2008, TSKB increased its paid-in capital from TL 400,000 to TL 500,000 by a way of stock split. The share of the Bank amounting to TL 8,377 is presented as bonus shares received in the movement table of investments in associates.

8. Investments in subsidiaries*Unconsolidated investments in subsidiaries*

Title	Address (City / Country)	Bank's Share –If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1 Vakıf Enerji ve Madencilik AŞ	Ankara/ Turkey	65.50	84.92
2 Ataköy Mağazacılık Ticaret AŞ	In Liquidation	45.79	45.79
3 Taksim Otelcilik AŞ	Istanbul/ Turkey	51.00	51.52
4 Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ	Ankara/ Turkey	31.00	31.09
5 Vakıf Sistem Pazarlama Yazılım Servis ve Ticaret AŞ	Ankara/ Turkey	73.00	79.85
6 Vakıf Gayrimenkul Değerleme AŞ	Ankara/ Turkey	54.29	58.54

	Total Assets	Shareholder's Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Years' Profit/(Loss)	Company's Fair Value
1	62,422	44,210	49,758	126	-	(921)	397	21,722
2	-	-	-	-	-	-	-	-
3	226,578	230,568	87,995	1,698	5	3,837	9,266	-
4	4,602	4,563	11	167	-	60	64	1,534
5	14,294	7,421	404	49	48	519	956	9,188
6	8,829	7,083	648	372	19	873	1,326	15,440

Since the Parent Bank's share on Vakıf Gayrimenkul Değerleme AŞ has increased to 54.29%, Bank has reclassified Vakıf Gayrimenkul Değerleme AŞ shares as "Subsidiary" which were previously presented as "Associate".

The sales contract has been signed as at 7 March 2008 for the sale of the Bank's total shares of Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ consisting of (A) Group share with a percentage of 25.00 and (B) Group share with a percentage of 6.00, 31.00% in total, to Multinet Kurumsal Hizmetler AŞ and also for the sale of the shares with a percentage of 0.15 in total and consisting of (B) Group share owned by Vakıf Finansal Kiralama AŞ with a percentage of 0.05, (B) Group share owned by Vakıf Deniz Finansal Kiralama AŞ with a percentage of 0.05 and (B) Group share owned by Güneş Sigorta AŞ with a percentage of 0.05 to CFK Kurumsal Finansal Danışmanlık AŞ. Selling price for the shares has been determined as TL 3,129. Authorization of the Capital Markets Board is needed for the sales transaction to be closed. Based on the application to the Capital Markets Board of Turkey ("CMB") for the realization of sales transaction, it has been specified that "in our meeting dated 15 October 2008 and numbered 27 which the request has been discussed, it is decided not to take the related request into consideration in this stage" with CMB article no. B.02.1.SPK.0.15-1027 and dated 24 October 2008. Based on the decision of Capital Market Board, it has been decided to prolong activities regarding the sales and continue the business activities as a venture-capital trust. However, in order to make up venture- capital trust portfolio, the term has been extended for one-year in accordance with clause B of the CMB decision no. 39/1206 and dated 23 September 2008. The Bank has appealed CMB via the letter no. 34 dated 15 January 2009, for the sale of the Bank's total shares of Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ to Multinet Kurumsal Hizmetler AŞ and CFK Kurumsal Finansal Danışmanlık AŞ to be reconsidered.

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments:

As at 31 March 2009, Vakıf Girişim Sermayesi Yatırım Ortaklığı AŞ, one of the subsidiaries, has been accounted at its fair value in the accompanying consolidated financial statements since its assets sum is less than the 1% of the Bank's assets.

Vakıf Enerji ve Madencilik AŞ, Ataköy Mağazacılık Ticaret AŞ, Taksim Otelcilik AŞ, Vakıf Sistem Pazarlama Yazılım Servis ve Ticaret AŞ and Vakıf Gayrimenkul Değerleme AŞ have not been consolidated since they are not among the financial subsidiaries of the Parent Bank. Therefore, they have been accounted either according to their fair values, if confirmed trustworthy enough, or according to their costs.

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Interim Financial Report as at and
For the Three-Month Period Ended 31 March 2009
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note 1*

Investments in consolidated subsidiaries

Title	Address(City / Country)	Bank's Share –If Different Voting Rights (%)	Bank's Risk Group Share (%)
1- Güneş Sigorta AŞ	Istanbul/Turkey	36.35	36.35
2- Vakıf Emeklilik AŞ	Istanbul/Turkey	53.90	75.30
3- Vakıf Finans Factoring Hizmetleri AŞ	Istanbul/Turkey	78.39	86.97
4- Vakıf Finansal Kiralama AŞ	Istanbul/Turkey	58.71	64.40
5- Vakıf Deniz Finansal Kiralama AŞ ^(*)	Istanbul/Turkey	68.55	73.95
6- Vakıf Yatırım Menkul Değerler AŞ	Istanbul/Turkey	99.00	99.44
7- Vakıfbank International AG	Vienna/Austria	90.00	90.00
8- World Vakıf Offshore Banking Ltd.	Lefkosa/NCTR	82.00	84.93
9- Vakıf Portföy Yönetimi AŞ	Istanbul/Turkey	99.99	99.99

	Total Assets	Shareholder's Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit / (Loss)	Prior Year's Profit / (Loss)	Company's Fair Value
1-	598,674	233,478	148,430	275	6,652	994	5,758	61,994
2-	883,287	108,781	36,572	1,917	15,155	1,662	1,840	73,223
3-	167,025	57,437	90	7,042	-	3,619	2,575	33,708
4-	276,385	39,331	5,337	5,759	-	1,856	(307)	15,606
5-	93,022	911	233	2,275	-	1,551	363	0
6-	68,378	51,252	9,032	2,191	96	1,679	1,493	-
7-	1,057,338	105,223	1,563	9,055	2,373	(1,868)	3,141	100,158
8-	19,247	(21,084)	-	319	-	(267)	(474)	0
9-	4,712	4,589	28	176	2	361	174	-

^(*) Vakıf Deniz Finansal Kiralama AŞ's fair value is TL 0 according to valuation report of another independent audit firm.

As per the resolution no.74887 of the Board of Directors of the Parent Bank on 22 August 2006, it is decided to merge Vakıf Deniz Finansal Kiralama AŞ and Vakıf Finansal Kiralama AŞ.

According to the resolution of the Parent Bank's Board of Directors on 15 May 2008, it is decided to sell the shares of consolidated subsidiaries Güneş Sigorta AŞ and Vakıf Emeklilik AŞ partially or entirely, however after resolution date, sales transaction of related subsidiaries has been cancelled due to global economic crisis. Therefore, sale oriented operations has been stopped and the process has been ended.

Movement table of investments in subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	333,977	367,243
Movements during the period	(8,954)	(33,266)
Acquisitions and capital increases	-	-
Bonus shares received	-	-
Dividends from current year profit	-	-
Sales and liquidations	-	-
Fair value changes	(8,954)	(33,266)
Impairment losses	-	-
Balance at the end of the period	325,023	333,977
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

Methods to measure investments in subsidiaries

	Current Period	Prior Period
Measured at cost	40,335	40,335
Measured at fair value	284,688	293,642
Equity method of accounting	-	-
Total	325,023	333,977

Sectoral distribution of investments in subsidiaries

	Current Period	Prior Period
Banks	100,158	100,158
Insurance companies	135,216	144,922
Factoring companies	33,708	33,708
Leasing companies	15,606	14,854
Finance companies	-	-
Other financial subsidiaries	40,335	40,335
Total	325,023	333,977

Quoted subsidiaries

	Current Period	Prior Period
Quoted at domestic stock exchanges	77,599	86,553
Quoted at international stock exchanges	-	-
Total	77,599	86,553

Investments in subsidiaries disposed during the period

There is not any disposal in subsidiaries in the current period.

Investments in subsidiaries acquired during the period

There is not any subsidiary purchased in the current period.

9. Investments in joint-ventures

None.

10. Information on finance lease receivables (net)

Finance lease receivables disclosed according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	113,034	96,613	113,188	99,168
Between 1-4 years	213,089	183,453	215,063	188,930
Longer than 4 years	23,246	21,089	10,768	10,540
Total	349,369	301,155	339,019	298,638

Net finance lease receivables

	Current period	Prior Period
Gross finance lease receivables	349,369	339,019
Unearned income on finance lease receivables (-)	(48,214)	(40,381)
Terminated lease contracts (-)	-	-
Net finance lease receivables	301,155	298,638

Finance lease agreements

Sum of the minimum lease payments including interest and principal amounts are stated under the “finance lease receivables” as gross. The difference between the total of rent payments and the cost of the related fixed assets is reflected to the “unearned income” account. If the lease payments are made, the lease principal amount is deducted from the “finance lease receivables” as the interest component of the payment is reflected to interest income on the consolidated income statement.

11. Information on derivative financial instruments held for risk management purposes

Positive differences on derivative financial instruments held for risk management purposes

None.

12. Information on investment properties

As at 31 March 2009, The Group has investment property amounting to TL 53,974 (31 December 2008: TL 54,119) in total which consists of the net book value amounting to TL 35,299 for the subsidiaries operating in the field of real estate investment sector and the net book value amounting to TL 18,675 for the subsidiaries operating in the insurance business.

13. Information on deferred tax assets

Items generating deferred tax assets or liabilities are listed below as at 31 March 2009 and 31 December 2008:

	Current period	Prior Period
Provision for employee termination benefits and unused vacations	36,782	34,521
Valuation differences of financial assets and liabilities	21,140	11,455
BRSA - Tax Code depreciation differences	18,978	18,903
Valuation difference for associates and subsidiaries	16,453	16,807
Other provisions	13,443	8,570
Others	2,222	4,255
Deferred tax assets, (net)	109,018	94,511

Net-off of the deferred tax assets and liabilities from the same entity	(6,721)	(7,745)
Deferred tax assets, (net)	102,297	86,766

	Current period	Prior Period
Valuation differences of financial assets and liabilities	2,534	2,583
Valuation difference for associates and subsidiaries	950	1,435
Others	9,829	10,033
Deferred tax liabilities, net	13,313	14,051

Net-off of the deferred tax assets and liabilities from the same entity	(6,721)	(7,745)
Deferred tax liabilities, (net)	6,592	6,306

14. Information on assets held for sale and assets related to the discontinued operations

As at 31 March 2009, net book value of asset held for sale was amounted to TL 1,654 (31 December 2008: TL 1,558).

15. Information on other assets

As at 31 March 2009 and 31 December 2008, other assets are as follows:

	Current period	Prior Period
Receivables from insurance operations	625,080	605,411
Prepaid expenses	291,534	286,135
Receivables from term sale of assets	162,964	158,266
Receivables from derivative financial instruments	83,929	84,558
Receivables from lawsuit and court expenses	34,261	30,691
Receivables from credit cards	32,594	52,416
Deferred acquisition costs	15,488	11,740
Others	88,633	92,862
Total	1,334,483	1,322,079

II. Information and disclosures related to consolidated liabilities

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	924,833	-	895,278	7,064,041	125,949	11,528	26,350	-	9,047,979
Foreign currency deposits	1,079,906	-	2,160,230	6,458,895	930,131	148,142	1,372,828	-	12,150,132
Residents in Turkey	1,044,821	-	2,144,289	6,436,132	928,000	148,090	621,992	-	11,323,324
Residents in abroad	35,085	-	15,941	22,763	2,131	52	750,836	-	826,808
Public sector deposits	1,034,608	-	671,722	2,568,993	117,250	53	1,927	-	4,394,553
Commercial deposits	665,363	-	3,199,334	5,042,899	3,643	6,585	1,369	-	8,919,193
Others	1,392,652	-	449,693	2,189,675	257,458	794	11,203	-	4,301,475
Precious metal deposits	-	-	-	-	-	-	-	-	-
Bank deposits	20,424	-	753,129	360,700	110,031	29,688	19,527	-	1,293,499
Central Bank	214	-	-	-	-	-	-	-	214
Domestic banks	1,134	-	747,591	229,330	90,507	-	-	-	1,068,562
Foreign banks	18,974	-	5,538	131,370	19,524	29,688	19,527	-	224,621
Participation banks	102	-	-	-	-	-	-	-	102
Others	-	-	-	-	-	-	-	-	-
Total	5,117,786	-	8,129,386	23,685,203	1,544,462	196,790	1,433,204	-	40,106,831

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	839,372	-	732,245	6,924,356	168,677	10,169	28,087	-	8,702,906
Foreign currency deposits	1,108,645	-	2,552,843	5,646,991	870,682	431,140	1,166,730	-	11,777,031
Residents in Turkey	1,077,544	-	2,544,377	5,625,775	866,969	279,838	652,349	-	11,046,852
Residents in abroad	31,101	-	8,466	21,216	3,713	151,302	514,381	-	730,179
Public sector deposits	1,078,139	-	1,041,733	1,721,947	123,714	71	1,370	-	3,966,974
Commercial deposits	819,772	-	1,873,345	3,369,546	116,177	40,508	1,172	-	6,220,520
Others	1,480,317	-	525,034	3,420,681	136,301	413	10,310	-	5,573,056
Precious metal deposits	-	-	-	-	-	-	-	-	-
Bank deposits	1,825	-	1,068,819	402,640	-	-	-	-	1,473,284
Central Bank	65	-	-	-	-	-	-	-	65
Domestic banks	134	-	1,021,638	398,603	-	-	-	-	1,420,375
Foreign banks	1,366	-	47,181	4,037	-	-	-	-	52,584
Participation banks	260	-	-	-	-	-	-	-	260
Others	-	-	-	-	-	-	-	-	-
Total	5,328,070	-	7,794,019	21,486,161	1,415,551	482,301	1,207,669	-	37,713,771

Information on saving deposits insured by Saving Deposit Insurance Fund and the total amounts of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	4,719,863	4,549,510	4,328,116	4,153,396
Foreign currency saving deposits	1,348,003	1,341,128	2,993,660	2,739,340
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
Total	6,067,866	5,890,638	7,321,776	6,892,736

Saving deposits out of insurance coverage limits

	Current Period	Prior Period
Deposits and other accounts at foreign branches	2,295	591
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	1,465	2,792
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9/2004	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	6,707	6,661

2. Information on derivative financial liabilities held for trading purpose

Negative differences related to the derivative financial liabilities held for trading purpose	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	643	-	406	-
Swaps	7,304	32,953	5,145	21,576
Futures	-	-	-	-
Options	-	162	-	-
Others	-	-	-	-
Total	7,947	33,115	5,551	21,576

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic banks and institutions	103,068	363,006	106,650	345,265
Foreign banks, institutions and funds	-	5,977,535	-	5,651,346
Total	103,068	6,340,541	106,650	5,996,611

Maturity information of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short-term ^(*)	103,068	2,077,993	106,650	1,940,515
Medium and Long term ^(*)	-	4,262,548	-	4,056,096
Total	103,068	6,340,541	106,650	5,996,611

^(*) Maturity profile of funds borrowed has been prepared in accordance with their original maturities.

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for 12.3% (31 December 2008: 12.6%) of the Group's liabilities. There is no risk concentration on funding sources of the Group.

On 12 July 2007, the Parent Bank has obtained syndication loan of US Dollar 700 million having one year maturity and Libor+0.475% interest rate, with the participation of 29 international banks through club deal. On 23 July 2008, the Bank has renewed the syndication loan by the amount of US Dollar 750 million with US Libor+0.77% and EUR Libor+0.77%, with the participation of 25 banks.

On 3 December 2007, the Parent Bank has obtained syndication loan of US Dollar 375 million with one year of maturity with the participation of 23 international banks. On 19 December 2008, the Bank has renewed the syndication loan by the amount of US Dollar 335 million with US Libor+2% and EUR Libor+2%, with the participation of 12 banks.

On 22 May 2007, the Parent Bank has obtained securitization loan of US Dollar 500 million based on overseas remittance flows of the Bank's clients. US Dollar 150 million of which has a maturity of 8 years and the remaining US Dollar 350 million of which has a maturity of 10 years.

4. Components of other liabilities, those that exceed 10% of total liabilities or those that exceed 20% of the individual liability items in the consolidated balance sheet

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Criteria used in the determination of lease installments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Obligations under finance leases

None.

6. Information on derivative financial liabilities held for risk management purpose

Negative differences related to the derivative financial liabilities held for risk management purpose

None.

7. Information on provisions

Information on general provisions

	Current Period	Prior period
Provisions for loans and receivables in Group I	213,079	202,266
Provisions for loans and receivables in Group II	35,677	36,860
Provisions for non-cash loans	21,697	19,531
Others	149	250
Total	270,602	258,907

Provision for currency exchange gain/loss on foreign currency indexed loans

None.

Information on other provisions

The Group does not have general reserves for possible losses.

Information on other provisions exceeding 10% of total provisions

	Current Period	Prior period
Specific provisions for non-cash loans	117,255	105,463
Provisions for law suits against the Group	35,038	32,602
Provisions for credit card promotions	8,888	9,022
Others	37,927	16,433
Total	199,108	163,520

8. Taxation***Current Taxes******Tax provision***

As at 31 March 2009, Group has corporate tax liabilities amounted to TL 101,623 (31 December 2008: TL 50,112), after deducting prepaid taxes.

Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	101,623	50,112
Taxation on securities	62,896	91,324
Capital gains tax on property	833	663
Banking and Insurance Transaction Tax (BITT)	26,489	32,546
Taxes on foreign exchange transactions	-	-
Value added tax payable	1,135	1,173
Others	14,335	16,538
Total	207,311	192,356

Information on premiums payable

	Current Period	Prior Period
Social security premiums- employee share	503	447
Social security premiums- employer share	686	444
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	2,640	-
Unemployment insurance- employee share	319	376
Unemployment insurance- employer share	640	745
Others	19	2
Total	4,807	2,014

Information on deferred tax liabilities

Disclosed in Note 13 of information and disclosures for consolidated assets.

9. Information on payables for assets held for resale and tangible assets related to discounted activities

None.

10. Information on subordinated loans

None.

11. Information on shareholders' equity

Paid-in capital

	Current Period	Prior Period
Common stock	2,500,000	2,500,000
Preferred stock	-	-

Paid-in capital of the Parent Bank amounted to TL 2,500,000 is divided into groups comprised of 43.0% Group (A), 15.6 % Group (B), 16.2% Group (C) and 25.2% Group (D).

Board of Directors' members; one member appointed by the Prime Minister representing The General Directorate of the Foundations (Group A), three members representing Group (A), one member representing Group (B), and two members representing Group (C); among the nominees shown by the majority of each group, and one member among the nominees offered by the shareholders at the General Assembly are selected. Preference of Group (D) is primarily taken into account in the selection of the last mentioned member.

Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Registered capital system	2,500,000	5,000,000

The registered capital ceiling was increased from TL 1,300,000 to TL 5,000,000 as per the resolution no.74202 dated 16 February 2006 by the Board of Directors.

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

There is no share capital increase in the current period and previous period.

Information on share capital increases from revaluation funds

None.

Capital commitments for current financial year and following period

None.

Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators

None.

Information on the privileges given to stocks representing the capital

None.

Valuation differences of the securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	7,124		9,715	-
Fair value differences of available-for-sale securities	111,691	(71,304)	57,000	(76,723)
Foreign exchange differences	-	-	-	-
Total	118,815	(71,304)	66,715	(76,723)

III. Information and disclosures related to consolidated off-balance sheet items

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Period	Prior period
Commitments for credit card limits	3,066,900	3,050,410
Commitments for cheque payments	1,517,456	1,456,567
Loan granting commitments	1,414,225	1,273,207
Asset purchase commitments	603,423	293,765
Total	6,602,004	6,073,949

Type and amount of possible losses from off-balance sheet items including those referred to below

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The Bank provided specific provision amounting to TL 117,255 (31 December 2008: TL 105,463) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 131,345 (31 December 2008: TL 111,873).

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional letters of guarantee	83,351	102,621
Final letters of guarantee	4,309,927	4,112,388
Letters of guarantee for advances	937,709	1,035,225
Letters of guarantee given to custom offices	101,425	182,196
Other letters of guarantee	67,474	249,835
Total	5,499,886	5,682,265

2. Non-cash loans

	Current Period	Prior Period
Non-cash loans given for cash loan risks	541,580	405,492
With original maturity of 1 year or less	333,065	132,743
With original maturity of more than 1 year	208,515	272,749
Other non-cash loans	7,879,846	7,695,118
Total	8,421,426	8,100,610

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	63,777	1.90	128,845	2.55	30,209	0.87	57,063	1.23
Farming and cattle	55,857	1.66	89,455	1.77	22,881	0.66	37,906	0.82
Forestry	5,965	0.18	23,796	0.47	4,980	0.14	3,705	0.08
Fishing	1,955	0.06	15,594	0.31	2,348	0.07	15,452	0.33
Manufacturing	1,304,062	38.81	2,068,745	40.87	1,341,409	38.83	1,827,785	39.34
Mining	39,310	1.17	152,453	3.01	34,613	1.00	119,474	2.57
Production	914,191	27.20	1,765,060	34.87	953,207	27.60	1,523,671	32.80
Electric, gas and water	350,561	10.44	151,232	2.99	353,589	10.23	184,640	3.97
Construction	565,375	16.83	1,105,634	21.84	581,153	16.82	1,083,182	23.32
Services	1,170,026	34.84	933,568	18.43	1,203,179	34.81	846,803	18.23
Wholesale and retail trade	479,355	14.27	279,682	5.52	466,892	13.51	260,919	5.62
Hotel, food and beverage services	32,511	0.97	14,336	0.28	32,832	0.95	12,380	0.27
Transportation and telecommunication	180,530	5.37	473,226	9.35	205,056	5.93	356,329	7.66
Financial institutions	449,293	13.38	145,488	2.87	466,926	13.51	197,217	4.25
Real estate and renting services	1,211	0.04	-	-	4,898	0.14	65	0.00
Self-employment services	-	-	-	-	-	-	-	-
Education services	4,744	0.14	-	-	5,092	0.15	2,293	0.05
Health and social services	22,382	0.67	20,836	0.41	21,483	0.62	17,600	0.38
Others	255,951	7.62	825,443	16.31	299,437	8.67	830,390	17.88
Total	3,359,191	100.00	5,062,235	100.00	3,455,387	100.00	4,645,223	100.00

4. Information on the first and second group of non-cash loans

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of guarantee	3,221,310	2,053,136	74,495	27,602
Confirmed bills of exchange and acceptances	-	476,045	-	32,733
Letters of credit	3,596	2,363,200	-	23,099
Endorsements	-	-	-	-
Purchase guarantees for securities issued	-	-	-	-
Factoring guarantees	432	1,387	-	-
Other guarantees and sureties	-	13,046	-	-
Total	3,225,338	4,906,814	74,495	83,434

5. Contingent assets and liabilities

None

6. Services rendered on behalf of third parties

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

The Parent Bank's custody services and banking transactions on behalf of individuals and corporate customers does not present a material portion.

IV. Information on disclosures related to the consolidated statement of income

1. Interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	437,072	76,142	486,970	38,589
Medium and long-term loans	548,968	107,493	332,846	88,659
Loans under follow-up	14,697	-	16,387	-
Premiums received from resource utilization support fund	-	-	-	-
Total	1,000,737	183,635	836,203	127,248

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	1,061
Domestic banks	3,425	576	9,156	1,012
Foreign banks	774	4,213	7,297	16,265
Foreign head office and branches	-	-	-	-
Total	4,199	4,789	16,453	18,338

Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interests received from the associates and subsidiaries	-	210

2. Interest Expense

Interest expenses on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	2,309	57,233	1,072	71,344
Central Bank of Turkey	-	-	-	-
Domestic banks	2,309	2,721	1,072	2,189
Foreign banks	-	53,351	-	69,155
Foreign head offices and branches	-	1,161	-	-
Other institutions	54	-	-	20
Total	2,363	57,233	1,072	71,364

Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interests paid to the associates and subsidiaries	3,830	5,296

Interest expense on securities issued

None.

3. Trading income/losses (net)

	Current Period	Prior Period
Income	1,070,126	693,873
Income from capital market transactions	145,785	188,290
Income from derivative financial instruments	24,871	24,707
Foreign exchange gains	899,470	480,876
Losses (-)	(1,012,318)	(689,181)
Losses from capital market transactions	(111,612)	(172,926)
Losses from derivative financial instruments	(22,046)	(27,254)
Foreign exchange losses	(878,660)	(489,001)
Trading income/(losses), net	57,808	4,692

4. Other operating income

	Current Period	Prior Period
Earned insurance premiums (net of reinsurance share)	87,685	65,395
Communication income	21,166	18,624
Income from reversal of the impairment losses	7,183	79,001
Income from private pension business	4,635	4,440
Change in life mathematical provisions	3,147	12,680
Rent income	1,924	806
Gain on sale of assets	1,217	1,985
Other income	17,418	15,407
Total	144,375	198,338

5. Provision expenses for losses on loans and other receivables

	Current Period	Prior Period
Specific provisions on loans and other receivables	100,605	56,935
<i>Loans and receivables in Group III</i>	40,317	10,761
<i>Loans and receivables in Group IV</i>	23,119	12,402
<i>Loans and receivables in Group V</i>	37,169	33,772
Non-performing commissions and other receivables	-	-
General provision expenses	10,759	49,500
Provision for possible losses	-	-
Impairment losses on securities:	9,547	20,346
<i>Trading securities</i>	-	300
<i>Investment Securities available-for-sale</i>	9,547	20,046
Other impairment losses:	10,125	242
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint ventures</i>	-	-
<i>Investment securities held-to-maturity</i>	10,125	242
Others	58,751	27,239
Total	189,787	154,262

6. Other operating expenses

	Current Period	Prior Period
Personnel costs	176,724	156,715
Reserve for employee termination benefits	11,315	6,370
Provision for deficit in pension funds	-	-
Impairment losses on tangible assets	-	-
Depreciation expenses on tangible assets	26,556	21,652
Impairment losses on intangible assets	-	-
Amortization Expenses on Intangible Assets	1,365	1,001
Impairment losses on assets to be disposed	-	-
Depreciation expenses on assets to be disposed	-	-
Impairment losses on assets held for sale	-	-
Other operating expenses	150,222	99,200
<i>Operational lease related expenses</i>	17,830	14,783
<i>Repair and maintenance expenses</i>	4,745	2,632
<i>Advertisement expenses</i>	8,682	5,151
<i>Other expenses</i>	118,965	76,634
Loss on sale of assets	422	198
Others	168,468	106,683
Total	535,072	391,819

7. Provision for taxes on income

Current period taxation benefit or charge and deferred tax benefit or charge

In the current period, the Group recorded a tax provision of TL 90,369 (31 March 2008: TL 61,571) from the operating profit in accordance with the Corporate Tax Law and other laws and regulations.

Deferred tax charge arising from temporary differences, tax losses and unused tax credits

	Current Period	Prior Period
Sources of deferred tax benefit/charge		
Arising from origination (+)/ reversal (-) of deductible temporary differences	12,138	(4,924)
Arising from origination (+)/ reversal (-) of taxable temporary differences	328	8,001
Arising from origination (+)/ reversal (-) of tax losses	-	-
Arising from tax rate change	-	-
Total	12,466	3,077

8. Net profit and loss

Any further explanation on operating results needed for a proper understanding of the Bank's performance

None.

9. Income/loss related to minority shares

	Current Period	Prior Period
Income/(losses) related to minority shares	3,664	5,649

10. Information related to the components of other items in the statement of income exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group

None.

V. Information and disclosures related to the Parent Bank's risk group**1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period**

Current Period	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables:						
Balance at the beginning of the period	-	9,098	-	668	8,437	5,881
Balance at the end of the period	746	14,100	-	471	8,316	5,140
Interest and commission income	-	4	-	-	231	65

Prior Period	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables:						
Balance at the beginning of the period	-	6,974	-	669	4,119	5,488
Balance at the end of the period	-	9,098	-	668	8,437	5,881
Interest and commission income	210	3	-	-	56	124

Information on deposits held by the Bank's risk group

Bank's Risk Group	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits:						
Balance at the beginning of the period	176,458	212,360	977,811	918,176	208,027	143,867
Balance at the end of the period	200,456	176,458	957,708	977,811	179,993	208,027
Interest on deposits	3,830	5,296	-	-	122	292

Information on forward and option agreements and similar agreements made with the Parent Bank's risk group

None.

2. Disclosures of transactions with the Parent Bank's risk group**Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

The pricing of transactions with the risk group companies is set in compliance with the market prices. The ratio of cash and non-cash loans extended to the risk group to the overall cash and non-cash loans are 0.03% (31 December 2008: 0.03%) and 0.23% (31 December 2008: 0.19%).

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and Its Financial Subsidiaries

Consolidated Interim Financial Report as at and
For the Three-Month Period Ended 31 March 2009
(Thousands of Turkish Lira (TL))

*Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note 1*

Current Period	Amount	Compared With the Financial Statement Amount (%)
Cash loans	9,062	0.03
Non-cash loans	19,711	0.23
Deposits	1,338,157	3.34
Forward and option agreements	-	-

Prior Period	Amount	Compared With the Financial Statement Amount (%)
Cash loans	8,437	0.03
Non-cash loans	15,647	0.19
Deposits	1,362,296	3.61
Forward and option agreements	-	-

Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None

SECTION SIX

Other Disclosures and Footnotes

I. Other disclosures on the Parent Bank's activity

- Based on resolution of the Council of Ministers numbered 2007/11963 and dated 4 April 2007, beginning from 1 January 2009, the phrase "New" has been removed from New Turkish Lira and New Kuruş.
- The Parent Bank decided to buy 6% of Turkish Derivative Exchange Market's shares, at nominal value of TL 540 of total TL 9,000 paid-in capital, which is held by Vakıf Yatırım Menkul Değerler A.Ş.
- The monetary losses amounting TL 379,000 incurred in the 2001 financial year as a result of the inflation accounting applied in compliance with the Temporary article no.4 added to the Banks Law no.4389 through the Law no.4743, the tax returns of 2002, 2003 and 2004 were submitted with a condition stating that such losses should have been deducted and the Bank may appeal to the tax court for the tax return. The Parent Bank appealed to the tax court for the corporate tax return on 22 February 2007. Ankara 5. Tax court decided in favor of the Bank and TL 125,187 was transferred to the Parent Bank's accounts on 5 September 2007. The related tax administration has filled an appeal that is still in process.

"The Law on the Collection of Some of the Public Receivables by Reconciliation" no.5736 has passed on 20 February 2008 in the Parliament and approved on 26 February 2008 by the President of the Turkish Republic. In accordance with this law's first sub clause of the third article, with the banks will not be sustained; if the banks take into consideration of 65 percent of these losses in the determination of revenues for the year 2001 as previous year losses, and admit to correct taxable income for the subsequent years and declare they have abnegated from all of the courts related to this matter in one month after this law come into effect.

According to the same article's second sub clause, if there is a refund arising from the disclaim in the judgment decision about this subject, since the time this law come into effect, the amount to be refunded as advance, should be deducted from the refund arising from judgment authority's decision. There will be no interest or due surcharge for the amounts to be rejected and refunded.

As per the 27 March 2008 dated resolution of the Board of Directors 2008, The Bank management has taken no decision for any reconcilements for the point in dispute as stated in the second paragraph specified in the first paragraph above.

II. Information on the Parent Bank's rating given by international institutions

November 2008 ^(*)	Standard Poors
Foreign Currency credit rating	BB- / Negative / B
Local currency credit rating	BB- / Negative / B
National	trA / -- / trA-1
Continuance rating	BBB-/--/--
November 2008 ^(*)	Moody's Investors' Service
Financial strength rating	D+
Local currency deposit rating	Baa1 / P-2
Foreign currency deposit rating	B1 / NP
Outlook	Stable

August 2008 ^(*)	Fitch Rating
Long-term foreign currency	BB-
Short-term foreign currency	B
Foreign currency outlook	Stable
Long-term local currency	BB
Short-term local currency	B
Foreign currency outlook	Stable
National long-term	AA (tur)
National outlook	Stable
Individual	C/D
Support	4
Base support rating	B+

December 2008 ^(*)	Capital Intelligence
Financial strength rate	BBB-
Short-term foreign currency	B
Long-term foreign currency	BB-
Support rating	2
Outlook	Stable

^(*) Dates represent the last change dates of credit ratings and outlook.

III. Significant events and matters subsequent to balance sheet date that are not resulted

Based on the resolution of 55th Annual General Assembly held on 3 April 2009, net profit of the year 2008 is decided to be distributed as follows.

Profit Distribution Table of Year 2008	
Net profit of the period as per the unconsolidated statement of income of Parent Bank	753,198
Deferred tax income not subject to dividend distribution	(22,009)
Net profit of the year subject to distribution before legal reserves	731,189
Legal reserves	73,119
<i>First legal reserves</i>	36,560
<i>Reserves allocated, according to banking law and articles of association.</i>	36,559
Net profit of the year subject to distribution	658,070
Other reserves	1,113
Extraordinary reserves	656,957
Dividends to the shareholders	-

IV. Significant foreign currency exchange rate fluctuations that are subsequent to balance sheet date

None.

SECTION SEVEN

Independent Auditors' Review Report

I. Information on the independent auditors' review report

The consolidated financial statements and footnotes of the Bank and its financial subsidiaries as at and for the three-month period ended 31 March 2009, have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the member firm of KPMG International). It was noted in their review report dated 28 May 2009 that nothing material has come to their attention that caused them to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as at and for the three-month period ended 31 March 2009.