

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM
ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2014**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS	Notes	Reviewed Current Period 30 September 2014			Audited Prior Period 31 December 2013		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	1,477,392	17,958,727	19,436,119	1,802,876	17,172,306	18,975,182
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		425,498	52,294	477,792	557,634	97,985	655,619
2.1 Financial assets held for trading purpose		425,498	52,294	477,792	557,634	97,985	655,619
2.1.1 Debt securities issued by the governments		4,860	8,200	13,060	113,279	15,740	129,019
2.1.2 Equity securities		3,585	-	3,585	3,023	-	3,023
2.1.3 Derivative financial assets held for trading purpose	V-I-2	362,473	44,094	406,567	356,150	82,245	438,395
2.1.4 Other securities		54,580	-	54,580	85,182	-	85,182
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Debt securities issued by the governments		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Other securities		-	-	-	-	-	-
2.2.4 Loans		-	-	-	-	-	-
III. BANKS	V-I-3	680,169	2,562,641	3,242,810	379,923	2,778,428	3,158,351
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		3,605	-	3,605	5,095	-	5,095
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		2,632	-	2,632	4,095	-	4,095
4.3 Receivables from reverse repurchase agreements		973	-	973	1,000	-	1,000
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	12,507,268	4,118,757	16,626,025	12,556,285	4,101,124	16,657,409
5.1 Equity securities		15	10,750	10,765	15	13,360	13,375
5.2 Debt securities issued by the governments		12,504,021	3,948,397	16,452,418	12,551,950	3,914,264	16,466,214
5.3 Other securities		3,232	159,610	162,842	4,320	173,500	177,820
VI. LOANS AND RECEIVABLES	V-I-5	72,443,301	26,985,233	99,428,534	65,199,844	23,473,216	88,673,058
6.1 Performing loans and receivables	V-I-5	72,111,458	26,982,615	99,094,073	64,833,644	23,470,402	88,304,046
6.1.1 Loans provided to the same risk group	V-V-1	13,614	10,120	23,734	10,828	15,287	26,115
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		72,097,844	26,972,495	99,070,339	64,822,816	23,455,115	88,277,931
6.2 Loans under follow-up		4,098,057	25,905	4,123,962	3,713,718	22,747	3,736,465
6.3 Specific provisions (-)	V-I-5	3,766,214	23,287	3,789,501	3,347,520	19,933	3,367,453
VII. FACTORING RECEIVABLES		398,733	15,594	414,327	125,616	6,826	132,442
VIII. HELD-TO-MATURITY INVESTMENTS (Net)	V-I-6	6,391,275	90,850	6,482,125	5,358,742	54,429	5,413,171
8.1 Debt securities issued by the governments		6,391,275	-	6,391,275	5,358,742	11,590	5,370,332
8.2 Other securities		-	90,850	90,850	-	42,839	42,839
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	251,469	3	251,472	224,199	3	224,202
9.1 Associates, consolidated per equity method		202,214	-	202,214	179,121	-	179,121
9.2 Unconsolidated associates		49,255	3	49,258	45,078	3	45,081
9.2.1 Financial associates		36,915	-	36,915	32,745	-	32,745
9.2.2 Non-Financial associates		12,340	3	12,343	12,333	3	12,336
X. INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	220,791	-	220,791	213,899	-	213,899
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		220,791	-	220,791	213,899	-	213,899
XI. INVESTMENTS IN JOINT-VENTURES (Net)	V-I-9	-	-	-	-	-	-
11.1 Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2 Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1 Financial joint-ventures		-	-	-	-	-	-
11.2.2 Non-financial joint-ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES	V-I-10	214,208	797,129	1,011,337	135,691	764,532	900,223
12.1 Finance lease receivables	V-I-13	275,942	900,040	1,175,982	172,335	856,604	1,028,939
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		61,734	102,911	164,645	36,644	92,072	128,716
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE	V-I-11	-	-	-	-	-	-
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		760,513	2,162	762,675	876,246	3,727	879,973
XV. INTANGIBLE ASSETS (Net)		157,561	201	157,762	127,873	196	128,069
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		157,561	201	157,762	127,873	196	128,069
XVI. INVESTMENT PROPERTIES (Net)	V-I-12	180,911	-	180,911	20,829	-	20,829
XVII. TAX ASSETS	V-I-13	158,009	4,380	162,389	158,970	5,557	164,527
17.1 Current tax assets	V-I-13	2,930	4,380	7,310	2,384	4,507	6,891
17.2 Deferred tax assets	V-I-13	155,079	-	155,079	156,586	1,050	157,636
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	702,490	1,026	703,516	566,913	-	566,913
18.1 Assets held for sale		702,490	1,026	703,516	566,913	-	566,913
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-15	2,432,173	401,848	2,834,021	2,060,437	958,183	3,018,620
TOTAL ASSETS		99,405,366	52,990,845	152,396,211	90,371,070	49,416,512	139,787,582

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM
ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2014**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

LIABILITIES AND EQUITY	Notes	Reviewed Current Period 30 September 2014			Audited Prior Period 31 December 2013		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	63,543,597	27,118,691	90,662,288	58,946,981	24,092,418	83,039,399
1.1 Deposits of the same risk group	V-V-1	1,093,515	130,133	1,223,648	1,268,031	167,281	1,435,312
1.2 Other deposits		62,450,082	26,988,558	89,438,640	57,678,950	23,925,137	81,604,087
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	113,988	135,055	249,043	131,338	88,142	219,480
III. FUNDS BORROWED	V-II-3	709,152	11,806,731	12,515,883	412,222	11,873,439	12,285,661
IV. INTERBANK MONEY MARKET		8,581,730	5,533,141	14,114,871	8,209,702	6,565,686	14,775,388
4.1 Interbank Money Market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		262,946	-	262,946	195,043	-	195,043
4.3 Obligations under repurchase agreements		8,318,784	5,533,141	13,851,925	8,014,659	6,565,686	14,580,345
V. SECURITIES ISSUED (Net)	V-II-3	2,403,826	7,359,027	9,762,853	2,301,798	4,518,937	6,820,735
5.1 Bills		2,403,826	-	2,403,826	2,301,798	-	2,301,798
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	7,359,027	7,359,027	-	4,518,937	4,518,937
VI. FUNDS		20,831	-	20,831	23,431	-	23,431
6.1 Funds against borrower’s note		-	-	-	-	-	-
6.2 Others		20,831	-	20,831	23,431	-	23,431
VII. MISCELLANEOUS PAYABLES		2,870,298	349,865	3,220,163	2,529,208	311,860	2,841,068
VIII. OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	715,260	830,891	1,546,151	471,762	1,038,853	1,510,615
IX. FACTORING PAYABLES		1	687	688	-	-	-
X. LEASE PAYABLES	V-II-5	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred finance leasing expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE	V-II-6	-	-	-	-	-	-
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS		3,884,342	24,757	3,909,099	3,531,303	62,149	3,593,452
12.1 General provisions	V-II-7	1,392,314	12,344	1,404,658	1,179,012	11,727	1,190,739
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		544,135	780	544,915	561,411	803	562,214
12.4 Insurance technical provisions (Net)		1,730,457	8,997	1,739,454	1,541,611	8,767	1,550,378
12.5 Other provisions	V-II-7	217,436	2,636	220,072	249,269	40,852	290,121
XIII. TAX LIABILITIES	V-II-8	307,724	6,696	314,420	241,397	1,335	242,732
13.1 Current tax liabilities		302,808	2,142	304,950	237,422	1,335	238,757
13.2 Deferred tax liabilities	V-I-13	4,916	4,554	9,470	3,975	-	3,975
XIV. PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	V-II-9	-	-	-	-	-	-
14.1 Payables related to the assets held for sale		-	-	-	-	-	-
14.2 Payables related to the discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	V-II-10	-	2,112,173	2,112,173	-	1,964,663	1,964,663
XVI. EQUITY		13,476,352	491,396	13,967,748	12,090,402	380,556	12,470,958
16.1 Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital reserves		786,916	224,321	1,011,237	511,720	122,858	634,578
16.2.1 Share premium		726,686	-	726,686	726,686	-	726,686
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Valuation differences of the marketable securities	V-II-11	4,587	224,321	228,908	(272,577)	122,858	(149,719)
16.2.4 Revaluation surplus on tangible assets		51,960	-	51,960	51,329	-	51,329
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		3,683	-	3,683	6,282	-	6,282
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		8,697,279	123,087	8,820,366	7,195,316	143,130	7,338,446
16.3.1 Legal reserves		1,062,260	6,513	1,068,773	898,804	5,362	904,166
16.3.2 Status reserves		6,337	-	6,337	6,337	-	6,337
16.3.3 Extraordinary reserves		7,341,366	4,594	7,345,960	6,002,598	4,593	6,007,191
16.3.4 Other profit reserves		287,316	111,980	399,296	287,577	133,175	420,752
16.4 Profit or loss		1,064,221	105,060	1,169,281	1,611,380	77,453	1,688,833
16.4.1 Previous years’ profit/loss		(6,102)	94,654	88,552	(28,542)	64,901	36,359
16.4.2 Current year’s profit/loss		1,070,323	10,406	1,080,729	1,639,922	12,552	1,652,474
16.5 Non-controlling interest		427,936	38,928	466,864	271,986	37,115	309,101
TOTAL LIABILITIES AND EQUITY		96,627,101	55,769,110	152,396,211	88,889,544	50,898,038	139,787,582

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM
ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES**

**CONSOLIDATED OFF-BALANCE SHEET
AS AT 30 SEPTEMBER 2014**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Reviewed Current Period 30 September 2014			Audited Prior Period 31 December 2013		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		42,254,085	43,730,988	85,985,073	65,938,502	56,628,425	122,566,927
I. GUARANTEES AND SURETIES	V-III-2	15,918,815	11,414,266	27,333,081	14,340,111	9,066,595	23,406,706
1.1 Letters of guarantee	V-III-1	15,858,533	4,301,544	20,160,077	14,268,047	3,633,776	17,901,823
1.1.1 Guarantees subject to State Tender Law		1,841,571	2,187,420	4,028,991	1,905,899	1,952,543	3,858,442
1.1.2 Guarantees given for foreign trade operations		945,098	-	945,098	650,221	-	650,221
1.1.3 Other letters of guarantee		13,071,864	2,114,124	15,185,988	11,711,927	1,681,233	13,393,160
1.2 Bank acceptances		21,533	2,061,451	2,082,984	12,129	1,040,149	1,052,278
1.2.1 Import letter of acceptance		2,940	94,339	97,279	1,500	77,393	78,893
1.2.2 Other bank acceptances		18,593	1,967,112	1,985,705	10,629	962,756	973,385
1.3 Letters of credit		7,575	5,039,442	5,047,017	7,866	4,382,383	4,390,249
1.3.1 Documentary letters of credit		7,575	5,039,442	5,047,017	7,866	4,382,383	4,390,249
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	1,805	1,805	-	1,702	1,702
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		31,174	7,185	38,359	52,069	6,666	58,735
1.8 Other guarantees		-	2,036	2,036	-	1,759	1,759
1.9 Other sureties		-	803	803	-	160	160
II. COMMITMENTS		18,911,559	4,357,371	23,268,930	45,490,756	26,572,506	72,063,262
2.1 Irrevocable commitments		17,555,021	1,083,357	18,638,378	15,323,929	3,855,721	19,179,650
2.1.1 Asset purchase commitments	V-III-1	466,473	836,211	1,302,684	539,362	3,636,414	4,175,776
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitments to associates and subsidiaries	V-III-1	24,863	-	24,863	-	-	-
2.1.4 Loan granting commitments	V-III-1	7,511,898	19,703	7,531,601	6,730,503	8,853	6,739,356
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	1,524,585	-	1,524,585	1,320,438	-	1,320,438
2.1.8 Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card limits	V-III-1	7,436,558	-	7,436,558	6,261,117	-	6,261,117
2.1.10 Commitments for credit card and banking operations promotions	V-III-1	300,768	-	300,768	238,991	-	238,991
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		289,876	227,443	517,319	233,518	210,454	443,972
2.2 Revocable commitments		1,356,538	3,274,014	4,630,552	30,166,827	22,716,785	52,883,612
2.2.1 Revocable loan granting commitments		1,356,538	3,221,475	4,578,013	30,161,137	22,691,169	52,852,306
2.2.2 Other revocable commitments		-	52,539	52,539	5,690	25,616	31,306
III. DERIVATIVE FINANCIAL INSTRUMENTS		7,423,711	27,959,351	35,383,062	6,107,635	20,989,324	27,096,959
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		7,423,711	27,959,351	35,383,062	6,107,635	20,989,324	27,096,959
3.2.1 Forward foreign currency purchases/sales		234,483	270,653	505,136	602,810	731,325	1,334,135
3.2.1.1 Forward foreign currency purchases		117,404	135,348	252,752	301,607	365,671	667,278
3.2.2.2 Forward foreign currency sales		117,079	135,305	252,384	301,203	365,654	666,857
3.2.2 Currency and interest rate swaps		6,516,132	23,514,348	30,030,480	5,331,187	16,127,197	21,458,384
3.2.2.1 Currency swaps-purchases		3,051,000	10,753,910	13,804,910	3,299,610	7,487,077	10,786,687
3.2.2.2 Currency swaps-sales		3,215,132	7,190,836	10,405,968	2,031,577	4,494,972	6,526,549
3.2.2.3 Interest rate swaps-purchases		125,000	2,784,801	2,909,801	-	2,072,574	2,072,574
3.2.2.4 Interest rate swaps-sales		125,000	2,784,801	2,909,801	-	2,072,574	2,072,574
3.2.3 Currency, interest rate and security options		510,146	741,444	1,251,590	173,638	169,225	342,863
3.2.3.1 Currency call options		255,073	370,722	625,795	85,819	84,611	170,430
3.2.3.2 Currency put options		255,073	370,722	625,795	85,819	84,611	170,430
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
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		162,950	3,432,906	3,595,856	-	3,961,577	3,961,577
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		644,332,330	271,467,324	915,799,654	840,321,095	225,977,220	1,066,298,315
IV. ITEMS HELD IN CUSTODY		56,997,533	2,037,244	59,034,777	351,973,501	1,599,747	353,573,248
4.1 Customers' securities held		508,579	22,080	530,659	378,412	20,816	399,228
4.2 Investment securities held in custody		46,543,150	94,696	46,637,846	343,312,429	-	343,312,429
4.3 Checks received for collection		8,013,892	1,292,029	9,305,921	6,727,932	898,858	7,626,790
4.4 Commercial notes received for collection		1,148,236	245,185	1,393,421	983,671	233,334	1,217,005
4.5 Other assets received for collection		2,152	91	2,243	2,152	86	2,238
4.6 Assets received through public offering		-	6,671	6,671	-	6,289	6,289
4.7 Other items under custody		17,836	97,087	114,923	25,241	146,926	172,167
4.8 Custodians		763,688	279,405	1,043,093	543,664	293,438	837,102
V. PLEDGED ITEMS		169,737,410	55,906,595	225,644,005	174,951,547	50,574,396	225,525,943
5.1 Securities		237,939	17,180	255,119	336,298	27,434	363,732
5.2 Guarantee notes		907,519	179,890	1,087,409	702,095	239,873	941,968
5.3 Commodities		25,087,396	573,215	25,660,611	23,434,930	990,995	24,425,925
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		133,276,250	43,831,867	177,108,117	112,539,683	39,831,978	152,371,661
5.6 Other pledged items		9,502,258	11,176,807	20,679,065	8,343,995	9,350,018	17,694,013
5.7 Pledged items-depository		726,048	127,636	853,684	29,594,546	134,098	29,728,644
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		417,597,387	213,523,485	631,120,872	313,396,047	173,803,077	487,199,124
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		686,586,415	315,198,312	1,001,784,727	906,259,597	282,605,645	1,188,865,242

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM
ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

			Reviewed Current Period 1 January 2014 - 30 September 2014	Reviewed Prior Period 1 January 2013 - 30 September 2013	Reviewed Current Period 1 July 2014 - 30 September 2014	Reviewed Prior Period 1 July 2013 - 30 September 2013
	Notes		2014	2013	2014	2013
I.	INTEREST INCOME		8,543,458	6,904,189	2,860,555	2,296,903
1.1	Interest income from loans	V-IV-1	6,848,426	5,626,376	2,371,893	1,905,614
1.2	Interest income from reserve deposits		-	-	-	-
1.3	Interest income from banks	V-IV-1	51,671	45,132	19,263	12,470
1.4	Interest income from money market transactions		679	809	171	198
1.5	Interest income from securities portfolio	V-IV-1	1,543,539	1,123,030	434,484	320,969
1.5.1	Trading financial assets	V-IV-1	10,521	9,823	220	(3,390)
1.5.2	Financial assets designated at fair value through profit or loss		-	-	-	-
1.5.3	Available-for-sale financial assets	V-IV-1	1,137,457	834,948	312,061	241,399
1.5.4	Held-to-maturity investments	V-IV-1	395,561	278,259	122,203	82,960
1.6	Finance lease income		59,624	47,097	21,246	17,338
1.7	Other interest income		39,519	61,745	13,498	40,314
II.	INTEREST EXPENSE		5,093,493	3,167,886	1,610,048	1,215,520
2.1	Interest expense on deposits	V-IV-2	3,770,501	2,483,687	1,194,915	961,646
2.2	Interest expense on funds borrowed	V-IV-2	168,029	126,294	59,108	49,319
2.3	Interest expense on money market transactions		724,020	263,409	204,990	124,843
2.4	Interest expense on securities issued	V-IV-2	314,626	165,223	117,289	61,938
2.5	Other interest expenses		116,317	129,273	33,746	17,774
III.	NET INTEREST INCOME (I – II)		3,449,965	3,736,303	1,250,507	1,081,383
IV.	NET FEES AND COMMISSIONS INCOME		500,947	499,276	208,409	138,552
4.1	Fees and commissions received		821,873	729,179	315,453	223,779
4.1.1	Non-cash loans		120,733	96,079	40,144	35,477
4.1.2	Others		701,140	633,100	275,309	188,302
4.2	Fees and commissions paid		320,926	229,903	107,044	85,227
4.2.1	Non-cash loans		641	463	219	129
4.2.2	Others		320,285	229,440	106,825	85,098
V.	DIVIDEND INCOME		11,911	16,293	363	-
VI.	TRADING INCOME/LOSSES (Net)	V-IV-3	198,687	228,221	38,308	29,365
6.1	Trading account income/losses	V-IV-3	135,442	147,465	25,629	33,659
6.2	Income/losses from derivative financial instruments	V-IV-3	(11,271)	67,971	8,910	(7,102)
6.3	Foreign exchange gains/losses	V-IV-3	74,516	12,785	3,769	2,808
VII.	OTHER OPERATING INCOME	V-IV-4	1,494,617	1,093,258	432,081	328,212
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		5,656,127	5,573,351	1,929,668	1,577,512
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	1,287,281	1,463,995	436,634	377,435
X.	OTHER OPERATING EXPENSES (-)	V-IV-6	3,006,863	2,588,621	999,115	857,011
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,361,983	1,520,735	493,919	343,066
XII.	INCOME RESULTED FROM MERGERS		-	-	-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		24,961	21,988	6,955	7,797
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)		1,386,944	1,542,723	500,874	350,863
XVI.	CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-7	(309,655)	(347,444)	(115,593)	(100,174)
16.1	Current tax charges	V-IV-7	(370,620)	(325,139)	(95,165)	(128,662)
16.2	Deferred tax credits	V-IV-7	60,965	(22,305)	(20,428)	28,488
XVII.	NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)	V-IV-8	1,077,289	1,195,279	385,281	250,689
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income from investment properties		-	-	-	-
18.2	Income from sales of subsidiaries, affiliates and joint-ventures		-	-	-	-
18.3	Other income from discontinued activities		-	-	-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS		-	-	-	-
19.1	Investment property expenses		-	-	-	-
19.2	Losses from sales of subsidiaries, affiliates and joint ventures		-	-	-	-
19.3	Other expenses from discontinued activities		-	-	-	-
XX.	INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES		-	-	-	-
XXI.	DISCONTINUED OPERATIONS PROVISION FOR TAXES		-	-	-	-
21.1	Current tax charge		-	-	-	-
21.2	Deferred tax charge		-	-	-	-
XXII.	NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS		-	-	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	V-IV-8	1,077,289	1,195,279	385,281	250,689
23.1.	Equity holders of the Bank		1,080,729	1,219,439	375,639	264,718
23.2.	Non-controlling interest	V-IV-9	(3,440)	(24,160)	9,642	(14,029)
	Earnings per 100 Share (full TL)	III-XXIV	0.4309	0.4781	0.1541	0.1003

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES

CONSOLIDATED STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Reviewed Current Period 1 January 2014 - 30 September 2014	Reviewed Prior Period 1 January 2013 -30 September 2013	Reviewed Current Period 1 July 2014 - 30 September 2014	Reviewed Prior Period 1 July 2013 - 30 September 2013
GAINS AND LOSSES RECOGNIZED IN EQUITY				
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	468,888	(866,205)	(331,241)	(92,706)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	(1,201)	-	1,045	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	(23,550)	46,569	(3,772)	26,685
V. GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)	-	-	-	-
VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)	-	-	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS	-	-	-	-
VIII. OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	(8,729)	1,270	(33,118)	(1,159)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(92,165)	49,550	44,297	18,203
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	343,243	(768,816)	(322,789)	(48,977)
XI. CURRENT PERIOD'S PROFIT/(LOSS)	1,077,289	1,195,279	385,281	250,689
11.1 Change in fair value of securities (transfers to the statement of income)	158,252	208,456	122,777	75,964
11.2 Gains/Losses recognized in the statement of income due to reclassification of cash flow hedges	-	-	-	-
11.3 Gains/Losses recognized in the statement of income due to reclassification of net foreign investment hedges	-	-	-	-
11.4 Others	919,037	986,823	262,504	174,725
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	1,420,532	426,463	62,492	201,712

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Year's Net Profit/(Loss)	Previous Years' Net Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Op.s	Shareholders' Equity before Minority Shares	Non-controlling Interest	Total Equity
CHANGES IN EQUITY																			
Prior period – 30 September 2013																			
I.	Balances at the beginning of the period	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 period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation differences of the marketable securities	-	-	-	-	-	-	-	-	-	-	(790,630)	-	-	-	-	(790,630)	(76,189)	(866,819)
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	-	-	-	-	-	-	-	-	-	-	-	-	61,679	-	-	61,679	-	61,679
VIII.	Translation differences	-	-	-	-	-	-	-	41,911	-	-	-	-	-	-	-	41,911	4,658	46,569
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	-	-	-	-	-	-	-	-	-	-	(9,949)	-	-	-	-	(9,949)	(296)	(10,245)
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,736
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,736
XIII.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current period's profit/loss	-	-	-	-	-	-	-	-	1,219,439	-	-	-	-	-	-	1,219,439	(24,160)	1,195,279
XVIII.	Profit distribution	-	-	-	-	150,225	1,287	1,204,848	25,290	(1,423,451)	(59,076)	-	877	-	-	-	(100,000)	(292)	(100,292)
18.1	Dividends	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(100,000)	(292)	(100,292)
18.2	Transferred to reserves	-	-	-	-	150,225	1,287	1,204,848	25,290	(1,323,451)	(59,076)	-	877	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period	2,500,000	-	726,720	-	904,166	6,337	6,007,191	419,394	1,219,439	35,562	(79,768)	51,329	63,458	-	-	11,853,828	306,560	12,160,388
Current period – 30 September 2014																			
I.	Balances at the beginning of the period	2,500,000	-	726,686	-	904,166	6,337	6,007,191	420,752	1,652,474	36,359	(149,719)	51,329	6,282	-	-	12,161,857	309,101	12,470,958
	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation differences of marketable securities	-	-	-	-	-	-	-	-	-	-	378,627	-	-	-	-	378,627	(7,177)	371,450
IV.	Hedging Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	(904)	-	-	-	(904)	(297)	(1,201)
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	(2,599)	-	-	(2,599)	-	(2,599)
VIII.	Translation differences	-	-	-	-	-	-	-	(21,195)	-	-	-	-	-	-	-	(21,195)	(2,355)	(23,550)
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	-	-	-	-	-	-	-	-	-	(857)	-	-	-	-	-	(857)	-	(857)
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others	-	-	-	-	388	-	5,803	(479)	-	(486)	-	-	-	-	-	5,226	171,348	176,574
XVII.	Current period's profit/loss	-	-	-	-	-	-	-	-	1,080,729	-	-	-	-	-	-	1,080,729	(3,440)	1,077,289
XVIII.	Profit distribution	-	-	-	-	164,219	-	1,332,966	218	(1,652,474)	53,536	-	1,535	-	-	-	(100,000)	(316)	(100,316)
18.1	Dividends	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(100,000)	(316)	(100,316)
18.2	Transferred to reserves	-	-	-	-	164,219	-	1,332,966	218	(1,552,474)	53,536	-	1,535	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period	2,500,000	-	726,686	-	1,068,773	6,337	7,345,960	399,296	1,080,729	88,552	228,908	51,960	3,683	-	-	13,500,884	466,864	13,967,748

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM
ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014**

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

	Reviewed Current Period 30 September 2014	Reviewed Prior Period 30 September 2013
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	2,109,438	2,233,424
1.1.1 Interests received	7,739,052	6,186,303
1.1.2 Interests paid	(4,958,725)	(2,965,838)
1.1.3 Dividends received	5,547	15,364
1.1.4 Fee and commissions received	820,974	729,179
1.1.5 Other income	765,186	584,150
1.1.6 Collections from previously written-off loans and other receivables	564,634	418,612
1.1.7 Payments to personnel and service suppliers	(2,443,458)	(2,289,562)
1.1.8 Taxes paid	(439,681)	(328,383)
1.1.9 Others	55,909	(116,401)
1.2 Changes in operating assets and liabilities	(4,883,536)	(3,029,302)
1.2.1 Net (increase) decrease in financial assets held for trading purpose	145,999	(8,154)
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	(41,428)	(5,342,334)
1.2.4 Net (increase) decrease in loans	(12,552,754)	(15,561,331)
1.2.5 Net (increase) decrease in other assets	188,350	(512,524)
1.2.6 Net increase (decrease) in bank deposits	(266,007)	(1,432,881)
1.2.7 Net increase (decrease) in other deposits	7,835,452	11,523,132
1.2.8 Net increase (decrease) in funds borrowed	45,331	2,819,152
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	(238,479)	5,485,638
I. Net cash flow from banking operations	(2,774,098)	(795,878)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(144,273)	(3,199,055)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	(178,034)	(17,488)
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Cash paid for purchase of tangible assets	(117,111)	(123,662)
2.4 Proceeds from disposal of tangible assets	428,125	218,378
2.5 Cash paid for purchase of available-for-sale financial assets	(4,511,350)	(5,295,956)
2.6 Proceeds from disposal of available-for-sale financial assets	5,367,870	2,652,540
2.7 Cash paid for purchase of held-to-maturity investments	(2,490,698)	(1,724,450)
2.8 Proceeds from disposal of held-to-maturity investments	1,396,396	1,122,288
2.9 Others	(39,474)	(30,705)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities	2,769,776	3,183,910
3.1 Cash obtained from funds borrowed and securities issued	6,512,132	6,120,093
3.2 Cash used for repayment of funds borrowed and securities issued	(3,642,040)	(2,835,891)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	(100,316)	(100,292)
3.5 Re-payments for finance leases	-	-
3.6 Others	-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	(16,232)	(619)
V. Net decrease in cash and cash equivalents	(164,830)	(811,642)
VI. Cash and cash equivalents at the beginning of the year	6,207,694	5,375,797
VII. Cash and cash equivalents at the end of the period	6,042,864	4,564,155

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