

## SECTION TWO – CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated Balance Sheet (Statement of Financial Position)

Convenience Translation of the Consolidated Financial Statements  
and Related Disclosures and Footnotes

As at 31 December 2013

Originally Issued in Turkish, See Section 3 Note I

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

| ASSETS   | Notes         | Audited<br>Current Year<br>31 December 2013 |                   |                    | Audited<br>Previous Year<br>31 December 2012 |                   |                    |
|--|---------------|---|-------------------|--------------------|--|-------------------|--------------------|
|  |               | TL  | FC                | Total              | TL   | FC                | Total              |
| <b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>  | <b>V-I-1</b>  | <b>1,802,876</b>                            | <b>17,172,306</b> | <b>18,975,182</b>  | <b>2,249,946</b>                             | <b>10,081,548</b> | <b>12,331,494</b>  |
| <b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>                     | <b>V-I-2</b>  | <b>557,634</b>                              | <b>97,985</b>     | <b>655,619</b>     | <b>213,829</b>                               | <b>82,661</b>     | <b>296,490</b>     |
| 2.1 Financial assets held for trading purpose  |               | 557,634                                     | 97,985            | 655,619            | 213,829                                      | 82,661            | 296,490            |
| 2.1.1 Debt securities issued by the governments  |               | 113,279                                     | 15,740            | 129,019            | 121,695                                      | 14,820            | 136,515            |
| 2.1.2 Equity securities  |               | 3,023                                       | -                 | 3,023              | 2,709  | -                 | 2,709              |
| 2.1.3 Derivative financial assets held for trading purpose                                 |               | 356,150                                     | 82,245            | 438,395            | 21,584                                       | 67,841            | 89,425             |
| 2.1.4 Other securities   | V-I-2         | 85,182                                      | -                 | 85,182             | 67,841                                       | -                 | 67,841             |
| 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  |               | -   | -                 | -                  | -  | -                 | -                  |
| <b>III. BANKS</b>  | <b>V-I-3</b>  | <b>379,923</b>                              | <b>2,778,428</b>  | <b>3,158,351</b>   | <b>740,354</b>                               | <b>1,916,136</b>  | <b>2,656,490</b>   |
| <b>IV. RECEIVABLES FROM INTERBANK MONEY MARKETS</b>  |               | <b>5,095</b>                                | <b>-</b>          | <b>5,095</b>       | <b>6,645</b>                                 | <b>-</b>          | <b>6,645</b>       |
| 4.1 Interbank money market placements  |               | -   | -                 | -                  | 2,928  | -                 | 2,928              |
| 4.2 Istanbul Stock Exchange money market placements  |               | 4,095                                       | -                 | 4,095              | -  | -                 | -                  |
| 4.3 Receivables from reverse repurchase agreements   |               | 1,000                                       | -                 | 1,000              | 3,717  | -                 | 3,717              |
| <b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>  | <b>V-I-4</b>  | <b>12,556,285</b>                           | <b>4,101,124</b>  | <b>16,657,409</b>  | <b>10,277,762</b>                            | <b>4,057,019</b>  | <b>14,334,781</b>  |
| 5.1 Equity securities  |               | 15  | 13,360            | 13,375             | -  | 12,246            | 12,246             |
| 5.2 Debt securities issued by the governments  |               | 12,551,950                                  | 3,914,264         | 16,466,214         | 10,275,713                                   | 3,937,935         | 14,213,648         |
| 5.3 Other securities   |               | 4,320                                       | 173,500           | 177,820            | 2,049  | 106,838           | 108,887            |
| <b>VI. LOANS AND RECEIVABLES</b>   | <b>V-I-5</b>  | <b>65,199,842</b>                           | <b>23,473,216</b> | <b>88,673,058</b>  | <b>51,358,116</b>                            | <b>17,958,583</b> | <b>69,316,699</b>  |
| 6.1 Performing loans and receivables   |               | 64,833,644                                  | 23,470,402        | 88,304,046         | 51,052,492                                   | 17,956,408        | 69,008,900         |
| 6.1.1 Loans provided to the same risk group  | V-VII-1       | 10,828                                      | 15,287            | 26,115             | 2,006  | 7,366             | 9,372              |
| 6.1.2 Debt securities issued by the governments  |               | -   | -                 | -                  | -  | -                 | -                  |
| 6.1.3 Others   |               | 64,822,816                                  | 23,455,115        | 88,277,931         | 51,050,486                                   | 17,949,042        | 68,999,528         |
| 6.2 Loans under follow-up  |               | 3,713,718                                   | 22,747            | 3,736,465          | 2,803,919                                    | 12,908            | 2,816,827          |
| 6.3 Specific provisions (-)  |               | 3,347,520                                   | 19,933            | 3,367,453          | 2,498,295                                    | 10,733            | 2,509,028          |
| <b>VII. FACTORING RECEIVABLES</b>  |               | <b>125,616</b>                              | <b>6,826</b>      | <b>132,442</b>     | <b>167,927</b>                               | <b>17,870</b>     | <b>185,797</b>     |
| <b>VIII. HELD-TO-MATURITY INVESTMENTS (Net)</b>  | <b>V-I-6</b>  | <b>5,358,742</b>                            | <b>54,429</b>     | <b>5,413,171</b>   | <b>4,198,301</b>                             | <b>62,759</b>     | <b>4,261,060</b>   |
| 8.1 Debt securities issued by the governments  |               | 5,358,742                                   | 11,590            | 5,370,332          | 4,198,301                                    | 9,312             | 4,207,613          |
| 8.2 Other securities   |               | -   | 42,839            | 42,839             | -  | 53,447            | 53,447             |
| <b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>   | <b>V-I-7</b>  | <b>224,199</b>                              | <b>3</b>          | <b>224,202</b>     | <b>197,977</b>                               | <b>3</b>          | <b>197,980</b>     |
| 9.1 Associates, consolidated per equity method   |               | 179,121                                     | -                 | 179,121            | 170,692                                      | -                 | 170,692            |
| 9.2 Unconsolidated associates  |               | 45,078                                      | 3                 | 45,081             | 27,285                                       | 3                 | 27,288             |
| 9.2.1 Financial associates   |               | 32,745                                      | -                 | 32,745             | 14,952                                       | -                 | 14,952             |
| 9.2.2 Non-Financial associates   |               | 12,333                                      | 3                 | 12,336             | 12,333                                       | 3                 | 12,336             |
| <b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>  | <b>V-I-8</b>  | <b>213,899</b>                              | <b>-</b>          | <b>213,899</b>     | <b>165,521</b>                               | <b>-</b>          | <b>165,521</b>     |
| 10.1 Unconsolidated financial subsidiaries   |               | -   | -                 | -                  | -  | -                 | -                  |
| 10.2 Unconsolidated non-financial subsidiaries   |               | 213,899                                     | -                 | 213,899            | 165,521                                      | -                 | 165,521            |
| <b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>   | <b>V-I-9</b>  | <b>-</b>                                    | <b>-</b>          | <b>-</b>           | <b>-</b>                                     | <b>-</b>          | <b>-</b>           |
| 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  |               | -   | -                 | -                  | -  | -                 | -                  |
| <b>XII. LEASE RECEIVABLES</b>  | <b>V-I-10</b> | <b>135,691</b>                              | <b>764,532</b>    | <b>900,223</b>     | <b>95,702</b>                                | <b>581,217</b>    | <b>676,919</b>     |
| 12.1 Finance lease receivables   |               | 172,335                                     | 856,604           | 1,028,939          | 121,044                                      | 655,648           | 776,692            |
| 12.2 Operational lease receivables   |               | -   | -                 | -                  | -  | -                 | -                  |
| 12.3 Others  |               | -   | -                 | -                  | -  | -                 | -                  |
| 12.4 Unearned income (-)   |               | 36,644                                      | 92,072            | 128,716            | 25,342                                       | 74,431            | 99,773             |
| <b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE</b>                  | <b>V-I-11</b> | <b>-</b>                                    | <b>-</b>          | <b>-</b>           | <b>-</b>                                     | <b>-</b>          | <b>-</b>           |
| 13.1 Fair value hedges   |               | -   | -                 | -                  | -  | -                 | -                  |
| 13.2 Cash flow hedges  |               | -   | -                 | -                  | -  | -                 | -                  |
| 13.3 Hedges of net investment in foreign operations  |               | -   | -                 | -                  | -  | -                 | -                  |
| <b>XIV. TANGIBLE ASSETS (Net)</b>  | <b>V-I-12</b> | <b>1,440,990</b>                            | <b>3,727</b>      | <b>1,444,717</b>   | <b>1,351,514</b>                             | <b>3,574</b>      | <b>1,355,088</b>   |
| <b>XV. INTANGIBLE ASSETS (Net)</b>   | <b>V-I-13</b> | <b>127,873</b>                              | <b>196</b>        | <b>128,069</b>     | <b>99,837</b>                                | <b>199</b>        | <b>100,036</b>     |
| 15.1 Goodwill  |               | -   | -                 | -                  | -  | -                 | -                  |
| 15.2 Other intangibles   |               | 127,873                                     | 196               | 128,069            | 99,837                                       | 199               | 100,036            |
| <b>XVI. INVESTMENT PROPERTIES (Net)</b>  | <b>V-I-14</b> | <b>20,829</b>                               | <b>-</b>          | <b>20,829</b>      | <b>19,646</b>                                | <b>-</b>          | <b>19,646</b>      |
| <b>XVII. TAX ASSETS</b>  |               | <b>158,970</b>                              | <b>5,557</b>      | <b>164,527</b>     | <b>208,167</b>                               | <b>-</b>          | <b>208,167</b>     |
| 17.1 Current tax assets  |               | 2,384                                       | 4,507             | 6,891              | -  | -                 | -                  |
| 17.2 Deferred tax assets   | V-I-15        | 156,586                                     | 1,050             | 157,636            | 208,167                                      | -                 | 208,167            |
| <b>XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)</b> | <b>V-I-16</b> | <b>2,169</b>                                | <b>-</b>          | <b>2,169</b>       | <b>2,093</b>                                 | <b>-</b>          | <b>2,093</b>       |
| 18.1 Assets held for sale  |               | 2,169                                       | -                 | 2,169              | 2,093  | -                 | 2,093              |
| 18.2 Assets related to the discontinued operations   |               | -   | -                 | -                  | -  | -                 | -                  |
| <b>XIX. OTHER ASSETS</b>   | <b>V-I-17</b> | <b>2,060,437</b>                            | <b>958,183</b>    | <b>3,018,620</b>   | <b>1,595,908</b>                             | <b>328,598</b>    | <b>1,924,506</b>   |
| <b>TOTAL ASSETS</b>  |               | <b>90,371,070</b>                           | <b>49,416,512</b> | <b>139,787,582</b> | <b>72,949,245</b>                            | <b>35,090,167</b> | <b>108,039,412</b> |

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)

As at 31 December 2013

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

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

| LIABILITIES AND EQUITY              |   | Notes          | Audited<br>Current Year<br>31 December 2013 |                   |                    | Audited<br>Previous Year<br>31 December 2012 |                   |                    |
|-------------------------------------|---|----------------|---|-------------------|--------------------|--|-------------------|--------------------|
|                                     |   |                | TL  | FC                | Total              | TL   | FC                | Total              |
| <b>I.</b>                           | <b>DEPOSITS</b>   | <b>V-II-1</b>  | <b>58,946,981</b>                           | <b>24,092,418</b> | <b>83,039,399</b>  | <b>49,467,915</b>                            | <b>18,918,889</b> | <b>68,386,804</b>  |
| 1.1                                 | Deposits of the same risk group   | V-VII-1        | 1,268,031                                   | 167,281           | 1,435,312          | 746,250                                      | 590,694           | 1,336,944          |
| 1.2                                 | Other deposits  |                | 57,678,950                                  | 23,925,137        | 81,604,087         | 48,721,665                                   | 18,328,195        | 67,049,860         |
| <b>II.</b>                          | <b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE</b>                              | <b>V-II-2</b>  | <b>131,338</b>                              | <b>88,142</b>     | <b>219,480</b>     | <b>7,165</b>                                 | <b>192,527</b>    | <b>199,692</b>     |
| <b>III.</b>                         | <b>FUNDS BORROWED</b>   | <b>V-II-3</b>  | <b>412,222</b>                              | <b>11,873,439</b> | <b>12,285,661</b>  | <b>271,385</b>                               | <b>7,829,596</b>  | <b>8,100,981</b>   |
| <b>IV.</b>                          | <b>INTERBANK MONEY MARKET</b>   |                | <b>8,209,702</b>                            | <b>6,565,686</b>  | <b>14,775,388</b>  | <b>2,298,496</b>                             | <b>6,384,324</b>  | <b>8,682,820</b>   |
| 4.1                                 | Interbank Money Market takings  |                | -   | -                 | -                  | -  | -                 | -                  |
| 4.2                                 | Istanbul Stock Exchange money market takings  |                | 195,043                                     | -                 | 195,043            | 191,929                                      | -                 | 191,929            |
| 4.3                                 | Obligations under repurchase agreements   |                | 8,014,659                                   | 6,565,686         | 14,580,345         | 2,106,567                                    | 6,384,324         | 8,490,891          |
| <b>V.</b>                           | <b>SECURITIES ISSUED (Net)</b>  | <b>V-II-3</b>  | <b>2,301,798</b>                            | <b>4,518,937</b>  | <b>6,820,735</b>   | <b>1,481,611</b>                             | <b>891,137</b>    | <b>2,372,748</b>   |
| 5.1                                 | Bills   |                | 2,301,798                                   | -                 | 2,301,798          | 1,379,768                                    | -                 | 1,379,768          |
| 5.2                                 | Asset backed securities   |                | -   | -                 | -                  | -  | -                 | -                  |
| 5.3                                 | Bonds   |                | -   | 4,518,937         | 4,518,937          | 101,843                                      | 891,137           | 992,980            |
| <b>VI.</b>                          | <b>FUNDS</b>  |                | <b>23,431</b>                               | <b>-</b>          | <b>23,431</b>      | <b>31,368</b>                                | <b>-</b>          | <b>31,368</b>      |
| 6.1                                 | Funds against borrower's note   |                | -   | -                 | -                  | -  | -                 | -                  |
| 6.2                                 | Others  |                | 23,431                                      | -                 | 23,431             | 31,368                                       | -                 | 31,368             |
| <b>VII.</b>                         | <b>MISCELLANEOUS PAYABLES</b>   |                | <b>2,529,208</b>                            | <b>311,860</b>    | <b>2,841,068</b>   | <b>2,197,932</b>                             | <b>241,224</b>    | <b>2,439,156</b>   |
| <b>VIII.</b>                        | <b>OTHER EXTERNAL RESOURCES PAYABLE</b>   | <b>V-II-4</b>  | <b>471,762</b>                              | <b>1,038,853</b>  | <b>1,510,615</b>   | <b>472,082</b>                               | <b>546,845</b>    | <b>1,018,927</b>   |
| <b>IX.</b>                          | <b>FACTORING PAYABLES</b>   |                | <b>-</b>                                    | <b>-</b>          | <b>-</b>           | <b>-</b>                                     | <b>-</b>          | <b>-</b>           |
| <b>X.</b>                           | <b>LEASE PAYABLES (Net)</b>   | <b>V-II-5</b>  | <b>-</b>                                    | <b>-</b>          | <b>-</b>           | <b>-</b>                                     | <b>-</b>          | <b>-</b>           |
| 10.1                                | Finance lease payables  |                | -   | -                 | -                  | -  | -                 | -                  |
| 10.2                                | Operational lease payables  |                | -   | -                 | -                  | -  | -                 | -                  |
| 10.3                                | Others  |                | -   | -                 | -                  | -  | -                 | -                  |
| 10.4                                | Deferred finance leasing expenses (-)   |                | -   | -                 | -                  | -  | -                 | -                  |
| <b>XI.</b>                          | <b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE</b>                      | <b>V-II-6</b>  | <b>-</b>                                    | <b>-</b>          | <b>-</b>           | <b>-</b>                                     | <b>-</b>          | <b>-</b>           |
| 11.1                                | Fair value hedges   |                | -   | -                 | -                  | -  | -                 | -                  |
| 11.2                                | Cash flow hedges  |                | -   | -                 | -                  | -  | -                 | -                  |
| 11.3                                | Hedges of net investment in foreign operations  |                | -   | -                 | -                  | -  | -                 | -                  |
| <b>XII.</b>                         | <b>PROVISIONS</b>   | <b>V-II-7</b>  | <b>3,531,303</b>                            | <b>62,149</b>     | <b>3,593,452</b>   | <b>2,953,305</b>                             | <b>44,197</b>     | <b>2,997,502</b>   |
| 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   |                | 561,411                                     | 803               | 562,214            | 473,619                                      | 719               | 474,338            |
| 12.4                                | Insurance technical provisions (Net)  | V-II-7         | 1,541,611                                   | 8,767             | 1,550,378          | 1,261,803                                    | 10,344            | 1,272,147          |
| 12.5                                | Other provisions  | V-II-7         | 249,269                                     | 40,852            | 290,121            | 264,831                                      | 30,127            | 294,958            |
| <b>XIII.</b>                        | <b>TAX LIABILITIES</b>  | <b>V-II-8</b>  | <b>241,397</b>                              | <b>1,335</b>      | <b>242,732</b>     | <b>344,677</b>                               | <b>5,552</b>      | <b>350,229</b>     |
| 13.1                                | Current tax liabilities   | V-II-8         | 237,422                                     | 1,335             | 238,757            | 340,668                                      | 2,885             | 343,553            |
| 13.2                                | Deferred tax liabilities  | V-I-15         | 3,975                                       | -                 | 3,975              | 4,009  | 2,667             | 6,676              |
| <b>XIV.</b>                         | <b>PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)</b>  | <b>V-II-9</b>  | <b>-</b>                                    | <b>-</b>          | <b>-</b>           | <b>-</b>                                     | <b>-</b>          | <b>-</b>           |
| 14.1                                | Payables related to the assets held for sale  |                | -   | -                 | -                  | -  | -                 | -                  |
| 14.2                                | Payables related to the discontinued operations   |                | -   | -                 | -                  | -  | -                 | -                  |
| <b>XV.</b>                          | <b>SUBORDINATED LOANS</b>   | <b>V-II-10</b> | <b>-</b>                                    | <b>1,964,663</b>  | <b>1,964,663</b>   | <b>-</b>                                     | <b>1,630,188</b>  | <b>1,630,188</b>   |
| <b>XVI.</b>                         | <b>EQUITY</b>   |                | <b>12,090,402</b>                           | <b>380,556</b>    | <b>12,470,958</b>  | <b>11,107,708</b>                            | <b>721,289</b>    | <b>11,828,997</b>  |
| <b>16.1</b>                         | <b>Paid-in capital</b>  | <b>V-II-11</b> | <b>2,500,000</b>                            | <b>-</b>          | <b>2,500,000</b>   | <b>2,500,000</b>                             | <b>-</b>          | <b>2,500,000</b>   |
| <b>16.2</b>                         | <b>Capital reserves</b>   |                | <b>511,720</b>                              | <b>122,858</b>    | <b>634,578</b>     | <b>944,141</b>                               | <b>555,621</b>    | <b>1,499,762</b>   |
| 16.2.1                              | Share premium   |                | 726,686                                     | -                 | 726,686            | 726,720                                      | -                 | 726,720            |
| 16.2.2                              | Share cancellation profits  |                | -   | -                 | -                  | -  | -                 | -                  |
| 16.2.3                              | Valuation differences of the marketable securities  | V-II-11        | (272,577)                                   | 122,858           | (149,719)          | 165,190                                      | 555,621           | 720,811            |
| 16.2.4                              | Revaluation surplus on tangible assets  |                | 51,329                                      | -                 | 51,329             | 50,452                                       | -                 | 50,452             |
| 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                                   |                | 6,282                                       | -                 | 6,282              | 1,779  | -                 | 1,779              |
| 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  |                | -   | -                 | -                  | -  | -                 | -                  |
| <b>16.3</b>                         | <b>Profit reserves</b>  |                | <b>7,195,316</b>                            | <b>143,130</b>    | <b>7,338,446</b>   | <b>5,837,547</b>                             | <b>75,980</b>     | <b>5,913,527</b>   |
| 16.3.1                              | Legal reserves  |                | 898,804                                     | 5,362             | 904,166            | 749,617                                      | 4,324             | 753,941            |
| 16.3.2                              | Status reserves   |                | 6,337                                       | -                 | 6,337              | 5,050  | -                 | 5,050              |
| 16.3.3                              | Extraordinary reserves  |                | 6,002,598                                   | 4,593             | 6,007,191          | 4,797,750                                    | 4,593             | 4,802,343          |
| 16.3.4                              | Other profit reserves   |                | 287,577                                     | 133,175           | 420,752            | 285,130                                      | 67,063            | 352,193            |
| <b>16.4</b>                         | <b>Profit or loss</b>   |                | <b>1,611,380</b>                            | <b>77,453</b>     | <b>1,688,833</b>   | <b>1,452,150</b>                             | <b>65,939</b>     | <b>1,518,089</b>   |
| 16.4.1                              | Previous years' profit/loss   |                | (28,542)                                    | 64,901            | 36,359             | 45,047                                       | 49,591            | 94,638             |
| 16.4.2                              | Current year's profit/loss  |                | 1,639,922                                   | 12,552            | 1,652,474          | 1,407,103                                    | 16,348            | 1,423,451          |
| <b>16.5</b>                         | <b>Non-controlling interest</b>   |                | <b>271,986</b>                              | <b>37,115</b>     | <b>309,101</b>     | <b>373,870</b>                               | <b>23,749</b>     | <b>397,619</b>     |
| <b>TOTAL LIABILITIES AND EQUITY</b> |   |                | <b>88,889,544</b>                           | <b>50,898,038</b> | <b>139,787,582</b> | <b>70,633,644</b>                            | <b>37,405,768</b> | <b>108,039,412</b> |

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

Convenience Translation of the Consolidated Financial Statements

As at 31 December 2013

and Related Disclosures and Footnotes

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

Originally Issued in Turkish, See Section 3 Note I

|  |   | Audited<br>Current Period<br>31 December 2013 |                    |                    | Audited<br>Previous Year<br>31 December 2012 |                    |                    |                    |
|--|---|---|--------------------|--------------------|--|--------------------|--------------------|--------------------|
|  |   | Notes   | TL                 | FC                 | TOTAL  | TL                 | FC                 | TOTAL              |
| <b>A.</b>                                  | <b>OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b> |   | <b>65,938,502</b>  | <b>56,628,425</b>  | <b>122,566,927</b>                           | <b>48,138,895</b>  | <b>34,442,488</b>  | <b>82,581,383</b>  |
| <b>I.</b>                                  | <b>GUARANTEES AND SURETIES</b>                                    | <b>V-III-2-4</b>                              | <b>14,340,111</b>  | <b>9,066,595</b>   | <b>23,406,706</b>                            | <b>10,554,546</b>  | <b>6,696,491</b>   | <b>17,251,037</b>  |
| 1.1  | Letters of guarantee  | V-III-1                                       | 14,268,047         | 3,633,776          | 17,901,823                                   | 10,520,455         | 2,120,048          | 12,640,503         |
| 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         | 1,681,233          | 13,393,160                                   | 8,584,622          | 947,835            | 9,532,457          |
| 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              | 4,382,383          | 4,390,249                                    | 693                | 3,774,016          | 3,774,709          |
| 1.3.1                                      | Documentary letters of credit                                     |   | 7,866              | 4,382,383          | 4,390,249                                    | 693                | 3,774,016          | 3,774,709          |
| 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                                      |   | 52,069             | 6,666              | 58,735                                       | 13,844             | 11,910             | 25,754             |
| 1.8  | Other guarantees  |   | -                  | 1,759              | 1,759  | -                  | 1,104              | 1,104              |
| 1.9  | Other sureties  |   | -                  | 160                | 160  | -                  | 430                | 430                |
| <b>II.</b>                                 | <b>COMMITMENTS</b>  |   | <b>45,490,756</b>  | <b>26,572,506</b>  | <b>72,063,262</b>                            | <b>34,404,641</b>  | <b>16,294,339</b>  | <b>50,698,980</b>  |
| 2.1  | Irrevocable commitments   |   | 15,323,929         | 3,855,721          | 19,179,650                                   | 12,369,462         | 1,089,293          | 13,458,755         |
| 2.1.1                                      | Asset purchase commitments  | V-III-1                                       | 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          | V-III-1                                       | -                  | -                  | -  | -                  | -                  | -                  |
| 2.1.4                                      | Loan granting commitments   | V-III-1                                       | 6,730,503          | 8,853              | 6,739,356                                    | 4,950,300          | 8,248              | 4,958,548          |
| 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                                       | 1,320,438          | -                  | 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                                | V-III-1                                       | 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                                     | V-III-1                                       | 233,518            | 210,454            | 443,972                                      | 206,849            | 200,589            | 407,438            |
| 2.2  | Revocable commitments   |   | 30,166,827         | 22,716,785         | 52,883,612                                   | 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                                       |   | 5,690              | 25,616             | 31,306                                       | -                  | -                  | -                  |
| <b>III.</b>                                | <b>DERIVATIVE FINANCIAL INSTRUMENTS</b>                           | <b>V-III-5</b>                                | <b>6,107,635</b>   | <b>20,989,324</b>  | <b>27,096,959</b>                            | <b>3,179,708</b>   | <b>11,451,658</b>  | <b>14,631,366</b>  |
| 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   |   | 6,107,635          | 20,989,324         | 27,096,959                                   | 3,179,708          | 11,451,658         | 14,631,366         |
| 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                                  |   | 5,331,187          | 16,127,197         | 21,458,384                                   | 2,418,898          | 8,548,598          | 10,967,496         |
| 3.2.2.1                                    | Currency swaps-purchases  |   | 3,299,610          | 7,487,077          | 10,786,687                                   | 939,499            | 3,966,967          | 4,906,466          |
| 3.2.2.2                                    | Currency swaps-sales  |   | 2,031,577          | 4,994,972          | 6,526,549                                    | 1,479,399          | 1,654,769          | 3,134,168          |
| 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            | 169,225            | 342,863                                      | 425,683            | 650,910            | 1,076,593          |
| 3.2.3.1                                    | Currency call options   |   | 85,819             | 84,611             | 170,430                                      | 212,842            | 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              | 3                  | 1,003  | -                  | 2                  | 2                  |
| 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>B.</b>                                  | <b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>                        |   | <b>840,321,095</b> | <b>225,977,220</b> | <b>1,066,298,315</b>                         | <b>520,142,409</b> | <b>149,801,020</b> | <b>669,943,429</b> |
| <b>IV.</b>                                 | <b>ITEMS HELD IN CUSTODY</b>                                      |   | <b>351,973,501</b> | <b>1,599,747</b>   | <b>353,573,248</b>                           | <b>164,855,739</b> | <b>1,662,037</b>   | <b>166,517,776</b> |
| 4.1  | Customers' securities held  |   | 378,412            | 20,816             | 399,228                                      | 33,686             | 17,314             | 51,000             |
| 4.2  | Investment securities held in custody                             |   | 343,312,429        | -                  | 343,312,429                                  | 157,929,261        | 373,569            | 158,302,830        |
| 4.3  | Checks received for collection                                    |   | 6,727,932          | 898,858            | 7,626,790                                    | 5,334,631          | 606,676            | 5,941,307          |
| 4.4  | Commercial notes received for collection                          |   | 983,671            | 233,334            | 1,217,005                                    | 954,298            | 224,610            | 1,178,908          |
| 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   |   | 25,241             | 146,926            | 172,167                                      | 309                | 202,904            | 203,213            |
| 4.8  | Custodians  |   | 543,664            | 293,438            | 837,102                                      | 601,402            | 231,662            | 833,064            |
| <b>V.</b>                                  | <b>PLEDGED ITEMS</b>  |   | <b>174,951,547</b> | <b>50,574,396</b>  | <b>225,525,943</b>                           | <b>117,754,980</b> | <b>38,351,806</b>  | <b>156,106,786</b> |
| 5.1  | Securities  |   | 336,298            | 27,434             | 363,732                                      | 334,204            | 26,537             | 360,741            |
| 5.2  | Guarantee notes   |   | 702,095            | 239,873            | 941,968                                      | 668,146            | 98,231             | 766,377            |
| 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  |   | 112,539,683        | 39,831,978         | 152,371,661                                  | 91,069,499         | 30,568,630         | 121,638,129        |
| 5.6  | Other pledged items   |   | 8,343,995          | 9,350,018          | 17,694,013                                   | 5,723,364          | 6,887,220          | 12,610,584         |
| 5.7  | Pledged items-depository  |   | 29,594,546         | 134,098            | 29,728,644                                   | 779,331            | 146,289            | 925,620            |
| <b>VI.</b>                                 | <b>CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>                   |   | <b>313,396,047</b> | <b>173,803,077</b> | <b>487,199,124</b>                           | <b>237,531,690</b> | <b>109,787,177</b> | <b>347,318,867</b> |
| <b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b> |   |   | <b>906,259,597</b> | <b>282,605,645</b> | <b>1,188,865,242</b>                         | <b>568,281,304</b> | <b>184,243,508</b> | <b>752,524,812</b> |

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

As at 31 December 2013

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

Convenience Translation of the Consolidated Financial Statements

and Related Disclosures and Footnotes

Originally Issued in Turkish, See Section 3 Note I

|  | Notes          | Audited<br>Current Year<br>31 December 2013 | Audited<br>Previous Year<br>31 December 2012 |
|--|----------------|---|--|
| <b>I. INTEREST INCOME</b>  |                | <b>9,440,435</b>                            | <b>8,999,981</b>                             |
| 1.1 Interest income from loans   | V-IV-1         | 7,619,741                                   | 7,003,040                                    |
| 1.2 Interest income from reserve deposits  |                | -   | -  |
| 1.3 Interest income from banks   | V-IV-1         | 57,026                                      | 60,537                                       |
| 1.4 Interest income from money market transactions                               |                | 906   | 3,576  |
| 1.5 Interest income from securities portfolio                                    | V-IV-1         | 1,616,594                                   | 1,807,144                                    |
| 1.5.1 Trading financial assets   | V-IV-1         | 14,909                                      | 32,459                                       |
| 1.5.2 Financial assets at fair value through profit or loss                      |                | -   | -  |
| 1.5.3 Available-for-sale financial assets  | V-IV-1         | 1,198,307                                   | 1,114,511                                    |
| 1.5.4 Held-to-maturity investments   | V-IV-1         | 403,378                                     | 660,174                                      |
| 1.6 Finance lease income   |                | 64,693                                      | 47,303                                       |
| 1.7 Other interest income  |                | 81,475                                      | 78,381                                       |
| <b>II. INTEREST EXPENSE</b>  |                | <b>4,533,280</b>                            | <b>4,744,503</b>                             |
| 2.1 Interest expense on deposits   | V-IV-2         | 3,543,409                                   | 3,946,141                                    |
| 2.2 Interest expense on funds borrowed   | V-IV-2         | 175,752                                     | 178,898                                      |
| 2.3 Interest expense on money market transactions                                |                | 387,285                                     | 350,006                                      |
| 2.4 Interest expense on securities issued  | V-IV-2         | 257,758                                     | 173,243                                      |
| 2.5 Other interest expenses  |                | 169,076                                     | 96,215                                       |
| <b>III. NET INTEREST INCOME (I - II)</b>   |                | <b>4,907,155</b>                            | <b>4,255,478</b>                             |
| <b>IV. NET FEES AND COMMISSIONS INCOME</b>                                       |                | <b>629,107</b>                              | <b>418,105</b>                               |
| 4.1 Fees and commissions received  |                | 948,375                                     | 683,235                                      |
| 4.1.1 Non-cash loans   |                | 134,275                                     | 104,370                                      |
| 4.1.2 Others   |                | 814,100                                     | 578,865                                      |
| 4.2 Fees and commissions paid  |                | 319,268                                     | 265,130                                      |
| 4.2.1 Non-cash loans   |                | 742   | 131  |
| 4.2.2 Others   |                | 318,526                                     | 264,999                                      |
| <b>V. DIVIDEND INCOME</b>  | <b>V-IV-3</b>  | <b>16,429</b>                               | <b>6,916</b>                                 |
| <b>VI. TRADING INCOME/LOSSES (Net)</b>   | <b>V-IV-4</b>  | <b>257,268</b>                              | <b>339,391</b>                               |
| 6.1 Trading account income/losses  | V-IV-4         | 190,307                                     | 250,923                                      |
| 6.2 Income/losses from derivative financial instruments                          | V-IV-4         | 65,904                                      | (23,660)                                     |
| 6.3 Foreign exchange gains/losses  | V-IV-4         | 1,057                                       | 112,128                                      |
| <b>VII. OTHER OPERATING INCOME</b>   | <b>V-IV-5</b>  | <b>1,465,262</b>                            | <b>1,298,661</b>                             |
| <b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>                            |                | <b>7,275,221</b>                            | <b>6,318,551</b>                             |
| <b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>               | <b>V-IV-6</b>  | <b>1,940,577</b>                            | <b>1,451,568</b>                             |
| <b>X. OTHER OPERATING EXPENSES (-)</b>   | <b>V-IV-7</b>  | <b>3,329,965</b>                            | <b>3,032,355</b>                             |
| <b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>                                 |                | <b>2,004,679</b>                            | <b>1,834,628</b>                             |
| <b>XII. INCOME RESULTED FROM MERGERS</b>   |                | -   | -  |
| <b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>                |                | <b>25,631</b>                               | <b>26,953</b>                                |
| <b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>                                   |                | -   | -  |
| <b>XV. INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)</b> | <b>V-IV-8</b>  | <b>2,030,310</b>                            | <b>1,861,581</b>                             |
| <b>XVI. CONTINUING OPERATIONS PROVISION FOR TAXES</b>                            | <b>V-IV-9</b>  | <b>(402,131)</b>                            | <b>(437,961)</b>                             |
| 16.1 Current tax charges   | V-IV-11        | (351,394)                                   | (463,099)                                    |
| 16.2 Deferred tax credits  | V-IV-11        | (50,737)                                    | 25,138                                       |
| <b>XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)</b>     | <b>V-IV-12</b> | <b>1,628,179</b>                            | <b>1,423,620</b>                             |
| <b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>                                |                | -   | -  |
| 18.1 Income from investment properties   |                | -   | -  |
| 18.2 Income from sales of subsidiaries, affiliates and joint-ventures            |                | -   | -  |
| 18.3 Other income from discontinued activities                                   |                | -   | -  |
| <b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>                            |                | -   | -  |
| 19.1 Investment property expenses  |                | -   | -  |
| 19.2 Losses from sales of subsidiaries, affiliates and joint ventures            |                | -   | -  |
| 19.3 Other expenses from discontinued activities                                 |                | -   | -  |
| <b>XX. INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>     |                | -   | -  |
| <b>XXI. DISCONTINUED OPERATIONS PROVISION FOR TAXES (±)</b>                      |                | -   | -  |
| 21.1 Current tax charge  |                | -   | -  |
| 21.2 Deferred tax charge   |                | -   | -  |
| <b>XXII. NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>   |                | -   | -  |
| <b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>  | <b>V-IV-12</b> | <b>1,628,179</b>                            | <b>1,423,620</b>                             |
| 23.1 Equity holders of the Bank  |                | 1,652,474                                   | 1,423,451                                    |
| 23.2 Non-controlling interest  | V-IV-13        | (24,295)                                    | 169  |
| Earnings per 100 share (full TL)   | III-XXIV       | 0.6513                                      | 0.5694                                       |

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 Gains and Losses Recognized in Equity

*Convenience Translation of the Consolidated Financial Statements*

As at 31 December 2013

*and Related Disclosures and Footnotes*

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

*Originally Issued in Turkish, See Section 3 Note I*

| <b>GAINS AND LOSSES RECOGNIZED IN EQUITY</b> |  | <b>Notes</b> | <b>Audited<br/>Current Year<br/>31 December 2013</b> | <b>Audited<br/>Previous Year<br/>31 December 2012</b> |
|--|--|--------------|--|---|
| <b>I.</b>                                    | <b>VALUATION DIFFERENCES OF AVAILABLE-FOR-SALE FINANCIAL ASSETS<br/>RECOGNIZED IN VALUATION DIFFERENCES OF THE MARKETABLE SECURITIES</b>   | V-V-6        | (1,045,551)  | 910,213   |
| <b>II.</b>                                   | <b>REVALUATION SURPLUS ON TANGIBLE ASSETS</b>  |              | -  | -   |
| <b>III.</b>                                  | <b>REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>  |              | -  | -   |
| <b>IV.</b>                                   | <b>CURRENCY TRANSLATION DIFFERENCES</b>  |              | 73,162   | (6,641)   |
| <b>V.</b>                                    | <b>GAINS/(LOSSES) FROM CASH FLOW HEDGES<br/>(Effective Portion of Fair Value Changes)</b>  |              | -  | -   |
| <b>VI.</b>                                   | <b>GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES<br/>(Effective portion)</b>   |              | -  | -   |
| <b>VII.</b>                                  | <b>EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS</b>  |              | -  | -   |
| <b>VIII.</b>                                 | <b>OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS</b>  |              | (9,198)  | 14,619  |
| <b>IX.</b>                                   | <b>DEFERRED TAXES DUE TO VALUATION DIFFERENCES</b>   | V-V-6        | 90,441   | (81,821)  |
| <b>X.</b>                                    | <b>NET GAINS/(LOSSES) RECOGNIZED DIRECTLY IN EQUITY</b>  |              | (891,146)  | 836,370   |
| <b>XI.</b>                                   | <b>CURRENT YEAR'S PROFIT/(LOSS)</b>  |              | 1,628,179  | 1,423,620   |
| 11.1   | Change in fair value of marketable securities (transfers to the statement of income)   | V-V-6        | 253,151  | 39,939  |
| 11.2   | Gains/losses recognized in the consolidated statement of income due to reclassification of derivatives which have previously designated as hedging instrument in a cash flow hedge |              | -  | -   |
| 11.3   | Gains/losses recognized in the consolidated statement of income due to reclassification of net foreign investment hedges   |              | -  | -   |
| 11.4   | Others   |              | 1,375,028  | 1,383,681   |
| <b>XII.</b>                                  | <b>TOTAL GAINS AND LOSSES RECOGNIZED DURING THE YEAR</b>   |              | 737,033  | 2,259,990   |

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 Changes in Equity  
As at and For the Year Ended 31 December 2013

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

Convenience Translation of the Consolidated Financial Statements  
and Related Disclosures and Footnotes

Originally Issued in Turkish, See Section 3 Note I

| CHANGES IN EQUITY                       | Notes  | 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 Year's Net Profit/(Loss) | Previous 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 | Revaluati on Surp. On Assets Held for Sale and Assets of Op.s | Shareholders' Equity before Minority Shares | Non-controlling Interest | Total Equity      |
|---|--|------------------|--|----------------|----------------------------|----------------|-----------------|------------------------|-----------------------|----------------------------------|-----------------------------------|--|--|---|------------------|---|---|--------------------------|-------------------|
| <b>Previous year – 31 December 2012</b> |  |                  |  |                |                            |                |                 |                        |                       |                                  |                                   |  |  |   |                  |   |   |                          |                   |
| I.                                      | Balances at the beginning of the year                            | 2,500,000        | -  | 726,722        | -                          | 627,279        | 3,980           | 3,790,079              | 332,657               | 1,304,314                        | 29,286                            | (90,954)   | 14,010   | 1,779   | -                | -   | 9,239,152                                   | 359,050                  | 9,598,202         |
|   | Changes during the year  | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| II.                                     | Mergers  | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| III.                                    | Valuation differences of the marketable securities               | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | 801,997  | -  | -   | -                | -   | 801,997                                     | 32,369                   | 834,366           |
| IV.                                     | Hedging reserves   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| 4.1                                     | Cash flow hedges   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| 4.2                                     | Net 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  | -                | -  | -              | -                          | -              | -               | -                      | (5,988)               | -                                | -                                 | -  | -  | -   | -                | -   | (5,988)                                     | (653)                    | (6,641)           |
| 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 Group's equity | -                | -  | (2)            | -                          | (72)           | -               | (452)                  | -                     | 26,953                           | 524                               | 9,768  | -  | -   | -                | -   | 36,719                                      | (1,123)                  | 35,596            |
| XII.                                    | Capital increase   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | (1,070)                  | (1,070)           |
| 12.1                                    | Cash   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| 12.2                                    | Internal sources   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | (1,070)                  | (1,070)           |
| XIII.                                   | Share issuance   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XIV.                                    | Share cancellation profits                                       | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XV.                                     | Capital reserves from inflation adjustments to paid-in capital   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XVI.                                    | Others   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | 9,384             |
| XVII.                                   | Current year's profit/loss                                       | -                | -  | -              | -                          | -              | -               | -                      | -                     | 1,396,498                        | -                                 | -  | -  | -   | -                | -   | -   | 1,396,498                | 169               |
| XVIII.                                  | Profit distribution  | -                | -  | -              | -                          | 126,734        | 1,070           | 1,012,716              | 25,524                | (1,304,314)                      | 64,828                            | -  | 36,442   | -   | -                | -   | (37,000)                                    | (507)                    | (37,507)          |
| 18.1                                    | Dividends  | -                | -  | -              | -                          | -              | -               | -                      | -                     | (37,000)                         | -                                 | -  | -  | -   | -                | -   | (37,000)                                    | (507)                    | (37,507)          |
| 18.2                                    | Transferred to reserves  | -                | -  | -              | -                          | 126,734        | 1,070           | 1,012,716              | 25,524                | (1,267,314)                      | 64,828                            | -  | 36,442   | -   | -                | -   | -   | -                        | -                 |
| 18.3                                    | Others   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
|   | <b>Balances at the end of the year</b>                           | <b>2,500,000</b> | <b>-</b>   | <b>726,720</b> | <b>-</b>                   | <b>753,941</b> | <b>5,050</b>    | <b>4,802,343</b>       | <b>352,193</b>        | <b>1,423,451</b>                 | <b>94,638</b>                     | <b>720,811</b>                                     | <b>50,452</b>  | <b>1,779</b>  | <b>-</b>         | <b>-</b>  | <b>11,431,378</b>                           | <b>397,619</b>           | <b>11,828,997</b> |
| <b>Current year – 31 December 2013</b>  |  |                  |  |                |                            |                |                 |                        |                       |                                  |                                   |  |  |   |                  |   |   |                          |                   |
| I.                                      | Balances at the beginning of the year                            | 2,500,000        | -  | 726,720        | -                          | 753,941        | 5,050           | 4,802,343              | 352,193               | 1,423,451                        | 94,638                            | 720,811  | 50,452   | 1,779   | -                | -   | 11,431,378                                  | 397,619                  | 11,828,997        |
|   | Changes during the year  | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| II.                                     | Mergers  | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| III.                                    | Valuation differences of marketable securities                   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | (859,663)  | -  | -   | -                | -   | (859,663)                                   | -                        | (859,663)         |
| IV.                                     | Hedging Reserves   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| 4.1                                     | Cash flow hedges   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| 4.2                                     | Net investment hedges  | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| V.                                      | Revaluation surplus on tangible assets                           | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| VI.                                     | Revaluation surplus on intangible assets                         | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| VII.                                    | Bonus shares of associates, subsidiaries and joint-ventures      | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | 4,503   | -                | -   | 4,503                                       | -                        | 4,503             |
| VIII.                                   | Translation differences  | -                | -  | -              | -                          | -              | -               | -                      | 66,111                | -                                | -                                 | -  | -  | -   | -                | -   | 66,111                                      | 7,051                    | 73,162            |
| IX.                                     | Changes resulted from disposal of assets                         | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| X.                                      | Changes resulted from reclassifications of assets                | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XI.                                     | Effect of change in equities of associates on the Group's equity | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | (10,867)   | -  | -   | -                | -   | (10,867)                                    | (603)                    | (11,470)          |
| XII.                                    | Capital increase   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | 5,736                    | 5,736             |
| 12.1                                    | Cash   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | 5,736                    | 5,736             |
| 12.2                                    | Internal sources   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XIII.                                   | Share issuance   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XIV.                                    | Share cancellation profits                                       | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XV.                                     | Capital reserves from inflation adjustments to paid-in capital   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
| XVI.                                    | Others   | -                | -  | -              | -                          | -              | -               | -                      | (22,079)              | -                                | -                                 | -  | -  | -   | -                | -   | (22,079)                                    | (76,115)                 | (98,194)          |
| XVII.                                   | Current year's profit/loss                                       | -                | -  | -              | -                          | -              | -               | -                      | -                     | 1,652,474                        | -                                 | -  | -  | -   | -                | -   | 1,652,474                                   | (24,295)                 | 1,628,179         |
| XVIII.                                  | Profit distribution  | -                | -  | (34)           | -                          | 150,225        | 1,287           | 1,204,848              | 24,527                | (1,423,451)                      | (58,279)                          | -  | 877  | -   | -                | -   | (100,000)                                   | (292)                    | (100,292)         |
| 18.1                                    | Dividends  | -                | -  | -              | -                          | -              | -               | -                      | -                     | (100,000)                        | -                                 | -  | -  | -   | -                | -   | (100,000)                                   | (292)                    | (100,292)         |
| 18.2                                    | Transferred to reserves  | -                | -  | (34)           | -                          | 150,225        | 1,287           | 1,204,848              | 24,527                | (1,323,451)                      | (58,279)                          | -  | 877  | -   | -                | -   | -   | -                        | -                 |
| 18.3                                    | Others   | -                | -  | -              | -                          | -              | -               | -                      | -                     | -                                | -                                 | -  | -  | -   | -                | -   | -   | -                        | -                 |
|   | <b>Balances at the end of the year</b>                           | <b>2,500,000</b> | <b>-</b>   | <b>726,686</b> | <b>-</b>                   | <b>904,166</b> | <b>6,337</b>    | <b>6,007,191</b>       | <b>420,752</b>        | <b>1,652,474</b>                 | <b>36,359</b>                     | <b>(149,719)</b>                                   | <b>51,329</b>  | <b>6,282</b>  | <b>-</b>         | <b>-</b>  | <b>12,161,857</b>                           | <b>309,101</b>           | <b>12,470,958</b> |

(\*)Vakıf B Tipi Menkul Kıymetler Yatırım Ortaklığı AŞ, which were previously consolidated per equity method, has been consolidated by line-by-line method in the current period and non-controlling interests of the Company has been presented under "Other" row.

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

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

Statement of Cash Flows

For the Year Ended 31 December 2013

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

*Convenience Translation of the Consolidated Financial Statements*

*and Related Disclosures and Footnotes*

*Originally Issued in Turkish, See Section 3 Note 1*

|   | Notes  | Audited<br>Current Year<br>31 December 2013 | Audited<br>Previous Year<br>31 December 2012 |
|---|--------|---|--|
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>  |        |   |  |
| <b>1.1 Operating profit before changes in operating assets and liabilities</b>                |        | <b>2,772,614</b>                            | <b>3,334,357</b>                             |
| 1.1.1 Interests received  |        | 8,407,894                                   | 8,972,650                                    |
| 1.1.2 Interests paid  |        | (4,377,459)                                 | (4,704,969)                                  |
| 1.1.3 Dividends received  |        | 15,500                                      | 4,916  |
| 1.1.4 Fee and commissions received  |        | 948,375                                     | 683,235                                      |
| 1.1.5 Other income  |        | 788,314                                     | 933,012                                      |
| 1.1.6 Collections from previously written-off loans and other receivables                     | V-I-5  | 555,877                                     | 430,467                                      |
| 1.1.7 Payments to personnel and service suppliers   |        | (2,974,541)                                 | (2,878,209)                                  |
| 1.1.8 Taxes paid  |        | (369,556)                                   | (390,459)                                    |
| 1.1.9 Others  | V-VI-1 | (221,790)                                   | 283,714                                      |
| <b>1.2 Changes in operating assets and liabilities</b>  |        | <b>(3,099,826)</b>                          | <b>(7,663,603)</b>                           |
| 1.2.1 Net (increase) decrease in financial assets held for trading purpose                    |        | (14,697)                                    | 611  |
| 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              |        | (6,439,722)                                 | (4,751,472)                                  |
| 1.2.4 Net (increase) decrease in loans  |        | (20,734,486)                                | (11,907,485)                                 |
| 1.2.5 Net (increase) decrease in other assets   |        | (1,091,406)                                 | (526,755)                                    |
| 1.2.6 Net increase (decrease) in bank deposits  |        | 50,580                                      | 600,296                                      |
| 1.2.7 Net increase (decrease) in other deposits   |        | 14,525,085                                  | 5,949,518                                    |
| 1.2.8 Net increase (decrease) in funds borrowed   |        | 3,632,787                                   | (824,226)                                    |
| 1.2.9 Net increase (decrease) in matured payables   |        | -   | -  |
| 1.2.10 Net increase (decrease) in other liabilities   | V-VI-1 | 6,972,033                                   | 3,795,910                                    |
| <b>I. Net cash flow from banking operations</b>   |        | <b>(327,212)</b>                            | <b>(4,329,246)</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |        |   |  |
| <b>II. Net cash flow from investing activities</b>  |        | <b>(3,254,820)</b>                          | <b>1,265,690</b>                             |
| 2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures                     | V-VI-2 | (39,346)                                    | (1,211)                                      |
| 2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures                     |        | -   | -  |
| 2.3 Cash paid for purchase of tangible assets   |        | (190,309)                                   | (99,100)                                     |
| 2.4 Proceeds from disposal of tangible assets   |        | 258,122                                     | 177,971                                      |
| 2.5 Cash paid for purchase of available-for-sale financial assets                             |        | (5,407,527)                                 | (1,416,750)                                  |
| 2.6 Proceeds from disposal of available-for-sale financial assets                             |        | 3,185,577                                   | 2,572,263                                    |
| 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                                    |        | 1,507,738                                   | 275,294                                      |
| 2.9 Others  | V-VI-1 | (38,870)                                    | (31,952)                                     |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |        |   |  |
| <b>III. Net cash flow from financing activities</b>   |        | <b>4,303,151</b>                            | <b>3,434,911</b>                             |
| 3.1 Cash obtained from funds borrowed and securities issued                                   |        | 8,721,903                                   | 6,093,384                                    |
| 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  |        | (100,292)                                   | (37,507)                                     |
| 3.5 Re-payments for finance leases  |        | -   | -  |
| 3.6 Others  |        | -   | -  |
| <b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>            | V-VI-1 | <b>(9,013)</b>                              | <b>(1,666)</b>                               |
| <b>V. Net increase in cash and cash equivalents</b>   |        | <b>712,106</b>                              | <b>369,689</b>                               |
| <b>VI. Cash and cash equivalents at the beginning of the year</b>                             | V-VI-4 | <b>5,375,797</b>                            | <b>5,006,108</b>                             |
| <b>VII. Cash and cash equivalents at the end of the year</b>                                  | V-VI-4 | <b>6,087,903</b>                            | <b>5,375,797</b>                             |

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

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

Statement of Profit Distribution

For the Year Ended 31 December 2013

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

*Convenience Translation of the Consolidated Financial Statements*

*and Related Disclosures and Footnotes*

*Originally Issued in Turkish, See Section 3 Note I*

|  | Notes   | Current Year<br>31 December 2013 | Previous Year<br>31 December 2012 |
|--|---------|----------------------------------|-----------------------------------|
| <b>I. DISTRIBUTION OF CURRENT YEAR PROFIT<sup>(*)</sup></b>      |         |                                  |                                   |
| <b>1.1 CURRENT YEAR'S PROFIT</b>                                 |         | <b>1,982,914</b>                 | <b>1,885,361</b>                  |
| <b>1.2 TAXES AND LEGAL DUTIES PAYABLE</b>                        |         | <b>(397,375)</b>                 | <b>(425,281)</b>                  |
| 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                            |
| <b>A. NET PROFIT FOR THE YEAR</b>                                |         | <b>1,585,539</b>                 | <b>1,460,080</b>                  |
| <b>1.3 DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES</b>      | V-IV-11 | -                                | (23,914)                          |
| <b>B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME</b>      |         | <b>1,585,539</b>                 | <b>1,436,166</b>                  |
| <b>1.4 ACCUMULATED LOSSES</b>                                    |         | -                                | -                                 |
| <b>1.5 FIRST LEGAL RESERVES</b>                                  | V-V-5   | -                                | (71,808)                          |
| <b>1.6 OTHER STATUTORY RESERVES</b>                              | V-V-5   | -                                | (71,808)                          |
| <b>C. NET PROFIT AVAILABLE FOR DISTRIBUTION</b>                  |         | -                                | <b>1,292,550</b>                  |
| <b>1.7 FIRST DIVIDEND TO SHAREHOLDERS</b>                        |         | -                                | <b>100,000</b>                    |
| 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         |         | -                                | -                                 |
| <b>1.8 DIVIDENDS TO PERSONNEL (*)</b>                            |         | -                                | -                                 |
| <b>1.9 DIVIDENDS TO BOARD OF DIRECTORS</b>                       |         | -                                | -                                 |
| <b>1.10 SECOND DIVIDEND TO SHAREHOLDERS</b>                      |         | -                                | -                                 |
| 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        |         | -                                | -                                 |
| <b>1.11 SECOND LEGAL RESERVES</b>                                |         | -                                | -                                 |
| <b>1.12 STATUS RESERVES</b>                                      |         | -                                | -                                 |
| <b>1.13 EXTRAORDINARY RESERVES</b>                               | V-V-5   | -                                | <b>1,189,475</b>                  |
| <b>1.14 OTHER RESERVES</b>                                       |         | -                                | -                                 |
| <b>1.15 SPECIAL FUNDS</b>  | V-V-5   | -                                | <b>3,075</b>                      |
| <b>II. DISTRIBUTION FROM RESERVES</b>                            |         |                                  |                                   |
| <b>2.1 DISTRIBUTION OF RESERVES</b>                              |         | -                                | -                                 |
| <b>2.2 SECOND LEGAL RESERVES</b>                                 |         | -                                | -                                 |
| <b>2.3 DIVIDENDS TO SHAREHOLDERS</b>                             |         | -                                | -                                 |
| 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         |         | -                                | -                                 |
| <b>2.4 DIVIDENDS TO PERSONNEL</b>                                |         | -                                | -                                 |
| <b>2.5 DIVIDENDS TO BOARD OF DIRECTORS</b>                       |         | -                                | -                                 |
| <b>III. EARNINGS PER SHARE</b>                                   |         |                                  |                                   |
| <b>3.1 TO OWNERS OF ORDINARY SHARES (Earning per 100 shares)</b> |         | <b>0.6342</b>                    | <b>0.5840</b>                     |
| <b>3.2 TO OWNERS OF ORDINARY SHARES ( % )</b>                    |         | <b>63.42</b>                     | <b>58.40</b>                      |
| <b>3.3 TO OWNERS OF PRIVILEGED SHARES</b>                        |         | -                                | -                                 |
| <b>3.4 TO OWNERS OF PRIVILEGED SHARES ( % )</b>                  |         | -                                | -                                 |
| <b>IV. DIVIDEND PER SHARE</b>                                    |         |                                  |                                   |
| <b>4.1 TO OWNERS OF ORDINARY SHARES</b>                          |         | -                                | <b>0.04</b>                       |
| <b>4.2 TO OWNERS OF ORDINARY SHARES ( % )</b>                    |         | -                                | <b>4.00</b>                       |
| <b>4.3 TO OWNERS OF PRIVILEGED SHARES</b>                        |         | -                                | -                                 |
| <b>4.4 TO OWNERS OF PRIVILEGED SHARES ( % )</b>                  |         | -                                | -                                 |

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

(\*\*) Profit distribution table has been presented according to unconsolidated financial statements of the Parent Bank.

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