

SECTION TWO – FINANCIAL STATEMENTS

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
 Unconsolidated Balance Sheet (Statement of Financial Position)
 As at 31 December 2013
 (Currency: Thousands of Turkish Lira (“TL”))

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

ASSETS	Notes	Audited Current Year 31 December 2013			Audited Prior Year 31 December 2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	1,802,838	17,165,243	18,968,081	2,249,902	10,077,723	12,327,625
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	356,150	79,540	435,690	20,589	65,597	86,186
2.1 Financial assets held for trading purpose		356,150	79,540	435,690	20,589	65,597	86,186
2.1.1 Debt securities issued by the governments		-	-	-	-	-	-
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading purpose	V-I-2	356,150	79,540	435,690	20,589	65,597	86,186
2.1.4 Other securities		-	-	-	-	-	-
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	40,177	2,598,960	2,639,137	29,360	1,925,546	1,954,906
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	12,551,965	3,736,222	16,288,187	10,269,317	3,858,206	14,127,523
5.1 Equity securities		15	10,750	10,765	-	10,750	10,750
5.2 Debt securities issued by the governments		12,551,950	3,725,472	16,277,422	10,269,317	3,832,876	14,102,193
5.3 Other securities		-	-	-	-	14,580	14,580
VI. LOANS AND RECEIVABLES	V-I-5	65,082,512	21,669,705	86,752,217	51,368,274	16,764,765	68,133,039
6.1 Performing loans and receivables		64,826,518	21,669,705	86,496,223	51,102,880	16,764,765	67,867,645
6.1.1 Loans provided to the Bank's risk group	V-VII-1	11,233	83,668	94,901	62,021	58,425	120,446
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		64,815,285	21,586,037	86,401,322	51,040,859	16,706,340	67,747,199
6.2 Loans under follow-up		3,531,427	-	3,531,427	2,724,963	-	2,724,963
6.3 Specific provisions (-)		3,275,433	-	3,275,433	2,459,569	-	2,459,569
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	5,358,742	45,073	5,403,815	4,198,301	55,305	4,253,606
8.1 Debt securities issued by the governments		5,358,742	2,234	5,360,976	4,198,301	1,858	4,200,159
8.2 Other securities		-	42,839	42,839	-	53,447	53,447
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	245,523	-	245,523	398,063	-	398,063
9.1 Associates, consolidated per equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		245,523	-	245,523	398,063	-	398,063
9.2.1 Financial associates		234,123	-	234,123	386,663	-	386,663
9.2.2 Non-Financial associates		11,400	-	11,400	11,400	-	11,400
X. INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	1,094,893	270,577	1,365,470	706,829	205,380	912,209
10.1 Unconsolidated financial subsidiaries		893,406	270,577	1,163,983	551,132	205,380	756,512
10.2 Unconsolidated non-financial subsidiaries		201,487	-	201,487	155,697	-	155,697
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	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
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)	V-I-12	1,221,733	1,802	1,223,535	1,132,430	2,137	1,134,567
XV. INTANGIBLE ASSETS (Net)	V-I-13	108,480	128	108,608	81,614	133	81,747
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		108,480	128	108,608	81,614	133	81,747
XVI. INVESTMENT PROPERTIES (Net)	V-I-14	-	-	-	-	-	-
XVII. TAX ASSETS		51,606	-	51,606	119,625	-	119,625
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets	V-I-15	51,606	-	51,606	119,625	-	119,625
ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-16	-	-	-	-	-	-
18.1 Assets held for sale		-	-	-	-	-	-
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-17	1,231,840	782,334	2,014,174	856,248	194,919	1,051,167
TOTAL ASSETS		89,146,459	46,349,584	135,496,043	71,430,552	33,149,711	104,580,263

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Balance Sheet (Statement of Financial Position)
As at 31 December 2013
(Currency: Thousands of Turkish Lira (“TL”))

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	Audited Current Year 31 December 2013			Audited Prior Year 31 December 2012		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	59,441,198	22,091,616	81,532,814	49,566,239	17,676,051	67,242,290
1.1 Deposits of the Bank's risk group	V-VII-1	1,790,723	238,889	2,029,612	843,371	717,762	1,561,133
1.2 Other deposits		57,650,475	21,852,727	79,503,202	48,722,868	16,958,289	65,681,157
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	111,604	89,174	200,778	7,165	192,527	199,692
III. FUNDS BORROWED	V-II-3	122,174	11,282,638	11,404,812	86,974	7,388,509	7,475,483
IV. INTERBANK MONEY MARKET		8,014,659	6,462,422	14,477,081	2,105,612	6,384,324	8,489,936
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		8,014,659	6,462,422	14,477,081	2,105,612	6,384,324	8,489,936
V. SECURITIES ISSUED (Net)	V-II-3	2,355,180	4,529,646	6,884,826	1,539,176	891,137	2,430,313
5.1 Bills		2,355,180	-	2,355,180	1,436,871	-	1,436,871
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	4,529,646	4,529,646	102,305	891,137	993,442
VI. FUNDS		23,431	-	23,431	31,368	-	31,368
6.1 Funds against borrower's note		-	-	-	-	-	-
6.2 Others		23,431	-	23,431	31,368	-	31,368
VII. MISCELLANEOUS PAYABLES		2,506,535	189,570	2,696,105	2,156,038	67,564	2,223,602
VIII. OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	423,146	1,030,328	1,453,474	430,620	535,827	966,447
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	1,964,510	49,774	2,014,284	1,609,740	31,336	1,641,076
12.1 General provisions	V-II-7	1,179,012	11,727	1,190,739	953,052	3,007	956,059
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		543,347	-	543,347	457,513	-	457,513
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions	V-II-7	242,151	38,047	280,198	199,175	28,329	227,504
XIII. TAX LIABILITIES	V-II-8	216,864	1,111	217,975	321,043	1,310	322,353
13.1 Current tax liabilities		216,864	1,111	217,975	321,043	1,310	322,353
13.2 Deferred tax liabilities	V-I-15	-	-	-	-	-	-
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	-	1,974,142	1,974,142	-	1,639,549	1,639,549
XVI. SHAREHOLDERS' EQUITY		12,412,681	203,640	12,616,321	11,278,984	639,170	11,918,154
16.1 Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital reserves		1,317,561	203,640	1,521,201	1,643,100	639,170	2,282,270
16.2.1 Share premium		723,918	-	723,918	723,918	-	723,918
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Valuation differences of the marketable securities	V-II-11	477,686	203,640	681,326	810,803	639,170	1,449,973
16.2.4 Revaluation surplus on tangible assets		44,136	-	44,136	41,061	-	41,061
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		71,821	-	71,821	67,318	-	67,318
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		7,009,581	-	7,009,581	5,675,804	-	5,675,804
16.3.1 Legal reserves		854,240	-	854,240	710,624	-	710,624
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		5,889,226	-	5,889,226	4,699,751	-	4,699,751
16.3.4 Other profit reserves		266,115	-	266,115	265,429	-	265,429
16.4 Profit or loss		1,585,539	-	1,585,539	1,460,080	-	1,460,080
16.4.1 Prior years' profit/loss		-	-	-	-	-	-
16.4.2 Current year's profit/loss		1,585,539	-	1,585,539	1,460,080	-	1,460,080
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		87,591,982	47,904,061	135,496,043	69,132,959	35,447,304	104,580,263

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Off-Balance Sheet Items
As at 31 December 2013
(Currency: Thousands of Turkish Lira ("TL"))

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and Related Disclosures and Footnotes
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		Audited Current Year 31 December 2013			Audited Prior Year 31 December 2012		
Notes		TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)	65,514,791	55,746,467	121,261,258	47,920,728	34,015,287	81,936,015
I.	GUARANTEES AND SURETIES	14,288,042	9,053,337	23,341,379	10,540,702	6,676,045	17,216,747
1.1	Letters of guarantee	14,288,042	3,627,537	17,895,584	10,520,455	2,111,663	12,632,118
1.1.1	Guarantees subject to State Tender Law	1,905,899	1,952,543	3,858,442	1,556,195	1,172,213	2,728,408
1.1.2	Guarantees given for foreign trade operations	650,221	-	650,221	379,638	-	379,638
1.1.3	Other letters of guarantee	11,711,927	1,674,994	13,386,921	8,584,622	939,450	9,524,072
1.2	Bank acceptances	12,129	1,040,149	1,052,278	19,554	786,278	805,832
1.2.1	Import letter of acceptance	1,500	77,393	78,893	-	36,632	36,632
1.2.2	Other bank acceptances	10,629	962,756	973,385	19,554	749,646	769,200
1.3	Letters of credit	7,866	4,382,030	4,389,896	693	3,773,865	3,774,558
1.3.1	Documentary letters of credit	7,866	4,382,030	4,389,896	693	3,773,865	3,774,558
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Guaranteed pre-financings	-	1,702	1,702	-	2,705	2,705
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	-	-	-	-	-	-
1.8	Other guarantees	-	1,759	1,759	-	1,104	1,104
1.9	Other sureties	-	160	160	-	430	430
II.	COMMITMENTS	45,270,192	26,331,770	71,601,962	34,216,436	16,105,397	50,321,833
2.1	Irrevocable commitments	15,109,055	3,640,601	18,749,656	12,181,257	900,351	13,081,608
2.1.1	Asset purchase commitments	539,362	3,636,414	4,175,776	813,896	880,456	1,694,352
2.1.2	Deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries	-	-	-	-	-	-
2.1.4	Loan granting commitments	6,730,503	-	6,730,503	4,950,300	-	4,950,300
2.1.5	Securities issuance brokerage commitments	-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7	Commitments for cheque payments	1,320,438	-	1,320,438	1,154,273	-	1,154,273
2.1.8	Tax and fund obligations on export commitments	-	-	-	-	-	-
2.1.9	Commitments for credit card limits	6,261,117	-	6,261,117	4,938,035	-	4,938,035
2.1.10	Commitments for credit card and banking operations promotions	238,991	-	238,991	306,109	-	306,109
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	18,644	4,187	22,831	18,644	19,895	38,539
2.2	Revocable commitments	30,161,137	22,691,169	52,852,306	22,035,179	15,205,046	37,240,225
2.2.1	Revocable loan granting commitments	30,161,137	22,691,169	52,852,306	22,035,179	15,205,046	37,240,225
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	5,956,557	20,361,360	26,317,917	3,163,590	11,233,845	14,397,435
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	5,956,557	20,361,360	26,317,917	3,163,590	11,233,845	14,397,435
3.2.1	Forward foreign currency purchases/sales	602,810	731,325	1,334,135	335,127	580,218	915,345
3.2.1.1	Forward foreign currency purchases	301,607	365,671	667,278	167,612	290,134	457,746
3.2.2.2	Forward foreign currency sales	301,203	365,654	666,857	167,515	290,084	457,599
3.2.2	Currency and interest rate swaps	5,180,109	15,499,236	20,679,345	2,402,780	8,330,787	10,733,567
3.2.2.1	Currency swaps-purchases	3,148,532	7,243,811	10,392,343	923,381	3,864,357	4,787,738
3.2.2.2	Currency swaps-sales	2,031,577	4,110,277	6,141,854	1,479,399	1,539,568	3,018,967
3.2.2.3	Interest rate swaps-purchases	-	2,072,574	2,072,574	-	1,463,431	1,463,431
3.2.2.4	Interest rate swaps-sales	-	2,072,574	2,072,574	-	1,463,431	1,463,431
3.2.3	Currency, interest rate and security options	173,638	169,222	342,860	425,683	650,908	1,076,591
3.2.3.1	Currency call options	85,819	84,611	170,430	212,841	325,454	538,295
3.2.3.2	Currency put options	85,819	84,611	170,430	212,842	325,454	538,296
3.2.3.3	Interest rate call options	-	-	-	-	-	-
3.2.3.4	Interest rate put options	-	-	-	-	-	-
3.2.3.5	Security call options	1,000	-	1,000	-	-	-
3.2.3.6	Security put options	1,000	-	1,000	-	-	-
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	-	3,961,577	3,961,577	-	1,671,932	1,671,932
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	839,788,953	225,942,092	1,065,731,045	519,993,665	149,770,720	669,764,385
IV.	ITEMS HELD IN CUSTODY	351,509,096	1,564,619	353,073,715	164,776,152	1,631,737	166,407,889
4.1	Customers' securities held	-	20,816	20,816	-	17,314	17,314
4.2	Investment securities held in custody	343,290,604	-	343,290,604	157,929,261	373,569	158,302,830
4.3	Checks received for collection	6,699,221	895,708	7,594,929	5,300,718	605,686	5,906,404
4.4	Commercial notes received for collection	974,141	210,113	1,184,254	942,310	195,300	1,137,610
4.5	Other assets received for collection	2,152	86	2,238	2,152	71	2,223
4.6	Assets received through public offering	-	6,289	6,289	-	5,231	5,231
4.7	Other items under custody	6,749	138,169	144,918	309	202,904	203,213
4.8	Custodians	536,229	293,438	829,667	601,402	231,662	833,064
V.	PLEDGED ITEMS	174,883,810	50,574,396	225,458,206	117,685,823	38,351,806	156,037,629
5.1	Securities	334,952	27,434	362,386	333,097	26,537	359,634
5.2	Guarantee notes	701,927	239,873	941,800	667,934	98,231	766,165
5.3	Commodities	23,434,930	990,995	24,425,925	19,180,436	624,899	19,805,335
5.4	Warranties	-	-	-	-	-	-
5.5	Real estates	112,475,408	39,831,978	152,307,386	91,003,225	30,568,630	121,571,855
5.6	Other pledged items	8,342,047	9,350,018	17,692,065	5,721,820	6,887,220	12,609,020
5.7	Pledged items-depository	29,594,546	134,098	29,728,644	779,331	146,289	925,620
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES	313,396,047	173,803,077	487,199,124	237,531,690	109,787,177	347,318,867
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		905,303,744	281,688,559	1,186,992,303	567,914,393	183,786,007	751,700,400

The accompanying notes are an integral part of these unconsolidated financial statements

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Income
As at 31 December 2013
(Currency: Thousands of Turkish Lira (“TL”))

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

	Notes	Audited Current Year 31 December 2013	Audited Prior Year 31 December 2012
I. INTEREST INCOME		9,220,570	8,756,502
1.1 Interest income from loans	V-IV-1	7,563,941	6,966,135
1.2 Interest income from reserve deposits		-	-
1.3 Interest income from banks	V-IV-1	7,004	4,462
1.4 Interest income from money market transactions		625	2,928
1.5 Interest income from securities portfolio	V-IV-1	1,590,648	1,765,558
1.5.1 Trading financial assets		-	-
1.5.2 Financial assets at fair value through profit or loss		-	-
1.5.3 Available-for-sale financial assets		1,187,769	1,105,834
1.5.4 Held-to-maturity investments		402,879	659,724
1.6 Finance lease income		-	-
1.7 Other interest income		58,352	17,419
II. INTEREST EXPENSE		4,430,953	4,671,908
2.1 Interest expense on deposits	V-IV-2	3,522,651	3,924,493
2.2 Interest expense on funds borrowed	V-IV-2	134,533	136,402
2.3 Interest expense on money market transactions		375,321	346,524
2.4 Interest expense on securities issued	V-IV-2	260,003	177,879
2.5 Other interest expenses		138,445	86,610
III. NET INTEREST INCOME (I -II)		4,789,617	4,084,594
IV. NET FEES AND COMMISSIONS INCOME		686,511	447,700
4.1 Fees and commissions received		1,005,406	709,741
4.1.1 Non-cash loans		134,964	104,763
4.1.2 Others		870,442	604,978
4.2 Fees and commissions paid		318,895	262,041
4.2.1 Non-cash loans		143	187
4.2.2 Others		318,752	261,854
V. DIVIDEND INCOME	V-IV-3	54,001	57,078
VI. TRADING INCOME/LOSSES (Net)	V-IV-4	231,657	336,542
6.1 Trading account income/losses	V-IV-4	172,623	249,189
6.2 Income/losses from derivative financial instruments	V-IV-4	86,442	(24,121)
6.3 Foreign exchange gains/losses	V-IV-4	(27,408)	111,474
VII. OTHER OPERATING INCOME	V-IV-5	708,320	624,680
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6,470,106	5,550,594
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-6	1,857,239	1,404,058
X. OTHER OPERATING EXPENSES (-)	V-IV-7	2,629,953	2,261,175
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,982,914	1,885,361
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)		1,982,914	1,885,361
XVI. CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-11	(397,375)	(425,281)
16.1 Current tax charges		(341,481)	(449,196)
16.2 Deferred tax credits		(55,894)	23,915
XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)	V-IV-12	1,585,539	1,460,080
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)	V-IV-12	1,585,539	1,460,080
Earnings per 100 shares (full TL)	III-XXII	0.6342	0.5840

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated Statement of Gains and Losses

Recognized in Shareholders' Equity

For the Year Ended 31 December 2013

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

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

GAINS AND LOSSES RECOGNIZED IN SHAREHOLDERS' EQUITY		Audited Current Year 31 December 2013	Audited Prior Year 31 December 2012
I.	VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	(1,018,829)	881,018
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	CURRENCY TRANSLATION DIFFERENCES	-	-
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	155,433	410,251
IX.	DEFERRED TAXES DUE TO VALUATION DIFFERENCES	76,024	(94,600)
X.	NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY	(787,372)	1,196,669
XI.	CURRENT YEAR'S PROFIT/LOSS	1,585,539	1,460,080
11.1	Change in fair value of securities (transfers to the statement of income)	252,612	40,002
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	1,332,927	1,420,078
XII.	TOTAL GAINS AND LOSSES RECOGNIZED DURING THE YEAR	798,167	2,656,749

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated Statement of Changes in Shareholders' Equity

For the Year Ended 31 December 2013

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

Convenience Translation of Financial Statements

and Related Disclosures and Footnotes

Originally Issued in Turkish, See Section 3 Note 1

CHANGES IN SHAREHOLDERS' EQUITY	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Profit/(Loss)	Prior Year Net Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Year – 31 December 2012																			
Balances at the beginning of the year		2,500,000	-	723,918	-	590,498	-	3,689,113	239,905	1,226,785	-	253,304	7,564	67,318	-	-	9,298,405	-	9,298,405
II. Changes during the year																			
Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and "Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	1,196,669	-	-	-	-	1,196,669	-	1,196,669
III. Hedges for risk management																			
4.1 Net cash flow hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets																			
VI. Revaluation surplus on intangible assets																			
VII. Bonus shares of associates, subsidiaries and joint-ventures																			
VIII. Translation differences																			
IX. Changes resulted from disposal of the assets																			
X. Changes resulted from reclassifications of the assets																			
XI. Effect of change in equities of associates on the Bank's equity																			
XII. Capital increase																			
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance																			
XIV. Share cancellation profits																			
XV. Capital reserves from inflation adjustments to paid-in capital																			
XVI. Others																			
XVII. Current year's net profit/loss																			
XVIII. Profit distribution																			
18.1 Dividends		-	-	-	-	-	-	-	-	1,460,080	-	-	-	-	-	-	1,460,080	-	1,460,080
18.2 Transferred to reserves		-	-	-	-	120,126	-	1,010,638	25,524	(1,226,785)	-	-	33,497	-	-	-	(37,000)	-	(37,000)
18.3 Others		-	-	-	-	-	-	-	-	(37,000)	-	-	-	-	-	-	(37,000)	-	(37,000)
Balances at the end of the year																			
		2,500,000	-	723,918	-	710,624	-	4,699,751	265,429	1,460,080	-	1,449,973	41,061	67,318	-	-	11,918,154	-	11,918,154
Current Year – 31 December 2013																			
Balances at the beginning of the year		2,500,000	-	723,918	-	710,624	-	4,699,751	265,429	1,460,080	-	1,449,973	41,061	67,318	-	-	11,918,154	-	11,918,154
II. Changes during the year																			
Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and "Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	(768,647)	-	-	-	-	(768,647)	-	(768,647)
III. Hedges for risk management																			
4.1 Net cash flow hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets																			
VI. Revaluation surplus on intangible assets																			
VII. Bonus shares of associates, subsidiaries and joint-ventures																			
VIII. Translation differences																			
IX. Changes resulted from disposal of the assets																			
X. Changes resulted from reclassifications of the assets																			
XI. Effect of change in equities of associates on the Bank's equity																			
XII. Capital increase																			
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance																			
XIV. Share cancellation profits																			
XV. Capital reserves from inflation adjustments to paid-in capital																			
XVI. Others																			
XVII. Current year's net profit/loss																			
XVIII. Profit distribution																			
18.1 Dividends	V-V-5	-	-	-	-	143,616	-	1,189,475	23,914	1,585,539	-	-	3,075	-	-	-	1,585,539	-	1,585,539
18.2 Transferred to reserves	V-V-5	-	-	-	-	143,616	-	1,189,475	23,914	(1,460,080)	-	-	3,075	-	-	-	(100,000)	-	(100,000)
18.3 Others		-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(100,000)	-	(100,000)
Balances at the end of the year																			
		2,500,000	-	723,918	-	854,240	-	5,889,226	266,115	1,585,539	-	681,326	44,136	71,821	-	-	12,616,321	-	12,616,321

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Cash Flows
For the Year Ended 31 December 2013
(Currency: 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	Audited Current Year 31 December 2013	Audited Prior Year 31 December 2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2,519,169	3,122,905
1.1.1 Interests received		8,177,914	8,762,501
1.1.2 Interests paid		(4,264,755)	(4,664,904)
1.1.3 Dividends received		29,737	22,793
1.1.4 Fee and commissions received		1,005,406	709,741
1.1.5 Other income		164,946	156,143
1.1.6 Collections from previously written-off loans and other receivables	V-I-5	546,553	426,555
1.1.7 Payments to personnel and service suppliers		(2,566,277)	(2,168,815)
1.1.8 Taxes paid		(363,768)	(358,258)
1.1.9 Others	V-VI-1	(210,587)	237,149
1.2 Changes in operating assets and liabilities		(2,991,443)	(7,809,875)
1.2.1 Net (increase) decrease in financial assets held for trading purpose		2,377	-
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		(6,639,045)	(4,759,563)
1.2.4 Net (increase) decrease in loans		(19,867,391)	(11,848,243)
1.2.5 Net (increase) decrease in other assets		(959,553)	(68,859)
1.2.6 Net increase (decrease) in bank deposits		4,104	686,707
1.2.7 Net increase (decrease) in other deposits		14,194,666	5,652,617
1.2.8 Net increase (decrease) in funds borrowed		3,384,029	(768,102)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	V-VI-1	6,889,370	3,295,568
I. Net cash flow from banking operations		(472,274)	(4,686,970)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(3,149,350)	1,255,059
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	V-VI-2	(90,972)	(1,211)
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(176,278)	(89,365)
2.4 Proceeds from disposal of tangible assets		257,519	171,788
2.5 Cash paid for purchase of available-for-sale financial assets		(5,224,880)	(1,202,309)
2.6 Proceeds from disposal of available-for-sale financial assets		3,145,750	2,340,733
2.7 Cash paid for purchase of held-to-maturity investments		(2,530,205)	(210,825)
2.8 Proceeds from disposal of held-to-maturity investments	V-I-6	1,507,738	275,294
2.9 Others	V-VI-1	(38,022)	(29,046)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		4,307,941	3,499,543
3.1 Cash obtained from funds borrowed and securities issued		8,726,401	6,157,509
3.2 Cash used for repayment of funds borrowed and securities issued		(4,318,460)	(2,620,966)
3.3 Equity instruments issued		-	-
3.4 Dividends paid	V-V-5	(100,000)	(37,000)
3.5 Repayments for finance leases		-	-
3.6 Others		-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	V-VI-1	(8,205)	(1,666)
V. Net increase in cash and cash equivalents		678,112	65,966
VI. Cash and cash equivalents at the beginning of the year	V-VI-4	4,999,872	4,933,906
VII. Cash and cash equivalents at the end of the year	V-VI-4	5,677,984	4,999,872

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Profit Distribution
For the Year Ended 31 December 2013
(Currency: 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	Current Year 31 December 2013	Prior Year 31 December 2012
I. DISTRIBUTION OF CURRENT YEAR PROFIT			
1.1 CURRENT YEAR'S PROFIT		1,982,914	1,885,361
1.2 TAXES PAYABLE AND LEGAL DUTIES		(397,375)	(425,281)
1.2.1 Corporate tax (income tax)	V-IV-11	(341,481)	(449,196)
1.2.2 Withholding tax		-	-
1.2.3 Other taxes and duties	V-IV-11	(55,894)	23,915
A. NET PROFIT FOR THE YEAR		1,585,539	1,460,080
1.3 DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES	V-IV-11	-	(23,914)
B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME		1,585,539	1,436,166
1.4 ACCUMULATED LOSSES		-	-
1.5 FIRST LEGAL RESERVES	V-V-5	-	(71,808)
1.6 OTHER STATUTORY RESERVES	V-V-5	-	(71,808)
C. NET PROFIT AVAILABLE FOR DISTRIBUTION ^(*)		-	1,292,550
1.7 FIRST DIVIDEND TO SHAREHOLDERS		-	100,000
1.7.1 To owners of ordinary shares		-	100,000
1.7.2 To owners of privileged shares		-	-
1.7.3 To owners of redeemed shares		-	-
1.7.4 To profit sharing bonds		-	-
1.7.5 To holders of profit and loss sharing certificates		-	-
1.8 DIVIDENDS TO PERSONNEL ^(*)		-	-
1.9 DIVIDENDS TO BOARD OF DIRECTORS		-	-
1.10 SECOND DIVIDEND TO SHAREHOLDERS		-	-
1.10.1 To owners of ordinary shares		-	-
1.10.2 To owners of privileged shares		-	-
1.10.3 To owners of redeemed shares		-	-
1.10.4 To profit sharing bonds		-	-
1.10.5 To holders of profit and loss sharing certificates		-	-
1.11 SECOND LEGAL RESERVES		-	-
1.12 STATUS RESERVES		-	-
1.13 EXTRAORDINARY RESERVES	V-V-5	-	1,189,475
1.14 OTHER RESERVES		-	-
1.15 SPECIAL FUNDS	V-V-5	-	3,075
II. DISTRIBUTION FROM RESERVES			
2.1 DISTRIBUTION OF RESERVES		-	-
2.2 SECOND LEGAL RESERVES		-	-
2.3 DIVIDENDS TO SHAREHOLDERS		-	-
2.3.1 To owners of ordinary shares		-	-
2.3.2 To owners of privileged shares		-	-
2.3.3 To owners of redeemed shares		-	-
2.3.4 To profit sharing bonds		-	-
2.3.5 To holders of profit and loss sharing certificates		-	-
2.4 DIVIDENDS TO PERSONNEL ^(*)		-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS		-	-
III. EARNINGS PER SHARE			
3.1 TO OWNERS OF ORDINARY SHARES (Per 100 shares)		0.6342	0.5840
3.2 TO OWNERS OF ORDINARY SHARES (%)		63.42	58.40
3.3 TO OWNERS OF PRIVILEGED SHARES		-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)		-	-
IV. DIVIDEND PER SHARE			
4.1 TO OWNERS OF ORDINARY SHARES (Per 100 shares)		-	0.04
4.2 TO OWNERS OF ORDINARY SHARES (%)		-	4.00
4.3 TO OWNERS OF PRIVILEGED SHARES		-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)		-	-

^(*) As at report date, no resolution has been decided regarding profit distribution. Accordingly, net profit available for distribution has not been presented.

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