

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated Interim Financial Report

As at and for the Period Ended

30 June 2013

With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ

6 August 2013

This report contains Independent Auditors' Review Report" comprising 1 page and; "Unconsolidated Interim Financial Statements and Related Disclosures and Footnotes" comprising 66 pages.

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

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

We have reviewed the unconsolidated balance sheet of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı ("the Bank") as at 30 June 2013 and the unconsolidated statements of income, changes in shareholders' equity and cash flows for the six-month period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not present fairly, in all material respects, the financial position of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı as at 30 June 2013, and the results of its operations and its cash flows for the six-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 of the (Turkish) Banking Law No 5411; and other communiqués, disclosures and circulars issued by the Banking Regulation and Supervision Board and explanations by Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Istanbul,
6 August 2013

Akis Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi

Erdal Tıkmak
Partner

Additional paragraph for convenience translation to English:

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013

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The unconsolidated interim financial report as at and for the six-month period ended 30 June 2013, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

6 August 2013

Ramazan GÜNDÜZ
Chairman of the Board of
Directors

Ali Fuat TAŞKESENLİOĞLU
Board member and
Audit Committee Member

Sadık TILTAK
Board member and
Audit Committee Member

Halil AYDOĞAN
General Manager and
Board Member

Metin Recep ZAFER
Assistant General Manager

Murat KOYGUN
Director of Accounting and
Financial Affairs

The authorized contact person for questions on this financial report:

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Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated Interim Financial Report as at and

For the Six-Month Period Ended 30 June 2013

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

SECTION ONE

General Information

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

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

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

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

As at 30 June 2013 and 31 December 2012, the Bank’s paid-in capital is TL 2,500,000, divided into 250.000.000.000 shares with each has a nominal value of 1 Kuruş.

The Bank’s shareholders structure as at 30 June 2013 is stated below:

Shareholders	Number of Shares (100 unit)	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Registered foundations represented by the General Directorate of the Foundations (Group A)	1.075.058.640	1,075,059	43.00
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402.552.666	402,553	16.10
Appendant foundations represented by the General Directorate of the Foundations (Group B)	386.224.784	386,225	15.45
Other appendant foundations (Group B)	3.137.488	3,137	0.13
Other registered foundations (Group B)	1.453.085	1,453	0.06
Other real persons and legal entities (Group C)	1.536.452	1,536	0.06
Publicly traded (Group D)	630.036.885	630,037	25.20
Total	2.500.000.000	2,500,000	100.00

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated Interim Financial Report as at and

For the Six-Month Period Ended 30 June 2013

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

III. Information on the chairman and members of the board of directors, audit committee members, general manager, assistant general managers and their shares in the Bank

Name and Surname	Responsibility	Date of Appointment	Education	Experience in Banking and Management
Board of Directors				
Ramazan GÜNDÜZ	Chairman	29 March 2013	University	35 years
Mehmet Emin ÖZCAN	Deputy Chairman	29 March 2013	University	30 years
Halil AYDOĞAN	Member – General Manager	29 March 2013	University	36 years
İsmail ALPTEKİN	Member	6 April 2009	University	15 years
Halim KANATCI	Member	28 April 2009	University	40 years
Ahmet CANDAN	Member	19 March 2010	University	26 years
Dr. Adnan ERTEM	Member	28 October 2010	PHD	25 years
Ali Fuat TAŞKESENLİOĞLU	Member	30 March 2012	University	25 years
Sadık TILTAK	Member	30 March 2012	University	25 years
Audit Committee				
Ali Fuat TAŞKESENLİOĞLU	Member	6 April 2012	University	25 years
Sadık TILTAK	Member	5 April 2013	University	25 years
Auditors				
Mehmet HALTAŞ	Auditor	19 March 2010	University	36 years
Yunus ARINCI	Auditor	19 March 2010	Master	16 years
Assistant Managers				
Şahin UĞUR	Corporate Salary Payments	9 August 2004	University	27 years
Feyzi ÖZCAN	Retail Banking, Consumer Loans, Payment Systems, Payment System Operations, Insurance Banking	20 September 2005	University	23 years
Metin Recep ZAFER	Accounting and Financial Affairs, Treasury and Foreign Operations, Banking Operations, Alternative Distribution Channels	13 June 2006	PHD	17 years
Mehmet CANTEKİN	Loans Follow-up, Directorates of the Regions, Economic Research	28 December 2007	Master	21 years
Ömer ELMAS	Legal Services, Non-performing Loans	5 January 2009	Master	10 years
İbrahim BİLGİÇ	Corporate Banking, Corporate Centers, Corporate Loans, Cash Management Affairs	7 May 2010	University	21 years
Hasan ECESoy	Treasury, Investment Banking	18 June 2010	PHD	19 years
Serdar SATOĞLU	Private Banking, Subsidiaries	2 July 2010	PHD	17 years
Ali Engin EROĞLU	Application Development Departments, System Management, IT Operations and Support, IT Services Planning Department, IT Process Management and Compliance Directorate, Project Management Directorate, Information Security Directorate	18 August 2010	Master	16 years
Osman DEMREN	Commercial Banking, Support Services, SME Banking	6 April 2011	University	22 years
Mitat ŞAHİN	Human Resources, Planning and Performance	11 April 2011	Master	23 years
Yıldırım EROĞLU	Commercial Loans, Intelligence	6 December 2011	University	20 years
Numan BEK	International Relations and Investor Relations	18 July 2012	University	22 years

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Unconsolidated Interim Financial Report as at and

For the Six-Month Period Ended 30 June 2013

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

As per 3 January 2013 dated resolution of the Board of Directors, Ramazan Gündüz has been assigned as Audit Committee member and Halim Kanatçı has been resigned this duty. As per 5 April 2013 dated resolution of the Board of Directors, Sadık Tiltak has been assigned as Audit Committee member and Ramazan Gündüz has resigned this duty.

As at 29 March 2013, Halil Aydoğan has been assigned as Genel Manager and Süleyman Kalkan has been resigned this duty.

As per 29 March 2013 dated resolution of the Board of Directors, Ramazan Gündüz has been assigned as Chairman of the Board of Directors. As at the same date, Mehmet Emin Özcan has been assigned as Deputy Chairman of the Board of Directors.

İsmail Alptekin, Member of the Board, holds non-publicly traded share of the Bank amounting to TL 59 and Assistant General Manager Mitat Şahin holds Group C traded share of the Bank amounting TL 24. The remaining members of the top management listed above do not hold any unquoted shares of the Bank.

IV. Information on the Bank’s qualified shareholders

The shareholder holding control over the Bank is the General Directorate of the Registered Foundations and Appendant Foundations represented by the General Directorate of the Foundations having 58.45% of the Bank’s outstanding shares. Another organization holding qualified share in the Bank is Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı, having 16.10% of outstanding shares of the Bank.

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

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

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

As at 30 June 2013, the Bank has 750 domestic, 3 foreign, in total 753 branches (31 December 2012: 741 domestic, 3 foreign, in total 744 branches). As at 30 June 2013, the Bank has 13,561 employees (31 December 2012: 13,463 employees).

SECTION TWO – FINANCIAL STATEMENTS

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
 Unconsolidated Balance Sheet (Statement of Financial Position)
 As at 30 June 2013
 (Thousands of Turkish Lira (TL))

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

ASSETS	Notes	Reviewed Current Period 30 June 2013			Audited Prior Period 31 December 2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	1,373,520	13,106,485	14,480,005	2,249,902	10,077,723	12,327,625
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	35,385	433,026	468,411	20,589	65,597	86,186
2.1 Financial assets held for trading purpose		35,385	433,026	468,411	20,589	65,597	86,186
2.1.1 Debt securities issued by the governments		-	-	-	-	-	-
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading purpose	V-I-2	35,385	433,026	468,411	20,589	65,597	86,186
2.1.4 Other securities		-	-	-	-	-	-
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Debt securities issued by the governments		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Other securities		-	-	-	-	-	-
2.2.4 Loans		-	-	-	-	-	-
III. BANKS	V-I-3	75,337	1,271,119	1,346,456	29,360	1,925,546	1,954,906
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	13,110,388	3,559,978	16,670,366	10,269,317	3,858,206	14,127,523
5.1 Equity securities		-	10,750	10,750	-	10,750	10,750
5.2 Debt securities issued by the governments		13,110,388	3,533,560	16,643,948	10,269,317	3,832,876	14,102,193
5.3 Other securities		-	15,668	15,668	-	14,580	14,580
VI. LOANS AND RECEIVABLES	V-I-5	58,284,393	19,122,650	77,407,043	51,368,274	16,764,765	68,133,039
6.1 Performing loans and receivables		58,015,368	19,122,650	77,138,018	51,102,880	16,764,765	67,867,645
6.1.1 Loans provided to risk group	V-V-1	23,511	61,727	85,238	62,021	58,425	120,446
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		57,991,857	19,060,923	77,052,780	51,040,859	16,706,340	67,747,199
6.2 Loans under follow-up		3,225,052	-	3,225,052	2,724,963	-	2,724,963
6.3 Specific provisions (-)		2,956,027	-	2,956,027	2,459,569	-	2,459,569
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	3,230,019	59,794	3,289,813	4,198,301	55,305	4,253,606
8.1 Debt securities issued by the governments		3,230,019	2,009	3,232,028	4,198,301	1,858	4,200,159
8.2 Other securities		-	57,785	57,785	-	53,447	53,447
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	254,834	-	254,834	398,063	-	398,063
9.1 Associates, consolidated per equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		254,834	-	254,834	398,063	-	398,063
9.2.1 Financial associates		243,434	-	243,434	386,663	-	386,663
9.2.2 Non-Financial associates		11,400	-	11,400	11,400	-	11,400
X. INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	819,362	257,006	1,076,368	706,829	205,380	912,209
10.1 Unconsolidated financial subsidiaries		664,548	257,006	921,554	551,132	205,380	756,512
10.2 Unconsolidated non-financial subsidiaries		154,814	-	154,814	155,697	-	155,697
XI. INVESTMENTS IN JOINT-VENTURES (Net)	V-I-9	-	-	-	-	-	-
11.1 Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2 Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1 Financial joint-ventures		-	-	-	-	-	-
11.2.2 Non-Financial joint-ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES	V-I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE	V-I-11	-	-	-	-	-	-
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		1,153,091	1,977	1,155,068	1,132,430	2,137	1,134,567
XV. INTANGIBLE ASSETS (Net)		96,339	144	96,483	81,614	133	81,747
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		96,339	144	96,483	81,614	133	81,747
XVI. INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
XVII. TAX ASSETS		38,898	-	38,898	119,625	-	119,625
17.1 Current tax assets		5,936	-	5,936	-	-	-
17.2 Deferred tax assets	V-I-13	32,962	-	32,962	119,625	-	119,625
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	-	-	-	-	-	-
18.1 Assets held for sale		-	-	-	-	-	-
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-15	1,085,491	517,940	1,603,431	856,248	194,919	1,051,167
TOTAL ASSETS		79,557,057	38,330,119	117,887,176	71,430,552	33,149,711	104,580,263

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Balance Sheet (Statement of Financial Position)
As at 30 June 2013
(Thousands of Turkish Lira (TL))

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

LIABILITIES AND EQUITY		Notes	Reviewed Current Period 30 June 2013			Audited Prior Period 31 December 2012		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	52,519,875	19,314,876	71,834,751	49,566,239	17,676,051	67,242,290
1.1	Deposits of the risk group	V-V-1	1,286,658	164,510	1,451,168	843,371	717,762	1,561,133
1.2	Other deposits		51,233,217	19,150,366	70,383,583	48,722,868	16,958,289	65,681,157
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	37,565	99,161	136,726	7,165	192,527	199,692
III.	FUNDS BORROWED	V-II-3	96,795	8,564,792	8,661,587	86,974	7,388,509	7,475,483
IV.	INTERBANK MONEY MARKET		6,411,146	7,398,728	13,809,874	2,105,612	6,384,324	8,489,936
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		6,411,146	7,398,728	13,809,874	2,105,612	6,384,324	8,489,936
V.	SECURITIES ISSUED (Net)		1,945,937	2,171,093	4,117,030	1,539,176	891,137	2,430,313
5.1	Bills		1,945,937	-	1,945,937	1,436,871	-	1,436,871
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	2,171,093	2,171,093	102,305	891,137	993,442
VI.	FUNDS		28,071	-	28,071	31,368	-	31,368
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		28,071	-	28,071	31,368	-	31,368
VII.	MISCELLANEOUS PAYABLES		2,378,935	282,638	2,661,573	2,156,038	67,564	2,223,602
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	325,598	615,580	941,178	430,620	535,827	966,447
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES	V-II-5	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE	V-II-6	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	V-II-7	1,831,839	35,649	1,867,488	1,609,740	31,336	1,641,076
12.1	General provisions	V-II-7	1,120,665	3,324	1,123,989	953,052	3,007	956,059
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		433,053	-	433,053	457,513	-	457,513
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions	V-II-7	278,121	32,325	310,446	199,175	28,329	227,504
XIII.	TAX LIABILITIES	V-II-8	116,227	2,210	118,437	321,043	1,310	322,353
13.1	Current tax liabilities		116,227	2,210	118,437	321,043	1,310	322,353
13.2	Deferred tax liabilities	V-I-13	-	-	-	-	-	-
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS	V-II-9	-	-	-	-	-	-
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	V-II-10	-	1,775,874	1,775,874	-	1,639,549	1,639,549
XVI.	EQUITY		11,623,761	310,826	11,934,587	11,278,984	639,170	11,918,154
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		1,186,211	310,826	1,497,037	1,643,100	639,170	2,282,270
16.2.1	Share premium		723,918	-	723,918	723,918	-	723,918
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	346,335	310,826	657,161	810,803	639,170	1,449,973
16.2.4	Revaluation surplus on tangible assets		44,136	-	44,136	41,061	-	41,061
16.2.5	Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6	Revaluation surplus on investment properties		-	-	-	-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures		71,822	-	71,822	67,318	-	67,318
16.2.8	Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		7,032,809	-	7,032,809	5,675,804	-	5,675,804
16.3.1	Legal reserves		854,240	-	854,240	710,624	-	710,624
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3.	Extraordinary reserves		5,889,226	-	5,889,226	4,699,751	-	4,699,751
16.3.4.	Other profit reserves		289,343	-	289,343	265,429	-	265,429
16.4	Profit or loss		904,741	-	904,741	1,460,080	-	1,460,080
16.4.1	Prior years' profit/loss		-	-	-	-	-	-
16.4.2	Current period's profit/loss		904,741	-	904,741	1,460,080	-	1,460,080
TOTAL LIABILITIES AND EQUITY			77,315,749	40,571,427	117,887,176	69,132,959	35,447,304	104,580,263

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Off-Balance Sheet Items
As at 30 June 2013
(Thousands of Turkish Lira (TL))

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

		Reviewed Current Period 30 June 2013			Audited Prior Period 31 December 2012			
		Notes	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		56,189,766	41,746,998	97,936,764	47,920,728	34,015,287	81,936,015
I.	GUARANTEES AND SURETIES	V-III-2	12,940,344	7,862,678	20,803,022	10,540,702	6,676,045	17,216,747
1.1	Letters of guarantee	V-III-1	12,924,870	3,010,256	15,935,126	10,520,455	2,111,663	12,632,118
1.1.1	Guarantees subject to State Tender Law		1,697,249	1,588,634	3,285,883	1,556,195	1,172,213	2,728,408
1.1.2	Guarantees given for foreign trade operations		376,895	-	376,895	-	-	379,638
1.1.3	Other letters of guarantee		10,850,726	1,421,622	12,272,348	8,584,622	939,450	9,524,072
1.2	Bank acceptances		14,748	889,991	904,739	19,554	786,278	805,832
1.2.1	Import letter of acceptance		750	41,754	42,504	-	36,632	36,632
1.2.2	Other bank acceptances		13,998	848,237	862,235	19,554	749,646	769,200
1.3	Letters of credit		726	3,959,085	3,959,811	693	3,773,865	3,774,558
1.3.1	Documentary letters of credit		726	3,959,085	3,959,811	693	3,773,865	3,774,558
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Guaranteed pre-financings		-	1,531	1,531	-	2,705	2,705
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Marketable securities underwriting commitments		-	-	-	-	-	-
1.7	Factoring related guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	1,582	1,582	-	1,104	1,104
1.9	Other sureties		-	233	233	-	430	430
II.	COMMITMENTS		38,925,909	20,739,795	59,665,704	34,216,436	16,105,397	50,321,833
2.1	Irrevocable commitments		14,115,955	648,789	14,764,744	12,181,257	900,351	13,081,608
2.1.1	Asset purchase commitments	V-III-1	569,138	644,127	1,213,265	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	6,052,368	-	6,052,368	4,950,300	-	4,950,300
2.1.5	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments	V-III-1	1,307,654	-	1,307,654	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	5,870,463	-	5,870,463	4,938,035	-	4,938,035
2.1.10	Commitments for credit card and banking operations promotions		297,688	-	297,688	306,109	-	306,109
2.1.11	Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12	Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		18,644	4,662	23,306	18,644	19,895	38,539
2.2	Revocable commitments		24,809,954	20,091,006	44,900,960	22,035,179	15,205,046	37,240,225
2.2.1	Revocable loan granting commitments		24,809,954	20,091,006	44,900,960	22,035,179	15,205,046	37,240,225
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		4,323,513	13,144,525	17,468,038	3,163,590	11,233,845	14,397,435
3.1	Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		-	-	-	-	-	-
3.1.3	Net foreign investment hedges		-	-	-	-	-	-
3.2	Trading derivatives		4,323,513	13,144,525	17,468,038	3,163,590	11,233,845	14,397,435
3.2.1	Forward foreign currency purchases/sales		951,639	1,055,593	2,007,232	335,127	580,218	915,345
3.2.1.1	Forward foreign currency purchases		476,073	527,809	1,003,882	167,612	290,134	457,746
3.2.2.2	Forward foreign currency sales		475,566	527,784	1,003,350	167,515	290,084	457,599
3.2.2	Currency and interest rate swaps		3,137,746	9,849,233	12,986,979	2,402,780	8,330,787	10,733,567
3.2.2.1	Currency swaps-purchases		1,523,268	4,459,763	5,983,031	923,381	3,864,357	4,787,738
3.2.2.2	Currency swaps-sales		1,614,478	1,965,408	3,579,886	1,479,399	1,539,568	3,018,967
3.2.2.3	Interest rate swaps-purchases		-	1,712,031	1,712,031	-	1,463,431	1,463,431
3.2.2.4	Interest rate swaps-sales		-	1,712,031	1,712,031	-	1,463,431	1,463,431
3.2.3	Currency, interest rate and security options		234,128	237,800	471,928	425,683	650,908	1,076,591
3.2.3.1	Currency call options		117,064	118,900	235,964	212,841	325,454	538,295
3.2.3.2	Currency put options		117,064	118,900	235,964	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		-	-	-	-	-	-
3.2.3.6	Security put options		-	-	-	-	-	-
3.2.4	Currency futures		-	-	-	-	-	-
3.2.4.1	Currency futures-purchases		-	-	-	-	-	-
3.2.4.2	Currency futures-sales		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sales		-	-	-	-	-	-
3.2.6	Others		-	2,001,899	2,001,899	-	1,671,932	1,671,932
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		612,869,162	185,698,961	798,568,123	519,993,665	149,770,720	669,764,385
IV.	ITEMS HELD IN CUSTODY		217,249,944	1,442,410	218,692,354	164,776,152	1,631,737	166,407,889
4.1	Customers' securities held		-	18,725	18,725	-	17,314	17,314
4.2	Investment securities held in custody		209,828,724	43,062	209,871,786	157,929,261	373,569	158,302,830
4.3	Checks received for collection		6,178,521	709,675	6,888,196	5,300,718	605,686	5,906,404
4.4	Commercial notes received for collection		921,062	200,619	1,121,681	942,310	195,300	1,137,610
4.5	Other assets received for collection		2,152	77	2,229	2,152	71	2,223
4.6	Assets received through public offering		-	5,657	5,657	-	5,231	5,231
4.7	Other items under custody		4,149	157,398	161,547	309	202,904	203,213
4.8	Custodians		315,336	307,197	622,533	601,402	231,662	833,064
V.	PLEDGED ITEMS		131,264,697	43,769,045	175,033,742	117,685,823	38,351,806	156,037,629
5.1	Securities		206,720	30,357	237,077	333,097	26,537	359,634
5.2	Guarantee notes		697,423	96,605	794,028	667,934	98,231	766,165
5.3	Commodities		21,326,887	700,200	22,027,087	19,180,436	624,899	19,805,335
5.4	Warranties		-	-	-	-	-	-
5.5	Real estates		100,406,167	34,674,464	135,080,631	91,003,225	30,568,630	121,571,855
5.6	Other pledged items		7,788,530	8,126,431	15,914,961	5,721,800	6,887,220	12,609,020
5.7	Pledged items-depository		838,970	140,988	979,958	779,331	146,289	925,620
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES		264,354,521	140,487,506	404,842,027	237,531,690	109,787,177	347,318,867
TOTAL OFF-BALANCE SHEET ITEMS (A+B)			669,058,928	227,445,959	896,504,887	567,914,393	183,786,007	751,700,400

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Income
For the Six-Month Period Ended 30 June 2013
(Thousands of Turkish Lira (TL))

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

	Notes	Reviewed Current Period 1 January 2013 - 30 June 2013	Reviewed Prior Period 1 January 2012 - 30 June 2012	Reviewed Current Period 1 April 2013 - 30 June 2013	Reviewed Prior Period 1 April 2012 - 30 June 2012
I. INTEREST INCOME		4,490,751	4,219,750	2,199,217	2,145,422
1.1 Interest income from loans	V-IV-1	3,696,526	3,294,880	1,847,617	1,717,588
1.2 Interest income from reserve deposits		-	-	-	-
1.3 Interest income from banks	V-IV-1	1,827	2,324	1,159	1,145
1.4 Interest income from money market transactions		492	1,254	96	95
1.5 Interest income from securities portfolio	V-IV-1	784,342	891,044	354,272	439,340
1.5.1 Trading financial assets		-	-	-	-
1.5.2 Financial assets designated at fair value through profit or loss		-	-	-	-
1.5.3 Available-for-sale financial assets		589,274	583,513	291,013	276,548
1.5.4 Held-to-maturity investments		195,068	307,531	63,259	162,792
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		7,564	30,248	(3,927)	(12,746)
II. INTEREST EXPENSE		1,890,496	2,499,591	944,057	1,246,871
2.1 Interest expense on deposits	V-IV-2	1,508,279	2,092,475	752,805	1,040,850
2.2 Interest expense on funds borrowed	V-IV-2	59,707	71,376	30,043	33,966
2.3 Interest expense on money market transactions		132,933	213,920	73,748	107,546
2.4 Interest expense on securities issued	V-IV-2	105,435	63,188	59,917	43,220
2.5 Other interest expenses		84,142	58,632	27,544	21,289
III. NET INTEREST INCOME (I – II)		2,600,255	1,720,159	1,255,160	898,551
IV. NET FEES AND COMMISSIONS INCOME		381,123	185,123	204,012	95,708
4.1 Fees and commissions received		524,654	316,168	281,844	167,365
4.1.1 Non-cash loans		60,841	47,682	31,039	25,680
4.1.2 Others		463,813	268,486	250,805	141,685
4.2 Fees and commissions paid		143,531	131,045	77,832	71,657
4.2.1 Non-cash loans		73	96	34	36
4.2.2 Others		143,458	130,949	77,798	71,621
V. DIVIDEND INCOME		53,961	56,845	7,566	1,442
VI. TRADING INCOME/LOSSES (Net)	V-IV-3	186,847	118,195	107,069	10,958
6.1 Trading account income/losses	V-IV-3	106,367	39,658	56,011	24,611
6.2 Income/losses from derivative financial instruments	V-IV-3	74,954	10,623	58,366	(28,066)
6.3 Foreign exchange gains/losses	V-IV-3	5,526	67,914	(7,308)	14,413
VII. OTHER OPERATING INCOME	V-IV-4	347,783	370,461	163,283	147,275
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		3,569,969	2,450,783	1,737,090	1,153,934
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	1,183,604	492,968	601,251	232,353
X. OTHER OPERATING EXPENSES (-)	V-IV-6	1,231,383	1,062,586	636,323	551,509
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,154,982	895,229	499,516	370,072
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)		1,154,982	895,229	499,516	370,072
XVI. CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-7	(250,241)	(191,070)	(117,457)	(85,674)
16.1 Current tax charges		(190,070)	(158,135)	(47,971)	(92,008)
16.2 Deferred tax credits		(60,171)	(32,935)	(69,486)	6,334
XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)	V-IV-8	904,741	704,159	382,059	284,398
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	904,741	704,159	382,059	284,398
Profit/Loss per 100 shares (full TL)		0.3619	0.2817	0.1528	0.1138

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Gains and Losses Recognized in Equity
For the Six-Month Period Ended 30 June 2013
(Thousands of Turkish Lira (TL))

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

	Reviewed Current Period 1 January 2013 - 30 June 2013	Reviewed Prior Period 1 January 2012 - 30 June 2012	Reviewed Current Period 1 April 2013 - 30 June 2013	Reviewed Prior Period 1 April 2012 - 30 June 2012
GAINS AND LOSSES RECOGNIZED IN EQUITY				
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	(753,686)	246,132	(607,186)	108,291
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	-	-	-	-
V. GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)	-	-	-	-
VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)	-	-	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS	-	-	-	-
VIII. OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	(63,533)	54,164	(42,571)	(33,974)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	28,911	(53,748)	23,730	(15,377)
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	(788,308)	246,548	(626,027)	58,940
XI. CURRENT PERIOD'S PROFIT/(LOSS)	904,741	704,159	382,059	284,398
11.1 Change in fair value of securities (transfers to the statement of income)	132,090	(10,691)	59,703	(11,014)
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	772,651	714,850	322,356	295,412
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	116,433	950,707	(243,968)	343,338

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2013
(Thousands of Turkish Lira (TL))

*Convenience Translation of 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 Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Discount. Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity	
I. PRIOR PERIOD – 30 June 2012																				
Balances at the beginning of the period		2,500,000	-	723,918	-	590,498	-	3,689,113	239,905	1,226,785	-	253,304	7,564	67,318	-	-	9,298,405	-	9,298,405	
Changes during the period																				
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Associates, Subsidiaries and "Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	246,548	-	-	-	-	246,548	-	246,548	
IV. Hedges for risk management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Net cash flow hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes resulted from disposal of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassifications of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on the Bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period's net profit/loss		-	-	-	-	-	-	-	-	704,159	-	-	-	-	-	-	704,159	-	704,159	
XVIII. Profit distribution		-	-	-	-	120,126	-	1,010,638	25,524	(1,226,785)	-	-	33,497	-	-	-	(37,000)	-	(37,000)	
18.1 Dividends		-	-	-	-	-	-	-	-	(37,000)	-	-	-	-	-	-	(37,000)	-	(37,000)	
18.2 Transferred to reserves		-	-	-	-	120,126	-	1,010,638	25,524	(1,189,785)	-	-	33,497	-	-	-	-	-	-	
18.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the end of the period		2,500,000	-	723,918	-	710,624	-	4,699,751	265,429	704,159	-	499,852	41,061	67,318	-	-	10,212,112	-	10,212,112	
I. CURRENT PERIOD – 30 June 2013																				
Balances at the beginning of the period		2,500,000	-	723,918	-	710,624	-	4,699,751	265,429	1,460,080	-	1,449,973	41,061	67,318	-	-	11,918,154	-	11,918,154	
Changes during the period																				
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Associates, Subsidiaries and "Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	(792,812)	-	-	-	-	(792,812)	-	(792,812)	
IV. Hedges for risk management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Net cash flow hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	4,504	-	-	4,504	-	4,504	
VIII. Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes resulted from disposal of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassifications of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on the Bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period's net profit/loss		-	-	-	-	-	-	-	-	904,741	-	-	-	-	-	-	904,741	-	904,741	
XVIII. Profit distribution		-	-	-	-	143,616	-	1,189,475	23,914	(1,460,080)	-	-	3,075	-	-	-	(100,000)	-	(100,000)	
18.1 Dividends	VI-1	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(100,000)	-	(100,000)	
18.2 Transferred to reserves	VI-1	-	-	-	-	143,616	-	1,189,475	23,914	(1,360,080)	-	-	3,075	-	-	-	-	-	-	
18.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the end of the period		2,500,000	-	723,918	-	854,240	-	5,889,226	289,343	904,741	-	657,161	44,136	71,822	-	-	11,934,587	-	11,934,587	

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı
Unconsolidated Statement of Cash Flows
For the Six-Month Period Ended 30 June 2013
(Thousands of Turkish Lira (TL))

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

	Reviewed Current Period 30 June 2013	Reviewed Prior Period 30 June 2012
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1,597,821	1,188,274
1.1.1 Interests received	4,183,234	4,062,740
1.1.2 Interests paid	(1,813,186)	(2,361,257)
1.1.3 Dividends received	26,245	22,560
1.1.4 Fee and commissions received	524,654	316,168
1.1.5 Other income	74,789	86,775
1.1.6 Collections from previously written-off loans and other receivables	254,494	214,017
1.1.7 Payments to personnel and service suppliers	(1,246,087)	(1,067,392)
1.1.8 Taxes paid	(302,750)	(99,840)
1.1.9 Others	(103,572)	14,503
1.2 Changes in operating assets and liabilities	(2,464,961)	(2,543,314)
1.2.1 Net (increase) decrease in financial assets held for trading purpose	2,377	-
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss	-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions	(2,853,716)	(1,667,071)
1.2.4 Net (increase) decrease in loans	(10,044,687)	(5,178,475)
1.2.5 Net (increase) decrease in other assets	(554,746)	134,074
1.2.6 Net increase (decrease) in bank deposits	(720,576)	730,383
1.2.7 Net increase (decrease) in other deposits	5,173,108	1,854,588
1.2.8 Net increase (decrease) in funds borrowed	858,765	(756,395)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	5,674,514	2,339,582
I. Net cash flow from banking operations	(867,140)	(1,355,040)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(2,007,064)	573,638
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	(60,371)	-
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Purchases of tangible assets	(64,870)	(28,568)
2.4 Proceeds from disposal of tangible assets	180,508	42,789
2.5 Cash paid for purchase of available-for-sale financial assets	(5,138,696)	(799,067)
2.6 Proceeds from disposal of available-for-sale financial assets	2,108,836	1,357,731
2.7 Cash paid for purchase of held-to-maturity investments	(74,100)	(103,675)
2.8 Proceeds from disposal of held-to-maturity investments	1,061,687	111,271
2.9 Others	(20,058)	(6,843)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities	1,567,062	2,298,953
3.1 Cash obtained from funds borrowed and securities issued	3,507,418	2,834,316
3.2 Cash used for repayment of funds borrowed and securities issued	(1,840,356)	(498,363)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	(100,000)	(37,000)
3.5 Repayments for finance leases	-	-
3.6 Others	-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	(2,516)	2,031
V. Net increase in cash and cash equivalents	(1,309,658)	1,519,582
VI. Cash and cash equivalents at the beginning of the period	4,999,872	4,933,906
VII. Cash and cash equivalents at the end of the period	3,690,214	6,453,488

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

SECTION THREE

Accounting Policies

I. Basis of presentation

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

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

Additional paragraph for convenience translation to English

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

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

Strategy for the use of financial instruments

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

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

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

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Bank's operating activities on the basis of maturity structures and market conditions. When bank placements are considered, they have short term maturity in terms of liquidity management but earn lower return. The Bank takes position against short-term foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within specified limits set by regulations. The Bank hedges itself and controls its position against the foreign exchange risk being exposed due to foreign currency available-for-sale investments, investments in other portfolios and other foreign currency transactions by various derivative transactions and setting the equilibrium between foreign currency denominated assets and liabilities. The Bank also hedges itself against the risk exposed due to net investment in foreign operations by the same manner.

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

Information on foreign currency transactions

Transactions are recorded in TL, the functional currency of the Bank. Foreign currency transactions are recorded using the foreign exchange rates effective at the transaction date. Non-monetary foreign currency items which are recorded at fair value are valued at historical foreign exchange rates. Foreign exchange gain/loss amounts due to conversion of monetary items or collection or payments foreign currency denominated transactions are recognized in income statement.

Foreign exchange differences resulting from amortized costs of foreign currency denominated available-for-sale financial assets are recognized in the statement of income whilst foreign exchange differences resulting from unrealized gains and losses are presented in "valuation differences of marketable securities" under equity.

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

III. Information on forwards, options and other derivative transactions

The derivative transactions mainly consist of currency and interest rate swaps, foreign currency forward contracts and currency options. The Bank has classified its derivative transactions, mentioned above, as "trading purpose" in accordance with the TAS 39 – *Financial Instruments: Recognition and Measurement*.

Derivatives are initially recorded at their purchase costs including the transaction costs.

The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

Subsequently, the derivative transactions are measured at their fair values and the changes in fair values are recorded in the balance sheet under "derivative financial assets held for trading purpose" or "derivative financial liabilities held for trading purpose". The subsequent fair value changes of derivative transactions are recognized in the statement of income.

IV. Information on interest income and expenses

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

V. Information on fees and commissions

Fees and commission received and paid are recognized according to either accrual basis of accounting or effective interest method depending on nature of fees and commission; incomes derived from agreements and asset purchases for third parties are recognized as income when realized.

VI. Information on financial assets

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

Financial assets except for measured at fair value through profit or loss are recognized initially with their transaction costs that are directly attributable to the acquisition or issue of the financial asset. Purchase and sale transactions of securities are accounted at settlement dates.

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

Financial assets at fair value through profit or loss

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

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

Held to maturity investments are the financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables. Held-to-maturity investments are measured at amortized cost using effective interest method after deducting impairments, if any.

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

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

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

Purchase and sales of investment securities are recognized at the date of delivery. The changes in fair value of assets during the period between trade date and settlement date are accounted for in financial assets at fair value through profit or loss, available-for-sale financial assets and financial assets held for trading in the settlement date-accounting policy.

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

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

Associates and subsidiaries

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

Associates, classified as available-for-sale financial assets in unconsolidated financial statements, which are traded in an active market or whose fair value can be reliably measured, are recorded at their fair values. Associates which are not traded in an active market and whose fair values cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any.

VII. Information on impairment of financial assets

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

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

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

VIII. Information on offsetting of financial instruments

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

IX. Information on sales and repurchase agreements and securities lending

Securities sold under repurchase agreements (“repo”) are recorded on the balance sheet. Government bonds and treasury bills sold to customers under repurchase agreements are classified as “Securities Subject to Repurchase Agreements” and measured based on their original portfolio, either at fair value or at amortized cost using the effective interest rate method. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis.

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

X. Information on assets held for sale and discontinued operations

An asset that is classified as held for sale (or to be discarded fixed assets) is measured with its book value or cost deducted fair value, depending on the lower one. An asset to be classified asset held for sale, particular asset (or to be discarded fixed assets) should be similar to these types of assets and should be able to be sold immediately with commonly accepted terms and conditions. Asset should be marketed in line with its fair value. For selling probability to be high, relevant management level should plan the the sale and should finalize the plan by determining the buyers.

A discontinued operation is classified as the Bank’s assets discarded or assets held for sales. Information on discontinued operations is presented separately in consolidated income statement. As at reporting date, the Bank does not have any discontinued operations.

XI. Information on goodwill and other intangible assets

The Bank's intangible assets consist of software.

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

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

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

XII. Information on tangible assets

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of 31 December 2004 are considered as their historical costs. Tangible assets purchased after 1 January 2005 are recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any.

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

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

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

Depreciation rates and estimated useful lives are:

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

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

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 – *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. Information on leasing activities

Finance leasing activities as the lessee

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

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

Operational leases

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

XIV. Information on provisions and contingent liabilities

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

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

XV. Information on obligations of the Bank concerning employee rights

Reserve for employee termination benefits

In accordance with existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at 30 June 2013 is TL 3,129 (full TL) (31 December 2012: TL 3,034 (full TL)).

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

As at 30 June 2013 and 31 December 2012, the major actuarial assumptions used in the calculation of the total liability are as follows:

	Current Period	Prior Period
Discount Rate	1.91%	1.91%
Expected Rate of Salary/Limit Increase	5.00%	5.00%
Estimated Employee Turnover Rate	1.93%	1.93%

Other benefits to employees

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

Pension fund

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

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

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

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

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

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

Law requires the transfer to be completed in three years beginning from 1 January 2008. The three year period has expired on 8 May 2011; however, it has been extended to 8 May 2013 with the decision of Council of Ministers published in Official Gazette dated 9 April 2011.

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

The technical financial statements of the Fund are audited by the certified actuary according to the the “Actuaries Regulation” which is issued as per the Article no. 21 of the 5684 numbered Insurance Law. As per the actuarial report dated February 2013 which is prepared in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against.

XVI. Information on taxation

Corporate tax

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

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

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

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

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

Deferred taxes

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

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

In case valuation differences resulting from the subsequent measurement of the items are recognized in the statement of income, then the related current and or deferred tax effects are also recognized in the statement of income. On the other hand, if valuation differences are recognized in shareholders' equity, then the related current or deferred tax effects are also recognized directly in the shareholders' equity.

Transfer Pricing

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

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

XVII. Additional information on borrowings

The Bank provides funding resources such as syndication and securitization transactions in case of need. In the current period, the Bank has started to ontained funds through domestic and international bonds.

These transactions are initially recognized at acquisition costs at the transaction date and are subsequently measured at amortized cost using effective interest method.

XVIII. Information on issuance of equity securities

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

XIX. Information on confirmed bills of exchange and acceptances

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

XX. Information on government incentives

As at 30 June 2013 and 31 December 2012, the Bank does not have any government incentives.

XXI. Information on segment reporting

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

XXII. Other disclosures

Earnings per shares

Earning per share is calculated by dividing the net profit for the period to weighted average of outstanding shares. In Turkey, the companies may perform capital increase ("Bonus Shares") from retained earnings. In earning per share computation bonus shares are treated as issued shares.

As at and for the six-month period ended 30 June 2013, earnings per 100 shares is full TL 0.3619 (30 June 2012: full TL 0.2817).

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Shareholders, top executives and board members are accepted as related party personally, with their families and companies according to TAS 24 - *Related Party Disclosures Standard*. Transactions made with related parties are disclosed in Section 5 Note VII.

Cash and cash equivalents

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

SECTION FOUR

Information Related to Financial Position of the Bank

I. Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 14.51% (31 December 2012: 16.14%).

Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the "Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks (Regulation)", "Regulation on Credit Risk Mitigation Techniques" and "Communiqué on Risk Weighted Amounts for Securitization Exposures" published in Official Gazette no. 28337 dated 28 June 2012 and "Regulation on the Equity of Banks" published in Official Gazette no. 26333 dated 1 November 2006.

The data used in calculation of capital adequacy ratio is organized in accordance with the accounting records prepared in compliance with the current legislation. Besides, the Bank classifies these data as "Trading Book" and "Banking Book"; and takes into account in the calculation of market risk and credit risk accordingly. Operational risks are also included in the calculation of capital adequacy ratio.

In the calculation of risk-based amounts, the Bank classifies its receivables into risk groups described in 6th article of the Regulation and considers the ratings and risk mitigating elements. The amounts are evaluated in the related risk weight group, accordingly. The Bank applies "basic financial guarantee method" in the consideration of risk mitigating elements for banking book accounts.

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

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks", subjected to risk mitigation in accordance with the "Communique on Credit Risk Mitigation Techniques", classified into related risk-weighted group in accordance with Article 6 of the Regulation, then multiplied with the risk weight of the group in accordance with the Appendix 1 of the Regulation.

In the calculation of their risk-based values, Derivative Financial Instruments and Credit Derivative Contracts which are accounted in banking book, the receivable amounts due to counter parties are multiplied by the rates stated in the Appendix 2 of the Regulation, subjected to risk mitigation in accordance with the "Communique on Credit Risk Mitigation Techniques", classified into related risk-weighted group in accordance with Article 6 of the Regulation, then multiplied with the risk weight of the group in accordance with the Appendix 1 of the same Regulation. In compliance with Article 5 of the Regulation, repo transactions, investment securities and commodity lending transactions are accounted for "Counterparty Credit Risk". The Bank applies "Fair Value Measurement" in the calculation of "Counterparty Credit Risk".

Information on unconsolidated capital adequacy ratio

	30 June 2013								
	Risk Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Surplus credit risk weighted	40,307,366	-	8,218,593	27,672,101	22,036,800	39,479,731	2,533,678	7,087,538	-
Risk classifications:									
Claims on sovereigns and Central Banks	33,246,031	-	-	3,669,214	-	-	-	-	-
Claims on regional governments or local authorities	16,157	-	1,109,027	187,742	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	104,690	-	-	-	-	267,506	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	5,672,022	-	7,086,170	2,023,361	-	42,604	-	-	-
Claims on corporate	317,702	-	-	618,206	-	33,188,003	-	-	-
Claims included in the regulatory retail portfolios	94,386	-	-	-	22,036,800	-	-	-	-
Claims secured by residential property	-	-	-	21,173,578	-	2,235,056	-	-	-
Past due loans	-	-	-	-	-	269,025	-	-	-
Higher risk categories decided by the Agency	-	-	-	-	-	-	2,533,678	7,087,538	-
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-
Other receivables	856,378	-	23,396	-	-	3,477,537	-	-	-

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Capital to be employed for credit risk (Amount subject to credit risk*0.08) (I)	7,157,015	6,069,014
Capital to be employed for market risk (Amount subject to market risk*0.08) (II)	64,021	48,413
Capital to be employed for operational risk (Amount subject to operational risk*0.08) (III)	655,046	587,602
Shareholders' equity	14,287,238	13,527,730
Shareholders' equity/ ((I+II+III)*12.5*100)	14.51%	16.14%

^(*)In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 2012 was measured by taking value at operational risk calculated based on gross income for the years ended 2011, 2010 and 2009 into consideration. For the year 2013, value at operational risk is being calculated based on gross income for the years ended 2012, 2011 and 2010.

Information on equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,500,000	2,500,000
Nominal Capital	2,500,000	2,500,000
Capital Commitments (-)	-	-
Adjustments to Paid-in Capital	-	-
Share Premium	723,918	723,918
Share repeal	-	-
Legal Reserves	7,032,809	5,675,804
Adjustments to Legal Reserves	-	-
Profit	904,741	1,460,080
Net current period profit	904,741	1,460,080
Prior period profit	-	-
Provision for possible losses up to 25% of core capital	74,925	92,887
Profit on sale of associates, subsidiaries and buildings	44,136	41,061
Primary subordinated loans (up to 15% of Core Capital)	-	-
Loss that is not covered with reserves (-)	-	-
Net current period loss	-	-
Prior period loss	-	-
Development cost of operating lease (-)	60,536	67,299
Intangible Assets (-)	96,483	81,747
Deferred-assets for tax which exceeds of 10% of core capital (-)	-	-
Excess amount expressed in the Law (Article 56, 3rd Paragraph) (-)	-	-
Total Core Capital	11,123,510	10,344,704
SUPPLEMENTARY CAPITAL	-	-
General Provisions	1,123,989	956,059
45% of increase in revaluation fund on movables	-	-
45% of increase in revaluation fund of fixed assets	-	-
Free shares from investment in associates, subsidiaries and joint-ventures that is not recognized in profit	71,822	67,318
Primary subordinated loans which are ignored in the calculation of core capital	-	-
Secondary subordinated loan	1,760,354	1,628,814
45% of value increase fund of financial assets available for sale and associates and subsidiaries	295,722	652,488
Adjustment to paid-in capital, profit reserves and previous years losses(except adjustment to legal reserves)	-	-
Total Supplementary Capital	3,251,887	3,304,679
CAPITAL	14,375,397	13,649,383
DEDUCTIONS FROM CAPITAL	88,159	121,653
Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-
The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%, but exceeding 10% and more of the sum of core and supplementary capital of the bank	-	-
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan	-	-
Loans extended being noncompliant with articles 50 and 51 of the Law	-	-
Net book values of properties owned, exceeding 50% of banks' equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed	88,033	124,435
Securitisation positions that is deducted -preferably- from the shareholders' equity	-	-
Others	126	218
TOTAL EQUITY	14,287,238	13,527,730

II. Market risk

The Bank calculates market risk using standard method and allocates legal capital in compliance with “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in 28 June dated 2012 Official Gazette no. 28337.

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

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

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

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

Value at market risk

	Amount
(I) Capital to be employed for general market risk	8,569
(II) Capital to be employed for specific risk	-
Capital to be employed for specific risk in securitisation positions- Standard Method	-
(III) Capital to be employed for currency risk	52,005
(IV) Capital to be employed for stocks	-
(V) Capital to be employed for clearing risk	-
(VI) Total capital to be employed for market risk because of options	-
(VII) Capital to be employed for counterparty credit risk - Standard Method	3,447
(VIII) Capital to be employed for general market risk	-
(IX) Total capital to be employed for market risk (I+II+III+IV+V+VI)	64,021
(X) Amount subject to market risk (12.5 x VIII) or (12.5 x IX)	800,263

III. Operational risk

The Bank calculated the value at operational risk in accordance with the third section of “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” that is “Computation of Value of Operational Risk” published in 28 June 2012 dated Official Gazette no. 28337. The operational risk which the Bank is exposed to is calculated according to the "Basic Indicator Method" hence by multiplying the average of the last three years’ actual gross income with 12.5, in line with the effective legislation practices in the country.

IV. Foreign currency exchange risk

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

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

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

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

As at 30 June 2013 and 31 December 2012 the Bank does not have derivate financial instruments held for risk management.

Foreign exchange risk management policy

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

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

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

	US Dollar	Euro
The Bank’s foreign currency purchase rate at the balance sheet date	1.9250	2.5083
<u>Foreign currency purchase rates for the days before balance sheet date:</u>		
Day 1	1.8900	2.4629
Day 2	1.8900	2.4699
Day 3	1.9100	2.5046
Day 4	1.9000	2.4894
Day 5	1.8950	2.5082
	US Dollar	Euro
Last 30-days arithmetical average rate	1.8475	2.4204

Information on currency risk

Current Period	Euro	US Dollar	Other FCs	Total
Assets:				
Cash and balances with the Central Bank of Turkey	3,857,334	6,341,671	2,907,480	13,106,485
Banks	277,895	907,727	85,497	1,271,119
Financial assets at fair value through profit or loss ⁽¹⁾	-	133,105	-	133,105
Interbank money market placements	-	-	-	-
Available-for-sale financial assets	848,855	2,711,123	-	3,559,978
Loans and receivables ⁽²⁾	6,809,943	14,415,684	53,855	21,279,482
Associates, subsidiaries and joint-ventures	257,006	-	-	257,006
Held-to-maturity investments	-	59,794	-	59,794
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	1,977	-	1,977
Intangible assets	-	144	-	144
Other assets ⁽³⁾	62,422	363,302	63,084	488,808
Total assests	12,113,455	24,934,527	3,109,916	40,157,898
Liabilities:				
Bank deposits	700,118	1,324,133	718	2,024,969
Foreign currency deposits	6,692,668	9,548,301	1,048,938	17,289,907
Interbank money market takings	550,187	6,848,541	-	7,398,728
Other funding	3,785,433	4,761,679	17,680	8,564,792
Securities issued	25,058	2,122,431	23,603	2,171,092
Miscellaneous payables	209,224	73,331	83	282,638
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities ^{(1) (4)}	57,913	2,413,621	465	2,471,999
Total liabilities	12,020,601	27,092,037	1,091,487	40,204,125
Net 'on balance sheet' position	92,854	(2,157,510)	2,018,429	(46,227)
Net 'off-balance sheet' position	10,694	2,499,666	(2,026,520)	483,840
Derivative assets ⁽⁶⁾	952,962	6,029,130	154,154	7,136,246
Derivative liabilities ⁽⁶⁾	942,268	3,529,464	2,180,674	6,652,406
Non-cash loans ⁽⁵⁾	1,373,707	6,219,071	269,900	7,862,678
Prior Period				
Total assets	10,904,753	21,370,070	2,565,336	34,840,159
Total liabilities	10,395,200	23,495,386	895,276	34,785,862
Net 'on balance sheet' position	509,553	(2,125,316)	1,670,060	54,297
Net 'off-balance sheet' position	(420,937)	2,444,890	(1,676,440)	347,513
Derivative assets ⁽⁶⁾	641,648	5,427,272	161,987	6,230,907
Derivative liabilities ⁽⁶⁾	1,062,585	2,982,382	1,838,427	5,883,394
Non-cash loans ⁽⁵⁾	1,338,987	5,040,329	296,729	6,676,045

⁽¹⁾ Derivative financial assets and liabilities resulting from changes in foreign exchange rates are not included.

⁽²⁾ Foreign currency indexed loans amounting to TL 2,156,832 (31 December 2012: TL 1,736,458) which are presented in TL column in the balance sheet are included in the table above.

⁽³⁾ Prepaid expenses amounting to TL 29,132 (31 December 2012: TL 24,885) are not included.

⁽⁴⁾ Unearned revenues amounting to TL 19,405 (31 December 2012: TL 14,924) are not included.

⁽⁵⁾ Non-cash loans are not taken into consideration in the calculation of the net 'off-balance sheet' position.

⁽⁶⁾ Asset purchase commitments amounting to TL 317,743 (31 December 2012: TL 287,531) and asset sales commitments amounting to TL 326,384 (31 December 2012: TL 592,925) are included.

Exposure to currency risk

10 percent depreciation of the TL against the following currencies as at and for the six-month period ended 30 June 2013 and 2012 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

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

	30 June 2013		30 June 2012	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	32,929	32,929	9,491	25,524
EUR	(15,346)	(15,346)	(2,958)	(475)
Other currencies	(809)	(809)	446	446
Total, net	16,774	16,774	6,979	25,495

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

10 percent appreciation of the TL against the following currencies as at and for the six-month period ended 30 June 2013 and 2012 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	30 June 2013		30 June 2012	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	(31,293)	(31,293)	(7,121)	(23,154)
Euro	15,346	15,346	2,958	475
Other currencies	1,563	1,563	412	412
Total, net	(14,384)	(14,384)	(3,751)	(22,267)

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

V. Interest rate risk

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

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

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

Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets:							
Cash and balances with CBT	-	-	-	-	-	14,480,005	14,480,005
Banks	897,731	117,975	-	-	-	330,750	1,346,456
Financial assets at fair value through profit/loss	323,946	101,077	30,531	10,587	2,270	-	468,411
Interbank money market placements	-	-	-	-	-	-	-
Available-for-sale financial assets	4,166,450	2,250,040	5,022,044	2,358,212	2,862,870	10,750	16,670,366
Loans and receivables	24,303,170	7,593,565	21,897,263	15,054,045	8,289,975	269,025	77,407,043
Held-to-maturity investments	383,828	404,500	791,210	496,746	1,213,529	-	3,289,813
Other assets ^(*)	12,367	192	2,222	94,200	467	4,115,634	4,225,082
Total assets	30,087,492	10,467,349	27,743,270	18,013,790	12,369,111	19,206,164	117,887,176
Liabilities:							
Bank deposits	2,039,638	1,111,983	219,394	-	-	65,716	3,436,731
Other deposits	39,112,848	13,884,610	3,201,519	24,357	-	12,174,686	68,398,020
Interbank money market takings	11,003,087	938,767	1,147,313	720,707	-	-	13,809,874
Miscellaneous payables	-	-	-	-	-	2,661,573	2,661,573
Securities issued	733,651	306,649	1,050,062	2,026,668	-	-	4,117,030
Funds borrowed	219,200	3,773,000	4,296,685	87,260	285,442	-	8,661,587
Other liabilities ^(**)	61,779	8,437	142,831	367,493	1,360,131	14,861,690	16,802,361
Total liabilities	53,170,203	20,023,446	10,057,804	3,226,485	1,645,573	29,763,665	117,887,176
On balance sheet long position	-	-	17,685,466	14,787,305	10,723,538	-	43,196,309
On balance sheet short position	(23,082,711)	(9,556,097)	-	-	-	(10,557,501)	(43,196,309)
Off-balance sheet long position	522,607	1,511,125	495,078	349,868	97,085	-	2,975,763
Off-balance sheet short position	(32,340)	-	(697,951)	(1,385,549)	(722,710)	-	(2,838,550)
Position, Net	(22,592,444)	(8,044,972)	17,482,593	13,751,624	10,097,913	(10,557,501)	137,213

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets:							
Cash and balances with CBT	-	-	-	-	-	12,327,625	12,327,625
Banks	1,369,508	104,390	-	-	-	481,008	1,954,906
Financial assets at fair value through profit/loss	27,041	28,174	8,099	18,622	4,250	-	86,186
Interbank money market placements	-	-	-	-	-	-	-
Available-for-sale financial assets	4,758,247	2,066,686	1,888,016	3,012,037	2,391,787	10,750	14,127,523
Loans and receivables	21,844,798	14,692,645	11,378,419	12,902,312	7,049,471	265,394	68,133,039
Held-to-maturity investments	368,474	776,415	640,988	1,247,025	1,220,704	-	4,253,606
Other assets ^(*)	6,646	517	7,773	31,963	511	3,649,968	3,697,378
Total assets	28,374,714	17,668,827	13,923,295	17,211,959	10,666,723	16,734,745	104,580,263
Liabilities:							
Bank deposits	2,899,905	880,011	364,596	-	-	13,100	4,157,612
Other deposits	33,944,857	15,005,143	3,229,754	7,702	-	10,897,222	63,084,678
Interbank money market takings	6,576,302	233,673	1,679,961	-	-	-	8,489,936
Miscellaneous payables	-	-	-	-	-	2,223,602	2,223,602
Securities issued	630,987	163,998	744,191	891,137	-	-	2,430,313
Fund borrowed	1,789,037	3,587,910	1,965,919	21,441	111,176	-	7,475,483
Other liabilities ^(**)	39,071	4,629	3,841	107,809	1,715,259	14,848,030	16,718,639
Total liabilities	45,880,159	19,875,364	7,988,262	1,028,089	1,826,435	27,981,954	104,580,263
On balance sheet long position	-	-	5,935,033	16,183,870	8,840,288	-	30,959,191
On balance sheet short position	(17,505,445)	(2,206,537)	-	-	-	(11,247,209)	(30,959,191)
Off-balance sheet long position	490,457	1,637,600	331,215	294,353	36,863	-	2,790,488
Off-balance sheet short position	(37,380)	(90,990)	(369,465)	(1,566,532)	(659,863)	-	(2,724,230)
Position, Net	(17,052,368)	(659,927)	5,896,783	14,911,691	8,217,288	(11,247,209)	66,258

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

(**) Equity is included in non-interest bearing column in other liabilities line.

Average interest rates applied to monetary financial instruments:

Current Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets:				
Cash and balance with CBT	-	-	-	-
Banks	0.28	0.40	-	8.47
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Available-for-sale financial assets	5.68	7.09	-	5.83
Loans and receivables	4.57	5.05	-	12.93
Held-to-maturity investments	-	0.74	-	9.04
Liabilities:				
Bank deposits	1.45	1.04	-	7.29
Other deposits	2.67	2.42	-	6.27
Interbank money market takings	0.39	1.16	-	5.62
Miscellaneous payables	-	-	-	-
Securities issued	1.00	4.66	-	6.14
Funds borrowed	1.01	1.71	-	6.39

Prior Period	Euro	US Dollar	Japanese Yen	TL
	%	%	%	%
Assets:				
Cash and balance with CBT	-	-	-	-
Banks	0.87	0.54	-	8.24
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Available-for-sale financial assets	5.68	7.14	-	7.53
Loans and receivables	4.77	5.47	-	15.28
Held-to-maturity investments	-	1.16	-	10.05
Liabilities:				
Bank deposits	1.80	1.40	-	6.68
Other deposits	3.06	2.77	-	7.25
Interbank money market takings	0.43	1.31	-	5.52
Miscellaneous payables	-	-	-	-
Securities issued	-	5.75	-	7.64
Funds borrowed	1.19	1.85	-	7.73

The interest rate risk of the banking book items:

Measurement Rate of Interest Rate Risk

Interest rate risk arising from banking book accounts is calculated in accordance with “Regulation on Measurement and Assessment of Interest Rate Risk Arising from Banking Book Accounts according to Standart Shock Technique” published in the 23 August 2011 dated Official Gazette no. 28034. Legal limit is monthly monitored and reported accordingly.

The economic value changes arising from the interest rate fluctuations which are measured according to “Regulation on Measurement and Assessment of Interest Rate Risk Arising from Banking Book Accounts according to Standart Shock Technique” are presented in the below table:

Currency Unit	Applied Shock	Gain/	Gain/
	(+/- x base point)	Loss	Equity-Loss/
			Equity
1. TRY	500/-400	(2,332,254)/ 2,369,710	(16.32%)/ 16.59%
2. EURO	200/-200	(15,928)/ 31,445	(0.11%)/ 0.22%
3. USD	200/-200	322,546/ (268,712)	2.25%/ (1.88%)
Total (For Negative Shocks)	-	2,132,443	14.93%
Total (For Positive Shocks)	-	(2,025,636)	(14.18%)

Stock position risks arising from banking book items:

Information on separations of risks according to objectives including their relation with gains presented in equity and strategical reasons, accounting accounting techniques and general information about valuation methods with the related assumptions and factors that affect the valuation and significant changes

If carrying value is substantially different from fair value and for publicly traded shares if market value is substantially different from fair value, the comparison with the market prices are shown in the table below:

Equities	Comparison		
	Balance Sheet Value	Fair Value Change (*)	Market Value (*)
Stocks quoted in exchange	516,119	516,119	516,119
1. Investments for quoted securities - Group A	516,119	516,119	516,119
2. Investments for quoted securities - Group B	-	-	-
3. Investments for quoted securities - Group C	-	-	-
Stocks unquoted in exchange	825,833	766,682	-

(*) The values of stocks traded in Stock Exchange are included to both columns assuming the market value is approximate to fair value.

Total unrealized gain or loss, total revaluation surplus and values included to principal and supplementary capital

Total unrealized gain or loss, total appraisal surplus and values included to principal and supplementary capital are given in the below table:

Portfolio	Realized gains (losses) in current Period	Revaluated appreciation in the fair value		Unrealized Gain and Loss		
		Total (*)	Included to Supplementary Capital	Total (*)	Included to Core Capital	Included to Supplementary Capital
1. Private equity investments	-	-	-	-	-	-
2. Share certificates quoted in a stock exchange	-	-	-	268,506	-	120,828
3. Other share certificates	-	357,780	161,001	-	-	-
4. Total	-	357,780	161,001	268,506	-	120,828

(*) Amounts are presented including the effect of deferred tax.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of the changes in the levels of equity indices and the value of individual stocks.

The effect on equity (without tax effects) as a result of change in the fair value of equity instruments quoted to Borsa İstanbul ("BIST") held as available for sale financial assets, associates and subsidiaries due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	Change in index	30 June 2013	30 June 2012
BIST-100	10%	38,412	21,599

VI. Liquidity risk

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

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

Maturity analysis of assets and liabilities according to remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed^(*)	Total
Assets:								
Cash and balance with CBT	14,480,005	-	-	-	-	-	-	14,480,005
Banks	835,898	392,583	117,975	-	-	-	-	1,346,456
Financial assets at fair value through profit/loss	-	303,979	8,675	76,404	69,089	10,264	-	468,411
Interbank money market placements	-	-	-	-	-	-	-	-
Available-for-sale financial assets	-	2,880	56,567	3,311,100	7,149,916	6,139,153	10,750	16,670,366
Loans and receivables	-	5,884,002	486,338	13,547,993	36,810,097	20,409,588	269,025	77,407,043
Held-to-maturity investments	-	19,250	38,606	1,482,235	496,746	1,252,976	-	3,289,813
Other assets	-	481,591	6,128	5,676	127,162	467	3,604,058	4,225,082
Total assets	15,315,903	7,084,285	714,289	18,423,408	44,653,010	27,812,448	3,883,833	117,887,176
Liabilities:								
Bank deposits	65,716	2,039,638	1,111,983	219,394	-	-	-	3,436,731
Other deposits	12,174,686	39,112,848	13,884,610	3,201,519	24,357	-	-	68,398,020
Funds borrowed	-	219,198	1,799,499	3,388,036	1,730,429	1,524,425	-	8,661,587
Interbank money market takings	-	11,003,087	938,767	1,147,313	720,707	-	-	13,809,874
Securities issued	-	733,651	306,649	1,050,062	2,026,668	-	-	4,117,030
Miscellaneous payables	-	2,284,346	47,048	-	-	-	330,179	2,661,573
Other liabilities	-	253,537	30,146	137,067	383,521	1,379,476	14,618,614	16,802,361
Total liabilities	12,240,402	55,646,305	18,118,702	9,143,391	4,885,682	2,903,901	14,948,793	117,887,176
Liquidity gap	3,075,501	(48,562,020)	(17,404,413)	9,280,017	39,767,328	24,908,547	(11,064,960)	-
Prior Period								
Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed^(*)	Total
Total assets	13,770,081	6,933,620	719,374	15,344,609	42,388,516	22,014,205	3,409,858	104,580,263
Total liabilities	10,910,322	46,626,657	16,841,717	10,006,639	2,936,304	2,873,442	14,385,182	104,580,263
Liquidity gap	2,859,759	(39,693,037)	(16,122,343)	5,337,970	39,452,212	19,140,763	(10,975,324)	-

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

Residual contractual maturities of the financial liabilities

Current Period	Carrying amount	Gross nominal outflow	Demand	Less than one month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Bank deposits	3,436,731	3,447,156	65,716	2,041,294	1,116,492	223,654	-	-
Other deposits	68,398,020	68,659,904	12,174,686	39,186,375	14,001,616	3,271,112	26,115	-
Funds borrowed	8,661,587	9,149,998	-	220,213	1,813,782	3,444,475	1,886,859	1,784,669
Money market takings	13,809,874	13,846,037	-	11,007,679	939,908	1,155,063	743,387	-
Issued Securities (Net)	4,117,030	4,573,099	-	734,200	310,000	1,071,875	2,457,024	-
Miscellaneous payables	2,661,573	2,661,573	330,179	2,284,346	47,048	-	-	-
Other liabilities	2,660,496	3,604,647	595,186	135,100	30,146	140,484	450,189	2,253,542
Total	103,745,311	105,942,414	13,165,767	55,609,207	18,258,992	9,306,663	5,563,574	4,038,211
Non-Cash Loans	20,803,022	20,803,022	10,902,774	310,449	1,279,085	5,008,863	2,700,600	601,251

Prior Period	Carrying amount	Gross nominal outflow	Demand	Less than one month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Bank deposits	4,157,612	4,168,435	13,100	2,901,734	886,791	366,810	-	-
Other deposits	63,084,678	63,379,517	10,897,222	34,018,071	15,151,906	3,303,928	8,390	-
Funds borrowed	7,475,483	7,911,811	-	104,061	338,125	4,027,326	2,099,722	1,342,577
Money market takings	8,489,936	8,513,712	-	6,580,724	234,179	1,698,809	-	-
Issued Securities (Net)	2,430,313	2,682,393	-	633,496	166,395	762,214	1,120,288	-
Miscellaneous payables	2,223,602	2,223,602	116,563	2,064,207	42,832	-	-	-
Other liabilities	2,653,911	2,653,911	526,244	252,953	11,614	8,023	120,782	1,734,295
Total	90,515,535	91,533,381	11,553,129	46,555,246	16,831,842	10,167,110	3,349,182	3,076,872
Non-Cash Loans	17,216,747	17,216,747	7,631,920	1,136,877	1,567,553	4,183,700	2,013,049	683,648

This table shows the undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity. Therefore, the gross nominal outflows in the table above vary from the carrying amounts of the relevant financial liabilities reflected in the financial statements.

Securitisation Positions

None.

Credit risk mitigation techniques

"Basic Financial Guarantee" method is used for the financial guarantees in accordance with "Communique on Credit Risk Mitigation". Cash or cash equivalent, treasury bill, government bond and guarantees are used in credit risk mitigation.

Applications on guarantees' valuation and method

Policies on the valuation of financial guarantees and their evaluation and valuation of immovables that are received as mortgage for loans have been formed. These policies and procedures are prepared in accordance with "Communique on Credit Risk Mitigation" and include minimum conditions regarding guarantee valuation and management.

Types of main guarantees received

Main types of the guarantees that Bank receives for loans provided are mortgages, guarantees/sureties and financial guarantees.

Main guarantors, credit derivatives' counterparties and their credit worthiness

Assessment of credit worthiness of main guarantors is determined and monitored in accordance with the lending and intelligence procedures of the Bank.

Information about market and credit risk concentration in credit risk mitigation

Market risk and credit risk concentrations are carefully avoided.

Information about guarantees according to risk classifications

Information about guarantees according to risk classifications is shown in the table below:

Risk Classification	Amount	Financial Guarantees	Other/Physical Guarantees	Guarantees and credit derivatives
Claims on sovereigns and Central Banks	36,915,245	3,200,898	-	-
Claims on regional governments or local authorities	1,312,926	20,210	-	-
Claims on administrative bodies and other non-commercial undertakings	372,196	109,164	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	14,824,157	5,672,239	-	-
Claims on corporates	34,123,911	371,858	-	-
Claims included in the regulatory retail portfolios	22,131,186	115,401	-	-
Claims secured by residential property	23,408,634	-	-	-
Past due loans	269,025	-	-	-
Higher risk categories decided by the Agency	9,621,216	-	-	-
Secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-
Other receivables	4,357,311	-	-	-
Total	147,335,807	9,489,770	-	-

Risk management strategies and policies

Risk management strategies are determined so as to support the Bank's objectives and goals and maintain Bank's presence by developing the present risk management strategies and corporate wide risk culture in parallel with the changing business and risk environment and by applying the well accepted national and international risk management practices.

The mission of Bank is to continuously increase the values added to the customers, employees, shareholders and society by managing the entrusted assets and values effectively and productively. In this scope, it is fundamental to adopt forward looking risk based approaches through forming high quality assets and good management of liabilities in all activities aiming high quality gains.

Bank's risk management strategy is mainly based on avoiding high risks and legal risks with high impacts even if the probability of happening is low, taking measures for the risks that may occur due to ordinary banking activities, procuring protection, transferring risks to third parties through techniques like insurance or credit derivatives and accepting risks that have low impact and probability of occurrence.

Risks are defined, measured, reported and managed in compliance with the policies and national and international standards. In this respect, not only legal limits but also in-bank limits are considered. Up-to-dateness and compliance of the limits are monitored regularly. Credit risk mitigation policies are determined and approved by the Board of Directors. Besides, possible risks are considered by following the changes in the market and economic conditions.

Risk management system and organization have been formed in compliance with the Regulation of Internal Systems.

VII. Segment reporting

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

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

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

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

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	1,566,945	2,129,581	786,661	7,564	4,490,751
<i>Interest income from loans</i>	<i>1,566,945</i>	<i>2,129,581</i>	-	-	<i>3,696,526</i>
<i>Interest income from securities portfolio</i>	-	-	<i>784,342</i>	-	<i>784,342</i>
<i>Interest income from banks</i>	-	-	<i>1,827</i>	-	<i>1,827</i>
<i>Interest income from money market transactions</i>	-	-	<i>492</i>	-	<i>492</i>
<i>Other interest income</i>	-	-	-	<i>7,564</i>	<i>7,564</i>
Interest Expense	632,897	875,382	298,075	84,142	1,890,496
<i>Interest expense on deposits</i>	<i>632,897</i>	<i>875,382</i>	-	-	<i>1,508,279</i>
<i>Interest expense on funds borrowed</i>	-	-	<i>59,707</i>	-	<i>59,707</i>
<i>Interest expense on money market transactions</i>	-	-	<i>132,933</i>	-	<i>132,933</i>
<i>Interest expense on securities issued</i>	-	-	<i>105,435</i>	-	<i>105,435</i>
<i>Other interest expenses</i>	-	-	-	<i>84,142</i>	<i>84,142</i>
Net Interest Income	934,048	1,254,199	488,586	(76,578)	2,600,255
Net Fees and Commissions Income	186,737	194,386	-	-	381,123
Trading Income/ Losses (Net)	-	-	186,847	-	186,847
Dividend Income	-	-	53,961	-	53,961
Other Income	-	-	-	347,783	347,783
Provision For Losses on Loans and Other Receivables	172,786	574,741	141,362	294,715	1,183,604
Other Expenses	-	-	-	1,231,383	1,231,383
Profit Before Taxes	947,999	873,844	588,032	(1,254,893)	1,154,982
Provision for taxes	-	-	-	(250,241)	(250,241)
Net Profit/ Loss	947,999	873,844	588,032	(1,505,134)	904,741
SEGMENT ASSETS					
Securities Portfolio	-	-	19,960,179	-	19,960,179
Derivative financial assets held for trading purpose	-	-	468,411	-	468,411
Banks and Receivables From Money Markets	-	-	1,346,456	-	1,346,456
Investments in Associates and Subsidiaries	-	-	1,331,202	-	1,331,202
Loans	28,098,829	49,308,214	-	-	77,407,043
Other Assets	-	-	13,740,623	3,633,262	17,373,885
TOTAL ASSETS	28,098,829	49,308,214	36,846,871	3,633,262	117,887,176
SEGMENT LIABILITIES					
Deposits	27,319,715	44,515,036	-	-	71,834,751
Derivative Financial Liabilities Held for Trading Purpose	-	-	136,726	-	136,726
Interbank Money Market	-	-	13,809,874	-	13,809,874
Funds Borrowed	-	-	8,661,587	-	8,661,587
Securities Issued	-	-	4,117,030	-	4,117,030
Other Liabilities	-	-	290,993	5,115,703	5,406,696
Provisions and Tax Liabilities	-	-	-	1,985,925	1,985,925
Equity	-	-	-	11,934,587	11,934,587
TOTAL LIABILITIES AND EQUITY	27,319,715	44,515,036	27,016,210	19,036,215	117,887,176

SECTION FIVE

Disclosure and Footnotes on Unconsolidated Financial Statements

I. Information and disclosures related to assets

1. Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	671,067	172,932	792,976	186,191
Central Bank of Turkey ^(*)	679,057	12,921,174	1,452,478	9,870,679
Others	23,396	12,379	4,448	20,853
Total	1,373,520	13,106,485	2,249,902	10,077,723

^(*) TL 10,512,179 (31 December 2012: TL 8,108,813) of the foreign currency deposit at Central Bank of Turkey consists of foreign currency reserve deposits.

In accordance with “Announcement on Reserve Deposits” of CBT numbered 2005/1, all banks operating in Turkey shall provide a reserve rate of 11.5% for demand deposits, and the rates decrease to 5% as maturities get longer (31 December 2012: 11% for demand deposits, and the rates decrease to 5% as maturities get longer). For foreign currency liabilities, all banks shall provide a reserve rate of 13% in US Dollar or Euro for demand and up to 1 year maturity deposits and rates decrease to 6% as maturities get longer (31 December 2012: 11.5% in US Dollar or Euro for demand and up to 1 year maturity deposits and rates decrease to 6% as maturities get longer).

Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	679,057	868,995	1,449,530	693,866
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	1,540,000	2,948	1,068,000
Reserve Deposits	-	10,512,179	-	8,108,813
Total	679,057	12,921,174	1,452,478	9,870,679

The Bank and CBT had disagreement about the reserve requirements deposited at CBT regarding the syndication loans obtained by foreign branches of the Bank. Subsequent to the decision, CBT required the Bank to provide reserve requirement for loans obtained by foreign branches, the Bank filed a claim in Ankara 15th Administrative Court for the suspension of execution and cancellation of the decision. As at 15 June 2011, the court decided on refusal of the claim with the right to appeal on State Council. CBT requested the Bank to provide additional reserves amounting to USD 384 million in average for 3.5 years period with the 4 May 2011 dated communique. In this context, the Bank has begun to provide additional reserve requirements at 27 May 2011.

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

Financial assets at fair value through profit/loss given as collateral or blocked

None.

Trading securities subject to repurchase agreements

None.

Positive differences on derivative financial assets held for trading purpose

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	26,131	549	2,063	2,047
Swap Transactions	9,225	430,526	18,318	63,277
Futures	-	-	-	-
Options	29	1,951	208	273
Others	-	-	-	-
Total	35,385	433,026	20,589	65,597

3. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	75,337	1,271,119	29,360	1,925,546
Domestic	65,329	320,588	29,360	295,752
Foreign	10,008	950,531	-	1,629,794
Foreign Head Offices and Branches	-	-	-	-
Total	75,337	1,271,119	29,360	1,925,546

4. Information on available-for-sale financial assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	434,132	182,065	6,226	184,493
Others	-	-	-	-
Total	434,132	182,065	6,226	184,493

Available-for-sale financial assets subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	9,992,884	-	4,504,521	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	2,971,040	-	3,292,531
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Total	9,992,884	2,971,040	4,504,521	3,292,531

Information on available-for-sale financial assets

	Current Period	Prior Period
Debt securities	17,114,820	14,213,040
Quoted	17,114,820	14,213,040
Unquoted	-	-
Equity securities	10,750	10,750
Quoted	-	-
Unquoted	10,750	10,750
Provision for impairment on available-for-sale financial assets (-)	455,204	96,267
Total	16,670,366	14,127,523

5. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders	-	34,968	-	37,919
Legal entities	-	34,968	-	37,919
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	74,291	-	68,559	-
Total	74,291	34,968	68,559	37,919

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

Cash Loans	Standard loans and other receivables			Loans and other receivables under close monitoring		
	Loans and other receivables	Agreement conditions modified		Loans and other receivables	Agreement conditions modified	
		Payment plan extensions	Other		Payment plan extensions	Other
Non-specialized loans	73,842,630	187,233	-	2,726,596	369,090	-
Loans given to enterprises	19,045,793	106,116	-	971,643	156,637	-
Export loans	3,393,947	20,268	-	66,025	11,987	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	1,108,267	-	-	173	-	-
Consumer loans	23,874,387	40,437	-	968,840	131,428	-
Credit cards	3,736,773	-	-	175,194	7,172	-
Other	22,683,463	20,412	-	544,721	61,866	-
Specialized lending	12,469	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	73,855,099	187,233	-	2,726,596	369,090	-

Information related to the changes in the payment plans of loans and other receivables:

Number of modifications to extend payment plans	Standard Loans and Other Receivables (*)	Loans and other receivables under close monitoring (*)
Extended for 1 or 2 times	187,233	188,558
Extended for 3,4 or 5 times	-	-
Extended for more than 5 times	-	-
Extended period of time	Standard Loans and Other Receivables (*)	Loans and other receivables under close monitoring (*)
0-6 Months	3,250	110
6 Ay- 12 Months	4,162	1,001
1-2 Years	37,575	8,827
2-5 Years	141,561	173,910
5 Years and Over	685	4,710

(*) The above tables include the change in the payment plans of loans and other receivables after 28 May 2011.

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	340,822	23,731,408	24,072,230
Housing Loans	7,001	11,998,934	12,005,935
Automobile Loans	5,913	550,589	556,502
General Purpose Loans	281,911	8,555,065	8,836,976
Other	45,997	2,626,820	2,672,817
Consumer Loans – FC indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Retail Credit Cards – TL	2,961,066	3,170	2,964,236
With Installment	1,637,048	3,170	1,640,218
Without Installment	1,324,018	-	1,324,018
Retail Credit Cards – FC	1,527	-	1,527
With Installment	-	-	-
Without Installment	1,527	-	1,527
Personnel Loans – TL	1,747	31,335	33,082
Housing Loan	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	1,723	31,335	33,058
Other	24	-	24
Personnel Loans – FC indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	41,052	-	41,052
With Installment	20,470	-	20,470
Without Installment	20,582	-	20,582
Personnel Credit Cards – FC	157	-	157
With Installment	-	-	-
Without Installment	157	-	157
Overdraft Checking Accounts – TL (Real persons)	909,700	-	909,700
Overdraft Checking Accounts – FC (Real persons)	80	-	80
Total	4,256,151	23,765,913	28,022,064

Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	679,571	13,605,983	14,285,554
Real Estate Loans	197	200,395	200,592
Automobile Loans	24,945	1,414,814	1,439,759
General Purpose Loans	654,429	11,990,774	12,645,203
Other	-	-	-
Installment-based Commercial Loans – FC indexed	15,573	646,396	661,969
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	15,573	646,396	661,969
Other	-	-	-
Installment-based Commercial Loans – FC	4,606	1,682,264	1,686,870
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	4,606	1,682,264	1,686,870
Corporate Credit Cards – TL	912,157	10	912,167
With Installment	519,770	10	519,780
Without Installment	392,387	-	392,387
Corporate Credit Cards – FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Checking Accounts – TL (Corporate)	522,846	-	522,846
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	2,134,753	15,934,653	18,069,406

Allocation of domestic and overseas loans

	Current Period	Prior Period
Domestic Loans	77,037,739	67,761,778
Overseas Loans	100,279	105,867
Total	77,138,018	67,867,645

Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Loans Provided to the Subsidiaries and Associates	57,306	111,074
Indirect Loans Provided to the Subsidiaries and Associates	-	-
Total	57,306	111,074

Specific provisions for loans

	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	67,258	66,348
Loans and Receivables with Doubtful Collectibility	728,457	519,461
Uncollectible Loans and Receivables	2,160,312	1,873,760
Total	2,956,027	2,459,569

Information on non-performing loans (Net)

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period	47,474	88,499	58,946
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	47,474	88,499	58,946
Prior period	37,448	55,374	67,590
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	37,448	55,374	67,590

Movements in non-performing loan groups

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balance at the beginning of the period	331,742	519,461	1,873,760
Additions (+)	790,465	22,931	5,219
Transfers from other categories of loans under follow-up (+) ^(*)	-	678,984	389,041
Transfers to other categories of loans under follow-up (-) ^(*)	684,401	424,651	23,005
Collections (-)	101,523	68,268	84,703
Write-offs (-)	-	-	-
<i>Corporate and commercial loans</i>	-	-	-
<i>Retail loans</i>	-	-	-
<i>Credit cards</i>	-	-	-
<i>Others</i>	-	-	-
Differences from corrections according to exchange rates	-	-	-
Balance at the end of the period	336,283	728,457	2,160,312
Specific provision (-)	67,258	728,457	2,160,312
Balance, net	269,025	-	-

(*) Loans that are transferred from restructured loans to non-performing loans and from non-performing loans to restructured loans are presented in the Transfers from and to other categories of loans under follow-up lines.

Uncollectible loans and receivables are collected by liquidation of collaterals and legal follow-up.

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balance at the end of the period	593	36,632	269,454
Specific provision (-)	119	36,632	269,454
Net balance on balance sheet	474	-	-
Prior Period			
Balance at the end of the period	11,163	13,737	261,851
Specific provision (-)	2,233	13,737	261,851
Net balance on balance sheet	8,930	-	-

Non-performing foreign currency denominated loans are followed in TL accounts.

Loan customer concentration of non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)	269,025	-	-
Consumer and Commercial Loans (Gross)	332,962	719,664	2,117,039
Specific Provision (-)	66,594	719,664	2,117,039
Consumer and Commercial Loans (Net)	266,368	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	3,321	8,793	41,722
Specific Provision (-)	664	8,793	41,722
Other Loans and Receivables (Net)	2,657	-	-
Prior Period (Net)	265,394	-	-
Consumer and Commercial Loans (Gross)	328,992	514,666	1,834,895
Specific Provision (-)	65,798	514,666	1,834,895
Consumer and Commercial Loans (Net)	263,194	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	2,750	4,795	37,314
Specific Provision (-)	550	4,795	37,314
Other Loans and Receivables (Net)	2,200	-	-

6. Information on held-to-maturity investments

Held-to-maturity debt securities issued by the governments

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	3,230,019	-	4,198,301	-
Treasury Bills	-	-	-	-
Other Securities Issued by the Governments	-	2,009	-	1,858
Total	3,230,019	2,009	4,198,301	1,858

Information on held-to-maturity investment securities

	Current Period	Prior Period
Debt Securities	3,347,475	4,324,945
Quoted at Stock Exchanges	3,289,690	4,271,498
Unquoted at Stock Exchanges	57,785	53,447
Impairment Losses (-)	57,662	71,339
Total	3,289,813	4,253,606

The movement table of the held-to-maturity investments

	Current Period	Prior Period
Balances at the beginning of the period	4,253,606	5,971,527
Foreign currency differences on monetary assets	23,745	(114,082)
Purchases during the period	74,100	210,825
Transfers to available for sale portfolio ^(*)	-	(1,474,294)
Disposals through sales/redemptions	(1,061,687)	(275,294)
Impairment losses	13,677	(29,209)
Change in amortized costs of the securities ^(**)	(13,628)	(35,867)
Balances at the end of the period	3,289,813	4,253,606

^(*) In the scope of “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” which is effective from 1 July 2012, the credit risk weight of foreign currency denominated debt securities has changed and therefore these securities have been reclassified according to the related standard. The Bank reclassified certain investment securities that were previously classified in held-to-maturity portfolio with total face value of USD 706,011,000 (full U.S. dollar) ve EUR 60,002,000 (full EURO) to its available-for-sale investment securities portfolio. The securities reclassified from held-to-maturity portfolio with amortized cost of TL 1,422,452 and fair value of TL 1,733,819 in total to available-for-sale investment securities portfolio as at the reclassification date.

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

Information on held-to-maturity investments

	Cost		Carrying Value	
	TL	FC	TL	FC
Current Period				
Collateralized/blocked investment securities	508,816	57,750	501,413	57,785
Investments subject to repurchase agreements	2,441,450	-	2,483,575	-
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others ^(*)	247,908	1,925	245,031	2,009
Total	3,198,174	59,675	3,230,019	59,794

	Cost		Carrying Value	
	TL	FC	TL	FC
Prior Period				
Collateralized/blocked investment securities	730,596	53,400	733,880	53,447
Investments subject to repurchase agreements	2,148,261	-	2,184,752	-
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others ^(*)	1,287,654	1,780	1,279,669	1,858
Total	4,166,511	55,180	4,198,301	55,305

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

7. Information on investments in associates

Information on investments in associates

Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1 Kıbrıs Vakıflar Bankası Ltd. (*)	Lefkosa/NCTR	15.00	15.00
2 Türkiye Sınai Kalkınma Bankası AŞ (*)	İstanbul/Turkey	8.38	8.38
3 Roketsan Roket Sanayi ve Ticaret AŞ (*)	Ankara/Turkey	9.93	9.93
4 Bankalararası Kart Merkezi AŞ (*)	İstanbul/Turkey	9.70	9.70
5 Kredi Kayıt Bürosu AŞ (*)	İstanbul/Turkey	9.09	9.09
6 Güçbirliği Holding AŞ (*)	İzmir/Turkey	0.07	0.07
7 İzmir Enternasyonal Otelcilik AŞ	İstanbul/Turkey	5.00	5.00
8 İstanbul Takas ve Saklama Bankası AŞ (*)	İstanbul/Turkey	4.86	5.28
9 Kredi Garanti Fonu AŞ (*)	Ankara/Turkey	1.75	1.75
10 World Vakıf UBB Ltd. (*)	Lefkosa/NCTR	82.00	85.24

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	729,813	60,396	9,314	15,375	1,111	733	2,904	-
2	11,072,490	1,921,563	242,591	92,244	62,845	93,732	87,216	2,743,126
3	1,857,170	422,464	266,204	8,664	-	11,213	16,363	-
4	27,080	19,881	14,819	142	13	282	2,485	-
5	84,370	56,141	46,387	509	-	5,365	7,881	-
6	128,178	5,869	89,610	91	-	(1,259)	1,066	-
7	100,492	30,755	95,061	-	-	(6,107)	2,616	-
8	3,501,964	343,248	18,832	20,970	-	15,338	13,489	-
9	267,347	263,124	3,790	2,137	-	2,148	1,927	-
10	1,485	(35,124)	-	1	-	(898)	(856)	-

(*) The financial statements for these associates as at and for the period ended 31 March 2013 are presented.

Movement table of investments in associates

	Current Period	Prior Period
Balance at the beginning of the period	398,063	219,527
Movements during the period	(143,229)	178,536
Transfers	(155,712)	-
Acquisitions and capital increases	8,745	1,211
Bonus shares received	25,500	26,514
Income/loss from investments under equity accounting	-	-
Sales and liquidations	-	-
Fair value changes	(21,762)	150,811
Impairment losses	-	-
Balance at the end of the period	254,834	398,063
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

Vakıf Gayrimenkul Yatırım Ortaklığı AŞ and Vakıf B Tipi Menkul Kıymetler Yatırım Ortaklığı AŞ that were accounted as investments in associates in 2012 have been classified as subsidiary beginning from 1 January 2013 and presented in the transfers in movement table of investments in associates.

Roketsan Roket Sanayi ve Ticaret AŞ, a subsidiary of the Bank, has merged with its subsidiary Tapasan-Hassas Mekanik ve Elektronik Sanayi ve Ticaret AŞ, with dissolution of Tapasan-Hassas Mekanik ve Elektronik Sanayi ve Ticaret AŞ without liquidation. The merge has been registered in trade registry gazette on 29 June 2012. With the merger, the share of the Bank has increased by TL 4 from TL 14,600 to TL 14,604 and the ownership ratio of the Bank has decreased from 10.00% to 9.93% due to two new shareholders from Tapasan-Hassas Mekanik ve Elektronik Sanayi ve Ticaret AŞ.

As per 5 April 2012 dated and 4686 numbered decision of the BRSA, Kredi Kayıt Bürosu AŞ and Bankalararası Kart Merkezi AŞ has been classified as non-financial subsidiaries. Based on this decision, Kredi Kayıt Bürosu AŞ ve Bankalararası Kart Merkezi have been transferred to "Other Business Enterprises" account from "Other financial investments" account.

The name of World Vakıf Off Shore Banking Ltd, a subsidiary of the Bank, was changed as World Vakıf UBB. Ltd. on 4 February 2009. Pursuant to the 4 March 2010 dated and 764 numbered decision of Board of Directors of Central Bank of Turkish Republic of Northern Cyprus, the official authorisation of World Vakıf UBB Ltd., operating in NCTR, is abrogated due to incompliance with the 7th and 9th articles of 41/2008 numbered Law of International Banking Units. According to 24 May 2010 dated decision of the Nicosia Local Court, World Vakıf UBB Ltd. will be liquidated and NCTR Company Registrar is appointed to carry out liquidation process. Due to loss of control over Company, World Vakıf UBB Ltd. has been reclassified "Investments in associates".

Sectoral distribution of investments in financial associates

	Current Period	Prior Period
Banks	239,223	226,740
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other associates	4,211	159,923
Total	243,434	386,663

Quoted associates

	Current Period	Prior Period
Quoted at domestic stock exchanges	206,432	367,151
Quoted at international stock exchanges	-	-
Total	206,432	367,151

Investments in associates disposed during the period

There is not any associate disposed in the current period.

Investments in associates acquired during the period

There is not any associate acquired in the current period.

In the current period, the capital of İstanbul Takas ve Saklama Bankası, an associate of the Bank, has been increased from TL 60,000 to TL 420,000, TL 180,000 is paid from its own resources and TL 180,000 is paid in cash amounting to TL 360,000 in total. The share of the Bank amounting to TL 8,475 is presented as bonus shares received and TL 8,475 is presented as acquisitions and capital increases in the movement table of investments in associates.

In the current period, subsequent to the approval of the decision to increase the paid-in capital of Türkiye Sınai Kalkınma Bankası AŞ, an associate of the Bank, from TL 1,100,000 to TL 1,300,000, by the General Assembly of the Company, the share of the Bank amounting to TL 16,755 is presented in the movement table of investments in associates as bonus shares received.

Per General Assembly of the Kredi Garanti Fonu an associate of the Bank held on 30 May 2012, the decision for merger of Türk Ekonomi Bankası AŞ and Fortisbank AŞ has taken. Due to this merger, the shares of the Fortisbank have been transferred to Türk Ekonomi Bankası AŞ hence the principle of equality in partnership between banks has been invalidated. In result, the shares are decided to be distributed equally between banks. The TL 211 which is the amount corresponding to Bank share has been paid in the current year and presented in “purchases during the period” line in the movement table of associates. Accordingly with the addition of TL 211 the share of the Bank has increased to TL 4,211 and shareholder ratio increased to 1.75%.

In year 2012, the Bank has paid its capital commitment amounting to TL 1,000 to Kredi Garanti Fonu AŞ, related to funding requirement of the associate. The paid amount is presented as acquisitions in movement table of investments in associates.

In year 2012, subsequent to the approval of the decision to increase the paid-in capital of Türkiye Sınai Kalkınma Bankası AŞ, an associate of the Bank, from TL 800,000 to TL 1,100,000, by the General Assembly of the Company, the share of the Bank amounting to TL 25,132 is presented in the movement table of investments in associates as bonus shares received.

In year 2012, the capital of of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, an associate of the Bank, has been increased by TL 5,000 from TL 100,000 to TL 105,000. The share of the Bank amounting to TL 1,382 is presented in the movement table of investments in associates as bonus shares received.

8. Investments in subsidiaries

Information on financial subsidiaries

	Vakıfbank International AG	Vakıf Finansal Kiralama AŞ	Vakıf Yatırım Menkul Değerler AŞ	Vakıf Finans Factoring Hizm. AŞ	Güneş Sigorta AŞ	Vakıf Emeklilik AŞ	Vakıf Portföy Yönetimi AŞ	Vakıf Gayrimenkul Yat. Ort. AŞ	Vakıf B Tipi Menkul Kıyetler Yat. Ort. AŞ
Paid in Capital	57,121	60,000	35,000	22,400	150,000	26,500	3,000	105,000	15,000
Share Premium	-	-	-	-	-	-	-	9,759	19
Adjustment to paid-in capital	-	353	137	28,831	1,448	10,424	16	21,599	92
Valuation changes in marketable securities	7,177	2,548	18,450	-	108,628	459	-	-	-
Profit on sale of associates, subsidiaries and buildings	-	-	-	-	17,734	-	-	-	-
Free shares from investment and associates, subsidiaries and joint ventures (business	-	-	-	-	59	191	-	-	-
Legal Reserves	5,958	3,479	4,814	4,988	17,178	12,984	770	3,144	395
Extraordinary Reserves	-	35,542	3,788	21,999	19,246	32,856	4,063	47,630	-
Other Profit Reserves	66,024	-	2,308	-	-	-	-	-	16
Profit/Loss	88,007	4,346	5,611	11,924	(71,680)	41,294	452	7,039	(933)
<i>Prior Years' Profit/Loss</i>	83,548	5,402	698	10,281	(76,851)	34,639	-	5,903	(1,100)
<i>Current Years' Profit/Loss</i>	4,459	(1,056)	4,913	1,643	5,171	6,655	452	1,136	167
Minority Rights	-	65	-	-	-	-	-	-	-
Total Core Capital	224,287	106,333	70,108	90,142	242,613	124,708	8,301	194,171	14,589
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-	-	-	-
CAPITAL	224,287	106,333	70,108	90,142	242,613	124,708	8,301	194,171	14,589
NET AVAILABLE EQUITY	224,287	106,333	70,108	90,142	242,613	124,708	8,301	194,171	14,589

(*)The financial statements as at and for the period ended 31 March 2013 are presented.

Vakıf Yatırım Menkul Değerler AŞ, a subsidiary of the Bank, calculates capital adequacy in accordance with “Comminique on Capital and Capital Adequacy of Intermediary Firms” of CMB every six months. Güneş Sigorta AŞ ve Vakıf Emeklilik AŞ that operate in insurance business calculate capital adequacy in accordance with “Comminique on Capital Adequacy Measurement and Assessment for Insurance, Reinsurance and Pension Firms” published by Undersecretariat of Treasury every six month. According to the calculations at 30 June 2013, there is no capital requirement for the subsidiaries mentioned.

Information on investments in subsidiaries

Subsidiary	Address (City / Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1 Güneş Sigorta AŞ ^(*)	İstanbul/Turkey	36.35	36.35
2 Vakıf Emeklilik AŞ ^(*)	İstanbul/ Turkey	53.90	75.30
3 Vakıf Finans Factoring Hizmetleri AŞ ^(*)	İstanbul/ Turkey	78.39	86.97
4 Vakıf Finansal Kiralama AŞ ^(*)	İstanbul/ Turkey	58.71	64.40
5 Vakıf Yatırım Menkul Değerler AŞ ^(*)	İstanbul/ Turkey	99.00	99.44
6 Vakıfbank International AG ^(*)	Vienna/Austria	90.00	90.00
7 Vakıf Portföy Yönetimi AŞ ^(*)	İstanbul/ Turkey	99.99	99.99
8 Vakıf B Tipi Menkul Kıymetler Yatırım Ortaklığı AŞ ^(*)	İstanbul/ Turkey	11.75	21.77
9 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ ^(*)	İstanbul/ Turkey	27.63	29.47
10 Vakıf Enerji ve Madencilik AŞ ^(*)	Ankara/ Turkey	65.50	84.92
11 Taksim Otelcilik AŞ ^(*)	İstanbul/ Turkey	51.00	51.52
12 Vakıf Pazarlama Sanayi ve Ticaret AŞ ^(*)	İstanbul/ Turkey	69.33	74.98
13 Vakıf Gayrimenkul Değerleme AŞ ^(*)	Ankara/ Turkey	54.29	58.54

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Company's Fair Value
1	1,380,124	242,613	80,404	3,288	124	5,171	2,644	360,162
2	588,159	124,708	29,427	10,314	19,767	6,655	7,905	349,100
3	176,108	90,142	303	3,356	-	1,643	3,861	97,907
4	823,177	106,333	6,226	6,660	6	(1,056)	2,106	98,402
5	287,990	70,108	322	1,513	57	4,913	1,481	84,367
6	1,733,069	224,287	1,449	4,706	1,994	4,459	4,252	285,563
7	8,632	8,301	5	147	2	452	475	21,698
8	14,975	14,589	61	64	511	167	-	15,906
9	196,689	194,171	141,754	326	735	1,136	1,333	505,715
10	8,009	8,087	1,063	388	-	210	588	12,500
11	227,877	219,982	104,028	2,033	1	828	42	218,159
12	46,093	36,994	11,893	217	24	1,299	509	26,000
13	23,475	18,112	630	282	18	775	76	33,567

^(*) The financial statements for these subsidiaries as at and for the period ended 31 March 2013 are presented.

Movement table of investments in subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	912,209	644,998
Movements during the period	164,159	267,211
Transfers	155,712	-
Acquisitions and capital increases	51,626	-
Bonus shares received	3,267	7,771
Dividends from current year profit	(16,155)	(15,203)
Sales and liquidations	-	-
Fair value changes	(30,291)	274,643
Impairment losses	-	-
Balance at the end of the period	1,076,368	912,209
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

Methods to measure investments in subsidiaries

	Current Period	Prior Period
Measured at cost	-	-
Measured at fair value	1,076,368	912,209
Equity method of accounting	-	-
Total	1,076,368	912,209

Sectoral distribution of investments in financial subsidiaries

	Current Period	Prior Period
Banks	257,006	205,380
Insurance companies	289,751	311,390
Factoring companies	76,750	76,750
Leasing companies	47,533	57,773
Finance companies	-	-
Other financial subsidiaries	250,514	105,219
Total	921,554	756,512

Quoted subsidiaries

	Current Period	Prior Period
Quoted at domestic stock exchanges	309,686	180,998
Quoted at international stock exchanges	-	-
Total	309,686	180,998

Investments in subsidiaries disposed during the period

There is no disposal in subsidiaries in the current period.

Investments in subsidiaries acquired during the period

There is no subsidiary acquired in the current period.

In the current period, subsequent to the approval of the decision to increase the paid-in capital of Vakıf Finansal Kiralama AŞ, a subsidiary of the Bank, from TL 60,000 to TL 65,000, by the General Assembly of the company, the share of the Bank amounting to TL 2,936 is presented as bonus shares received in the movement table of investments in subsidiaries.

In the current period, subsequent to the approval of the decision to increase the paid-in capital of Vakıf International AG, a subsidiary of the Bank, from EUR 45,000 (in thousands) to EUR 70,000 (in thousands), by the General Assembly of the company, the share of the Bank amounting to TL 51,626 is presented in acquisitions and capital increases in the movement table of investments in subsidiaries.

In the current period, subsequent to approval of the decision to increase the paid-in capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, a subsidiary of the Bank, from TL 105,000 to TL 106,200, by the General Assembly of the company, the share of the Bank amounting to TL 331 is presented as bonus shares received in movement table of investments in subsidiaries.

In year 2012, subsequent to the approval of the decision to increase the paid-in capital of Vakıf Finansal Kiralama AŞ, a subsidiary of the Bank, from TL 50,000 to TL 60,000, by the General Assembly of the company, the share of the Bank amounting to TL 5,871 is presented as bonus shares received in the movement table of investments in subsidiaries.

Vakıf Gayrimenkul Yatırım Ortaklığı AŞ and Vakıf B Tipi Menkul Kıymetler Yatırım Ortaklığı AŞ that were accounted as investments in associate in 2012 have been classified as subsidiary beginning from 1 January 2013 and presented in the transfers in movement table of investments in subsidiary.

In year 2012, subsequent to approval of the decision to increase the paid-in capital of Vakıf Gayrimenkul Değerleme AŞ, a subsidiary of the Bank, from TL 3,500 to TL 7,000 through bonus issuance, the share of the Bank amounting to TL 1,900 is presented in bonus shares received line in movement table of investments in subsidiaries.

9. Investments in joint-ventures

None.

10. Information on finance lease receivables (net)

None.

11. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

12. Information on investment properties

None.

13. Information on deferred tax assets

a) Current tax assets

As at 30 June 2013 prepaid taxes amount to TL 140,802, after deducting the corporate tax provision amounted to TL 134,866, the current tax assets amounts to TL 5,936.

As at 30 June 2013 and 31 December 2012, items generating deferred tax assets or liabilities are listed below:

	Current period	Prior Period
<i>Deferred tax assets:</i>	190,179	180,592
Provision for employee termination benefits and unused vacations	62,316	58,516
Other provisions	53,002	39,137
Valuation differences of associates and subsidiaries	23,456	23,456
BRSA - Tax Code depreciation differences	12,547	12,997
Valuation differences of financial assets and liabilities	37,019	44,771
Others	1,839	1,715
<i>Deferred tax liabilities:</i>	(157,217)	(60,967)
Valuation differences of financial assets and liabilities	(124,145)	(25,130)
Valuation differences of associates and subsidiaries	(33,072)	(35,837)
Deferred tax assets, net	32,962	119,625

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

None.

15. Information on other assets

As at 30 June 2013 and 31 December 2012 other assets are as follows:

	Current period	Prior Period
Guarantees given for derivative financial instruments	30,944	134,520
Receivables from term sale of assets	109,448	47,410
Guarantees given for repurchase agreements	443,294	9,707
Receivables from credit card payments	459,352	387,146
Prepaid expenses	501,939	408,984
Others	58,454	63,400
Total	1,603,431	1,051,167

II. Information and disclosures related to liabilities

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	2,762,612	-	310,115	13,105,870	2,059,716	669,434	127,630	-	19,035,377
Foreign Currency Deposits	1,585,723	-	1,551,156	8,623,501	2,034,251	654,465	1,866,798	-	16,315,894
Residents in Turkey	1,357,552	-	1,549,047	8,466,718	1,922,610	529,297	830,673	-	14,655,897
Residents in Abroad	228,171	-	2,109	156,783	111,641	125,168	1,036,125	-	1,659,997
Public Sector Deposits	2,707,925	-	1,608,393	6,929,286	683,487	327,503	24,171	-	12,280,765
Commercial Deposits	1,589,796	-	3,132,359	6,018,438	1,512,008	965,464	109,704	-	13,327,769
Others	2,554,617	-	711,073	1,891,934	625,028	664,195	17,355	-	6,464,202
Precious Metal Deposits	974,013	-	-	-	-	-	-	-	974,013
Bank Deposits	65,716	-	1,414,854	895,723	983,481	68,513	8,444	-	3,436,731
Central Bank	288	-	-	-	-	-	-	-	288
Domestic Banks	10,256	-	1,227,761	540,155	316,803	68,513	8,444	-	2,171,932
Foreign Banks	50,183	-	187,093	355,568	666,678	-	-	-	1,259,522
Participation Banks	4,989	-	-	-	-	-	-	-	4,989
Others	-	-	-	-	-	-	-	-	-
Total	12,240,402	-	8,727,950	37,464,752	7,897,971	3,349,574	2,154,102	-	71,834,751

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	2,046,323	-	280,169	12,493,455	2,056,054	99,207	115,769	-	17,090,977
Foreign Currency Deposits	1,748,379	-	1,410,188	8,112,958	1,389,304	532,208	1,601,869	-	14,794,906
Residents in Turkey	1,528,353	-	1,406,846	8,019,490	1,295,488	408,496	714,272	-	13,372,945
Residents in Abroad	220,026	-	3,342	93,468	93,816	123,712	887,597	-	1,421,961
Public Sector Deposits	2,706,233	-	2,065,023	6,205,313	709,706	19,216	14,654	-	11,720,145
Commercial Deposits	1,300,349	-	2,739,050	4,236,959	2,504,010	463,272	4,181	-	11,247,821
Others	2,293,689	-	2,211,287	1,894,945	953,617	60,847	14,195	-	7,428,580
Precious Metal Deposits	802,249	-	-	-	-	-	-	-	802,249
Bank Deposits	13,100	-	2,715,702	676,552	385,456	356,339	10,463	-	4,157,612
Central Bank	402	-	-	-	-	-	-	-	402
Domestic Banks	689	-	2,459,111	491,591	149,017	-	10,463	-	3,110,871
Foreign Banks	5,384	-	256,591	184,961	236,439	356,339	-	-	1,039,714
Participation Banks	6,625	-	-	-	-	-	-	-	6,625
Others	-	-	-	-	-	-	-	-	-
Total	10,910,322	-	11,421,419	33,620,182	7,998,147	1,531,089	1,761,131	-	67,242,290

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	9,939,282	7,156,786	9,096,095	9,934,191
Foreign Currency Saving Deposits	3,037,829	2,158,935	5,246,509	5,755,729
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	12,977,111	9,315,721	14,342,604	15,689,920

Saving deposits out of insurance coverage limits

	Current Period	Prior Period
Deposits and other accounts at foreign branches	18,664	14,724
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	2,554	2,352
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9/2004	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	-	-

2. Information on derivative financial liabilities held for trading purpose

Negative differences related to the derivative financial liabilities held for trading purpose

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	25,297	514	2,134	2,063
Swap Transactions	12,241	96,759	4,853	190,187
Futures	-	-	-	-
Options	27	1,888	178	277
Others	-	-	-	-
Total	37,565	99,161	7,165	192,527

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Bank and Institutions	96,795	84,818	86,974	201,248
Foreign Banks, Institutions and Funds	-	8,479,974	-	7,187,261
Total	96,795	8,564,792	86,974	7,388,509

Maturity information of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short-term (*)	70,497	5,028,967	68,245	4,257,409
Medium and Long term (*)	26,298	3,535,825	18,729	3,131,100
Total	96,795	8,564,792	86,974	7,388,509

(*) Maturity profile of funds borrowed is prepared in accordance to their original maturities.

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for 8.18% (31 December 2012: 8.07%) of the Bank's liabilities. There is no risk concentration on funding sources of the Bank.

On 1 September 2010, the Bank obtained a syndication loan at the amount of US Dollar 135 million with interest rate of Libor + 1.30% and Euro 408 million with interest rate of Euribor + 1.30% at 1 year maturity; and syndication loan at the amount of US Dollar 10 million with interest rate of Libor + 1.75% and Euro 45 million with interest rates of Euribor + 1.75% at 2 years maturity with the participation of 32 banks under the coordination of West LB AG. The Bank has repaid the part of the loan with one year maturity on 6 September 2011. On 6 September 2011, repayment of loan's one year maturity segments was realized. On 31 August 2012, two years maturity segments were paid off.

This loan has been renewed with a syndicated loan at the amount of US Dollar 145 million and Euro 433 million with interest rates of US Libor + 1.00 % and Euribor + 1.00 % at a maturity of one year, with the participation of 26 banks under the coordination of ING Bank NV on 7 September 2011. The syndicated loan's repayment was realized on 10 September 2012. This loan has been renewed with a syndicated loan at the amount of USD 151 million and EURO 444.5 million with the interest rate of US Libor + 1.35% and Euribor + 1.35% at a maturity of one year, with the participation of 24 banks with the coordination and agency of INGBank N.V. on 18 September 2012.

On 28 March 2011, the Bank has obtained syndication loan of USD 192.5 million and Euro 573.5 million with one year maturity at the cost Libor + 1.10% for USD and Euribor + 1.10% for EUR, with the participation of 34 banks under the coordination of West LB AG, the loan was repaid on 29 March 2012. This loan has been renewed with a syndicated loan at the amount of US Dollar 152 million and Euro 586.7 million with interest rates of US Libor + 1.45 % and Euribor + 1.45 % at a maturity of one year, with the participation of 41 banks under the coordination of Wells Fargo Bank NA on 10 April 2012. Repayment of the loan obtained on 10 April 2012 was realized on 12 April 2013. This loan has been renewed with a syndicated loan amounting to US Dollar 251.5 million and Euro 555.17 million with interest rates of US Libor + 1.00 % and Euribor + 1.00 % at a maturity of one year, with the participation of 38 banks, Sumitomo Mitsui Banking Corporation and Brussels Branch acting as agent banks and under the coordination of Bank of America Merrill Lynch on 11 April 2013.

Information on securities issued

On 27 November 2012, the Bank has issued discounted bond with nominal value of TL 150,000 and 346 days maturity. The nominal value of the bond is determined as TL 53,373 with respect to book-building process. As at 30 June 2013, the carrying amount of the related bond is TL 52,123.

On 24 April 2012, the Bank has issued the bond with a nominal value of USD 500 million and with the maturity date of 24 April 2017. 36% of the bond has been sold in Europe, 27% in the United States, 27% in England, 10% in Asia and the Middle East. Furthermore, with respect to purchaser parties 64% of the bond was purchased by fund managers, 18% was purchased by banks, 14% by private banks and 4% by insurance and pension funds. As of 30 June 2013, the carrying amount of the bond is TL 964,623.

On 18 January 2013, the Bank has issued discounted bonds with nominal values of TL 600,000 and with 168 days maturity and TL 150,000 and 364 days maturity. The nominal values of the bonds were determined as TL 734,314 and TL 150,000 with respect to the book-building process. As at 30 June 2013, the carrying amounts of the related bonds are TL 733,651 and TL 136,912.

On 15 March 2013, the Bank has issued a bond with nominal value of TL 310,000 and with 175 days maturity. As at 30 June 2013, the carrying amount of the bond is TL 306,649.

In the framework of GMTN (Global Medium Term Notes) program, Bank has issued bond that will be sold in abroad with a nominal value of US dollar 600 million, with return rate of 3.87% and coupon rate of 3.75%, 15 April 2018 maturity date (5 years of maturity with once every six months payment). As at 15 April 2013, issue value of the bond has been transferred to the Bank's accounts. As at 30 June 2013, the carrying amount of the bond is TL 1,157,784.

In the framework of GMTN program, Bank has issued bonds with nominal values of EUR 10 million and CHF 12 million. As at 30 June 2013, the carrying amounts of the bonds are TL 23,616 and TL 25,070 respectively.

On 17 May 2013, the Bank has issued discounted bonds with nominal values of TL 600,000 and with 175 days maturity and TL 150,000 and 364 days maturity. The nominal values of the bonds were determined as TL 684,412 and TL 65,588 with respect to the book-building process. As at 30 June 2013, the carrying amounts of the related bonds are TL 655,079 and TL 61,523.

On 31 January 2012, the Bank has issued discounted bonds with a nominal value of TL 1,000,000 and 178 days maturity. The bond has matured as at 27 July 2012.

On 1 June 2012, the Bank has issued discounted bonds with a nominal value of TL 500,000 and 179 days maturity. The bond has matured as at 27 September 2012.

On 27 July 2012, the Bank has issued discounted bond with a nominal value of TL 500,000 and with 175 days maturity. The bond has matured as at 18 January 2013.

On 21 September 2012, the Bank has issued discounted bonds with nominal values of TL 200,000 and 175 days maturity, TL 100,000 and 91 days maturity. The bonds have matured as at 15 March 2013 and 21 December 2012.

On 27 November 2012, the Bank has issued discounted bond with a nominal value of TL 400,000 and with 171 days maturity. The bond has matured as at 17 May 2013.

On 27 July 2012, the Bank has issued discounted bond with a nominal value of TL 200,000 and with 318 days maturity. The bond has matured as at 10 June 2013.

On 1 June 2012, the Bank has issued floating-rate bond with monthly coupon payment with a nominal value of TL 200,000 and 374 days maturity. The bond has matured as at 10 June 2013.

On 18 January 2013, the Bank has issued discounted bond with a nominal value of TL 250,000 and with 318 days maturity. The bond has matured as at 10 June 2013.

4. Components of “other external resources payable” in the financials that comprise at least 20% of the account, if the account exceeds 10% of total liabilities and equity excluding off-balance sheet commitments

Other external resources payable in the financials does not exceed 10% of total liabilities and equity.

5. Information on lease payables (net)

Obligations under finance leases

None.

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

Negative fair values of hedging purpose derivatives

None.

7. Information on provisions

Information on general provisions

	Current Period	Prior period
Provisions for loans and receivables in Group I	967,042	786,341
-Additional provision for loans with extended payment plans	8,298	7,033
Provisions for loans and receivables in Group II	89,170	112,769
-Additional provision for loans with extended payment plans	5,415	9,331
Provisions for non-cash loans	63,969	53,713
Others	3,808	3,236
Total	1,123,989	956,059

Provision for currency exchange loss on foreign currency indexed loans

	Current Period	Prior Period
Provision for currency exchange gain/loss on foreign currency indexed loans	8,854	16,623

The Bank has recorded provision amounting to TL 8,854 (31 December 2012: TL 16,623) for foreign exchange losses on principal amounts of foreign currency indexed loans and reflected the related foreign exchange loss amount in the financial statements by offsetting from related loans.

Provisions for non-cash loans that are not indemnified or converted into cash

As of 30 June 2013, Bank has recorded TL 45,094 (31 December 2012: TL 36,173) as provisions for non-cash loans that are not indemnified or converted into cash.

Information on other provisions

As of 30 June 2013 the Bank has recorded 5% (31 December 2012: 5%) provision for possible loan losses. Certain amount of this provision has been recognized under general provisions, and remaining TL 74,925 (31 December 2012: TL 92,887) has been recorded as provisions for miscellaneous risks under other provisions in the accompanying financial statements.

Information on other provisions exceeding 10% of total provisions

	Current Period	Prior period
Provision for loans under follow-up	74,925	92,887
Provision for Competition Authority penalty(*)	61,630	-
Specific provisions for non-cash loans	45,094	36,173
Provision for World Vakıf UBB Ltd with regard to its negative equity	32,325	28,329
Provisions for lawsuits against the Bank	14,673	14,673
Provision for cheques	13,132	7,021
Provisions for credit card promotions	9,197	8,571
Other provisions	59,470	39,850
Total	310,446	227,504

(*)There has been an investigation to determine whether there has been a breach of 4054 numbered Competition Protection Law through performing concerted actions about deposits, loans and credit card services and it has been decided to impose a penalty amounting to TL 82,173 to the Bank. The related penalty shall be paid at a rate of ¾ amounting to TL 61,630 in 30 days following the notification, in accordance with the prevailing laws and regulations. As at 30 June 2013, the Bank has set aside provision for the mentioned penalty amounting to TL 61,630 in the accompanying unconsolidated financial statements.

8. Taxation

Current taxes

Information on taxes payable

	Current Year	Prior Year
Corporate taxes payable	-	168,792
Taxation on securities	59,086	94,433
Capital gains tax on property	1,832	1,568
Taxes on foreign exchange transactions	-	-
Banking and Insurance Transaction Tax (BITT)	38,082	39,325
Value added tax payable	1,177	2,103
Others	16,471	14,648
Total	116,648	320,869

Information on premiums payable

	Current Year	Prior Year
Social security premiums- employee share	-	-
Social security premiums- employer share	-	-
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	596	495
Unemployment insurance- employer share	1,193	989
Other	-	-
Total	1,789	1,484

Information on deferred tax liabilities

Disclosed in Note 13 of information and disclosures related to assets.

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

None.

10. Information on subordinated loans

The Parent Bank has issued bond having the secondary subordinated debt quality to be sold non-resident natural and legal persons. The bond has been issued at the nominal value of USD 500 million, with maturity of 10 years and 6.0% coupon rate.

In addition to the issuance of the bond having the secondary subordinated debt realized on 1 November 2012, the Parent Bank has realized second tranche in issuance of the bond having the secondary subordinated debt quality to be sold in foreign bond markets at 3 December 2012. The bond has been issued at nominal value of USD 400 million, has the same maturity with previous bond and 5.5% coupon rate.

The Parent Bank has obtained written permission of the BRSA for accounting these bonds as secondary subordinated debt and accordingly considering in the calculation of supplementary capital in compliance with the “Regulation on Capitals of the Banks” published on “ November 2006 dated and 26333 numbered Official Gazette.

11. Information on equity

Paid-in capital

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

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

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

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

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

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

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

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

Information on share capital increases from revaluation funds

None.

Capital commitments for current financial year and following period

None.

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

None.

Information on the privileges given to stocks representing the capital

None.

Valuation differences of the marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	529,668	96,618	595,111	96,618
Fair value differences of available-for-sale securities	(202,603)	214,208	196,422	542,552
Foreign exchange differences	19,270	-	19,270	-
Total	346,335	310,826	810,803	639,170

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

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Period	Prior period
Commitments for credit card limits	5,870,463	4,938,035
Loan granting commitments	6,052,368	4,950,300
Commitments for cheque payments	1,307,654	1,154,273
Asset purchase sale commitments	1,213,265	1,694,352
Share capital commitments to associates and subsidiaries	-	-
Other	320,994	344,648
Total	14,764,744	13,081,608

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

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

The Bank provided specific provision amounting to TL 45,094 (31 December 2012: TL 36,173) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 96,396 (31 December 2012: TL 82,825).

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional letters of guarantee	793,063	563,770
Final letters of guarantee	5,383,869	4,468,018
Letters of guarantee for advances	2,413,480	2,269,159
Letters of guarantee given to custom offices	376,895	379,638
Other letters of guarantee	6,967,819	4,951,533
Total	15,935,126	12,632,118

2. Non-cash loans

	Current Period	Prior Period
Non-cash loans given for cash loan risks	1,202,745	1,061,650
<i>With original maturity of 1 year or less</i>	686,410	582,779
<i>With original maturity of more than 1 year</i>	516,335	478,871
Other non-cash loans	19,600,277	16,155,097
Total	20,803,022	17,216,747

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	80,211	0.62	146,720	1.87	92,687	0.88	84,945	1.27
Farming and Cattle	71,924	0.56	144,582	1.84	81,708	0.78	82,840	1.24
Forestry	6,716	0.05	-	-	9,635	0.09	72	0.00
Fishing	1,571	0.01	2,138	0.03	1,344	0.01	2,033	0.03
Manufacturing	5,338,681	41.26	3,645,439	46.36	4,280,981	40.62	3,512,758	52.62
Mining	79,678	0.62	29,020	0.37	77,796	0.74	36,845	0.55
Production	3,046,677	23.54	3,426,705	43.58	2,844,747	26.99	3,313,737	49.64
Electric, gas and water	2,212,326	17.10	189,714	2.41	1,358,438	12.89	162,176	2.43
Construction	2,607,800	20.15	1,847,286	23.50	1,723,297	16.35	1,180,504	17.68
Services	4,625,004	35.74	1,867,648	23.75	4,039,704	38.32	1,568,703	23.50
Wholesale and retail trade	1,820,131	14.07	689,375	8.77	1,683,751	15.97	616,199	9.23
Hotel, food and beverage	86,174	0.67	17,243	0.22	60,022	0.57	10,776	0.16
Transportation and	719,412	5.56	1,034,850	13.16	506,082	4.80	666,350	9.98
Financial institutions	1,391,804	10.76	35,873	0.46	1,219,537	11.57	43,323	0.65
Real estate and renting	161,063	1.24	11,473	0.14	106,847	1.01	154,104	2.31
Self-employment services	343,466	2.65	64,030	0.81	326,272	3.10	65,459	0.98
Education services	10,942	0.08	4,068	0.05	11,853	0.11	-	-
Health and social services	92,012	0.71	10,736	0.14	125,340	1.19	12,492	0.19
Others	288,648	2.23	355,585	4.52	404,033	3.83	329,135	4.93
Total	12,940,344	100.00	7,862,678	100.00	10,540,702	100.00	6,676,045	100.00

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

Current Period	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	12,774,980	2,964,427	91,364	12,873
Confirmed Bills of Exchange and Acceptances	14,748	889,991	-	-
Letters of Credit	726	3,955,702	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	1,815	-	-
Non-Cash Loans	12,790,454	7,811,935	91,364	12,873

Prior Period	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	10,339,576	2,070,841	129,963	10,329
Confirmed Bills of Exchange and Acceptances	19,554	784,313	-	1,965
Letters of Credit	693	3,771,762	-	2,103
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	2,823	-	-
Non-Cash Loans	10,359,823	6,629,739	129,963	14,397

5. Information on credit derivatives and related imposed risks

None.

6. Contingent assets and liabilities

Bank allocates TL 14,673 as provision for lawsuits against Bank (31 December 2012: TL 14,673).

7. Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts. The Bank's custody services and banking transactions on behalf of individuals and corporate customers does not present a material portion.

IV. Information on disclosures related to the statement of income

1. Interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term Loans	1,011,724	75,335	931,883	100,363
Medium and Long-Term Loans	2,181,817	348,556	1,863,828	351,126
Loans Under Follow-Up	79,094	-	47,680	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3,272,635	423,891	2,843,391	451,489

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,081	373	350	1,006
Foreign Banks	8	365	32	936
Foreign Head Office and Branches	-	-	-	-
Total	1,089	738	382	1,942

Information on interest income received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets held for trading	-	-	-	-
Financial assets where fair value change is reflected to income statement	-	-	-	-
Financial assets available for sale	469,231	120,043	507,849	75,664
Investments held to maturity	194,782	286	252,189	55,342
Total	664,013	120,329	760,038	131,006

Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2,413	8,513

2. Interest expense

Interest expense on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	3,228	52,571	3,473	63,895
Central Bank of Turkey	-	-	-	-
Domestic Banks	3,228	1,800	3,473	2,049
Foreign Banks	-	50,771	-	61,846
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	3,908	-	4,008
Total	3,228	56,479	3,473	67,903

Interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	9,338	22,309

Interest expense on securities issued

Interest paid to securities issued as at for the six-month period ended 30 June 2013 is TL 105,435 (30 June 2012: 63,188).

Maturity structure of the interest expense on deposits

Account Name	Time Deposits						Cumulative deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<i>TL</i>								
Interbank deposits	-	30,331	-	-	-	-	-	30,331
Saving deposits	9	6,742	452,460	78,421	12,173	5,020	-	554,825
Public sector deposits	6	45,039	202,862	24,764	9,422	661	-	282,754
Commercial deposits	-	70,769	176,929	61,998	26,315	731	-	336,742
Other deposits	-	14,807	64,220	27,677	13,149	496	-	120,349
Deposits with 7 days	-	-	-	-	-	-	-	-
Total	15	167,688	896,471	192,860	61,059	6,908	-	1,325,001
<i>FC</i>								
Foreign Currency Deposits	47	7,413	95,540	22,987	9,851	31,449	-	167,287
Interbank deposits	-	15,991	-	-	-	-	-	15,991
Deposits with 7 days	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	47	23,404	95,540	22,987	9,851	31,449	-	183,278
Total	62	191,092	992,011	215,847	70,910	38,357	-	1,508,279

3. Information on trading income/losses

	Current Period	Prior Period
Income	2,677,109	942,660
Income from capital market transactions	107,242	44,393
Income from derivative financial instruments	699,046	296,228
Foreign exchange gains	1,870,821	602,039
Losses	(2,490,262)	(824,465)
Losses from capital market transactions	(875)	(4,735)
Losses from derivative financial instruments	(624,092)	(285,605)
Foreign exchange losses	(1,865,295)	(534,125)
Trading income/losses, net	186,847	118,195

Net gains arising from changes in foreign exchange rates that relate to the Bank's foreign exchange rate based derivative financial instruments is amounting to TL 28,595 as at and for the six-month period ended 30 June 2013 (30 June 2012: TL 37,351 net gains).

4. Information on other operating income

	Current Period	Prior Period
Income from reversal of specific provisions for loans	211,778	242,258
Communication income	42,977	37,883
Gain on sale of assets	35,568	16,904
Rent income	492	8,103
Other income	56,968	65,313
Total	347,783	370,461

5. Provision expenses for losses on loans and other receivables

	Current Period	Prior Period
Specific provisions on loans and other receivables	704,332	254,779
<i>Loans and receivables in Group III</i>	142,132	51,303
<i>Loans and receivables in Group IV</i>	557,852	193,649
<i>Loans and receivables in Group V</i>	4,348	9,827
Non-performing commissions and other receivables	-	-
General provision expenses	167,685	120,221
Provision for possible losses	-	8,251
Impairment losses on securities:	98,478	30,181
<i>Trading securities</i>	-	-
<i>Investment securities available-for-sale</i>	98,478	30,181
Other impairment losses:	41,245	11,405
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint ventures</i>	-	-
<i>Investment securities held-to-maturity</i>	41,245	11,405
Others ^(*)	171,864	68,131
Total	1,183,604	492,968

^(*) Other provision expenses amounting to TL 171,864 (30 June 2012: TL 68,131) is comprised of provision expenses for dividends to the personnel amounting to TL 57,761 (30 June 2012: TL 51,443), provision expenses for Competition Authority penalty amounting to TL 61,630, provision for non-cash loans that are not indemnified or converted into cash and provision for cheques amounting to TL 15,031 (30 June 2012: TL 13,363), free provision expenses amounting to TL 24,260 and other provision expenses amounting to TL 13,182 (30 June 2012: TL 3,325).

6. Information on other operating expenses

	Current Period	Prior Period
Personnel Costs	530,102	497,397
Reserve for Employee Termination Benefits	11,363	15,257
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	51,962	51,890
Impairment Losses on Intangible Assets	-	-
Amortization Expenses on Intangible Assets	5,296	4,369
Impairment Losses on Assets to be Disposed	2,037	4,762
Depreciation Expenses on Assets to be Disposed	5,482	6,225
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	507,417	442,601
<i>Operational lease expenses</i>	74,165	62,182
<i>Repair and maintenance expenses</i>	10,859	7,447
<i>Advertisement expenses</i>	42,306	31,869
<i>Other expenses</i>	380,087	341,103
Loss on sale of assets	203	63
Others	117,521	40,022
Total	1,231,383	1,062,586

7. Provision for taxes on income

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

In the current period, the Bank has recorded a tax charge of TL 190,070 (30 June 2012 : TL 158,135) from the net taxable profit calculated in accordance the laws and regulations in effect.

Deferred tax benefit of the Bank is detailed in the below table.

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

Sources of deferred tax charge	Current Period	Prior Period
Arising from Origination / (Reversal) of Deductible Temporary Differences	(3,306)	(46,025)
Arising from (Origination)/ Reversal of Taxable Temporary Differences	(56,865)	13,090
Arising from Origination / (Reversal) of Tax Losses	-	-
Arising from tax rate change	-	-
Total	(60,171)	(32,935)

8. Information on net profit and loss

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

The Bank has earned TL 4,490,751 interest income, TL 381,123 net fees and commissions income and incurred TL 1,890,496 interest expenses, from ordinary banking transactions (30 June 2012: TL 4,219,750 interest income, TL 185,123 net fees and commissions income TL 2,499,591 interest expenses).

Any changes in estimations that might have a material effect on current and subsequent period results

None.

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

Banks' other commissions income mainly consists of credit card fee and commissions, transfer commissions and intelligence commissions.

Banks' other commissions expense mainly consists of credit card fee and commissions and commissions given for foreign banks credits.

V. Information and disclosures related to the Bank's risk group

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

Current Period	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	111,074	579,546	-	37,919	9,372	16,538
Balance at the end of the period	57,306	610,613	-	34,968	27,932	19,301
Interest and commission income	2,413	427	-	12	342	26

Prior Period	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	293,552	614,114	-	6,572	4,443	1,540
Balance at the end of the period	111,074	579,546	-	37,919	9,372	16,538
Interest and commission income	8,513	646	-	19	104	12

Information on deposits held by the Bank's risk group

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	1,033,752	1,085,232	443,105	728,474	84,276	92,454
Balance at the end of the period	657,763	1,033,752	743,498	443,105	49,907	84,276
Interest on deposits	9,338	22,309	13,028	28,725	141	289

Information on forwards, options and other derivative transactions held by the Bank's risk group

None.

2. Disclosures of transactions with the Bank's risk group

Relations with entities in the risk group of/ or controlled by the Bank regardless of the nature of relationship among the parties

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

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

Pricing policy and other conditions of transactions with the risk group of the Bank, are determined and applied on arm's length basis. The ratio of cash and non-cash loans given to the Bank's risk group to total cash and non-cash loans are 0.11% (31 December 2012: 0.18%) and 3.20% (31 December 2012: 3.68%), respectively.

Current Period	Amount	Compared to financial statement amount (%)
Cash loans	85,238	0.11
Non-cash loans	664,882	3.20
Deposits	1,451,168	2.02
Forward and option agreements	-	-

Prior Period	Amount	Compared to financial statement amount (%)
Cash loans	120,446	0.18
Non-cash loans	634,003	3.68
Deposits	1,561,133	2.32
Forward and option agreements	-	-

SECTION SIX

Other Disclosures

I. Other disclosures on the Bank's activity

As per the resolution of 59th Annual General Assembly held on 29 March 2013, the net profit of year 2012 has been decided to be distributed as follows:

Profit Distribution Table of Year 2012	
Bank's unconsolidated profit in its statutory financial statements	1,460,080
Deferred tax income	(23,914)
Net profit of the year subject to distribution	1,436,166
Legal reserves	143,616
<i>First Legal Reserves</i>	71,808
<i>Reserves allocated according to banking law and articles of association.</i>	71,808
Net profit of the year subject to distribution	1,292,550
Gain on sale of immovables and shares of associates and subsidiaries	3,075
Extraordinary reserves	1,189,475
Dividends to shareholders	100,000

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

April 2013 (*)	Standard&Poors
Foreign Currency Credit Rating	BB+ / Stable / B
Local Currency Credit Rating	BB+ / Stable / B
National	trAA+ / -- / trA-1
Continuance Rating	NR

May 2013 (*)	Moody's Investors' Service
Financial Strength Rating	D+ (ba1)
Local Currency Deposit Rating	Baa2 / P-2
Local Currency Outlook	Stable
Foreign Currency Deposit Rating	Baa3 / P-3
Foreign Currency Outlook	Stable

November 2012 (*)	Fitch Ratings
Long Term Foreign Currency	BBB-
Short Term Foreign Currency	F3
Foreign Currency Outlook	Stable
Long Term Local Currency	BBB
Short Term Local Currency	F3
Local Currency Outlook	Stable
National Long Term	AAA (tur)
National Outlook	Stable
Support	2
Base Support Rating	BBB-

December 2012 (*)	Capital Intelligence
Financial Strength Rate	BBB-
Short Term Foreign Currency	B
Long Term Foreign Currency	BB
Support Rating	2
Outlook	Stable

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

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

None.

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

None.

SECTION SEVEN

I. Independent Auditors' Review Report

1. Information on the independent auditors' review report

The Bank's unconsolidated interim financial statements and footnotes as at and for the six-month period ended 30 June 2013 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International, a Swiss cooperative). It was noted in their review report dated 6 August 2013 that nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations.