

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AND RELATED DISCLOSURES AT 30 JUNE 2015  
TOGETHER WITH LIMITED REVIEW REPORT**

**(Convenience Translation of Publicly Announced Unconsolidated  
Financial Statements and Limited Review Report  
Originally Issued in Turkish,  
See in Note I. of Section Three)**



## INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I of Section Three)

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

### *Introduction*

We have reviewed the unconsolidated balance sheet of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı ("the Bank") at 30 June 2015 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" other than subjects regulated by BRSA Accounting and Reporting Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



### *Conclusion*

Based on our review nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı at 30 June 2015 and of the results of its operations and its cash flows for the six-month-period then ended in all aspects in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" other than subjects regulated by BRSA Accounting and Reporting Legislation.

### *Additional Paragraph for Convenience Translation:*

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read "Zeynep Uras", is written over the printed name and title.

Zeynep Uras, SMMM  
Partner

Istanbul, 3 August 2015

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED INTERIM FINANCIAL REPORT  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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The unconsolidated interim financial report as at and for the six-month period ended 30 June 2015, 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.

3 August 2015

Ramazan GÜNDÜZ  
Chairman of the Board of  
Directors

Mehmet Emin ÖZCAN  
Deputy Chairman of the  
Board and Audit  
Committee Member

Sabahattin BİRDAL  
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:

Name-Surname/Title: S. Buğra SÜRÜEL / Manager  
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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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

**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 2015 and 31 December 2014, 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 Kr 1.

The Bank’s shareholders structure as at 30 June 2015 and 31 December 2014 are stated below:

Shareholders	30 June 2015			31 December 2014		
	Number of Shares (100 unit)	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)	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	1,075,058	43.00	1,075,058,640	1,075,058	43.00
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	16.10	402,552,666	402,553	16.10
Registered foundations represented by the General Directorate of the Foundations (Group B)	386,224,784	386,225	15.45	386,224,784	386,225	15.45
Other appendant foundations (Group B)	3,099,924	3,100	0.13	3,096,742	3,097	0.13
Other registered foundations (Group B)	1,448,544	1,448	0.06	1,453,085	1,453	0.06
Other real persons and legal entities (Group C)	1,532,753	1,533	0.06	1,533,786	1,534	0.06
Publicly traded (Group D)	630,082,689	630,083	25.20	630,080,297	630,080	25.20
<b>Total</b>	<b>2,500,000,000</b>	<b>2,500,000</b>	<b>100.00</b>	<b>2,500,000,000</b>	<b>2,500,000</b>	<b>100.00</b>

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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

**GENERAL INFORMATION (Continued)**

**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**

<b>Name and Surname</b>	<b>Responsibility</b>	<b>Date of Appointment</b>	<b>Education</b>	<b>Experience in Banking and Management</b>
<b><u>Board of Directors</u></b>				
Ramazan GÜNDÜZ	Chairman	29 March 2013	University	37 years
Mehmet Emin ÖZCAN	Deputy Chairman	29 March 2013	University	32 years
Halil AYDOĞAN	Member – General Manager	29 March 2013	University	38 years
İsmail ALPTEKİN	Member	6 April 2009	University	17 years
Dr. Adnan ERTEM	Member	28 October 2010	PHD	27 years
Sabahattin BİRDAL	Member	31 March 2014	University	38 years
Öztürk ORAN	Member	30 April 2014	University	40 years
Şeref AKSAÇ	Member	30 April 2014	University	33 years
<b><u>Audit Committee</u></b>				
Mehmet Emin ÖZCAN	Member	4 April 2014	University	32 years
Sabahattin BİRDAL	Member	4 April 2014	University	38 years
<b><u>Auditors</u></b>				
Mehmet HALTAŞ	Auditor	19 March 2010	University	38 years
Yunus ARINCI	Auditor	19 March 2010	Master	18 years
<b><u>Assistant Managers</u></b>				
Metin Recep ZAFER	Accounting and Financial Affairs, Treasury and Foreign Operations, Banking Operations, Consumer Coordination Attendant	13 June 2006	PHD	19 years
Hasan ECESoy	Treasury, International Relations and Investor Relations, Coordination of Foreign Branches	18 June 2010	PHD	21 years
Serdar SATOĞLU	Private Banking, Subsidiaries	2 July 2010	PHD	19 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	University	18 years
Osman DEMREN	Commercial and Corporate Loans, Consumer and SME Loans, Intelligence	6 April 2011	University	24 years
Muhammet Lütfü ÇELEBİ	Commercial and Corporate Banking, SME Banking, Cash Management Affairs, Insurance Banking	23 October 2013	University	19 years
Mustafa SAYDAM	Human Resources, Support Services, Distribution Channels, Retail Banking, Payment Systems, Payment System Operations	28 October 2013	University	21 years
Mehmet Emin KARAAĞAÇ	Loans and Risk Follow-up, Legal Affairs	8 November 2013	University	25 years

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NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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

**GENERAL INFORMATION (Continued)**

**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 (Continued)**

At the resolution of the first Board of Directors after 61st Ordinary Meeting of the General Assembly dated 30 March 2015, the distribution of roles has remained the same.

İsmail Alptekin, Member of the Board, holds non-publicly traded Group C share of the Bank amounting to TL 59. 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**

<b>Shareholders</b>	<b>Nominal Value of Shares</b>	<b>Share Percentage</b>	<b>Paid Shares (Nominal)</b>	<b>Unpaid Shares</b>
Registered foundations represented by the General Directorate of the Foundations (Group A)	1,075,058	43.00	1,075,058	-
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,553	16.10	402,553	-
Registered foundations represented by the General Directorate of the Foundations (Group B)	386,225	15.45	386,225	-

The shareholder holding control over the Bank is the General Directorate of the 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 2015, the Bank has 900 domestic, 3 foreign, in total 903 branches (31 December 2014: 890 domestic, 3 foreign, in total 893 branches). As at 30 June 2015, the Bank has 15,324 employees (31 December 2014: 14,920 employees).

**VI. CURRENT OR LIKELY ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN BANK AND ITS SUBSIDIARIES**

None.



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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS AT 30 JUNE 2015**

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

ASSETS	Notes	Reviewed Current Period 30 June 2015			Audited Prior Period 31 December 2014		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	<b>V-I-1</b>	<b>2,782,448</b>	<b>18,735,177</b>	<b>21,517,625</b>	<b>4,126,328</b>	<b>17,758,651</b>	<b>21,884,979</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	<b>V-I-2</b>	<b>569,646</b>	<b>91,297</b>	<b>660,943</b>	<b>343,094</b>	<b>37,101</b>	<b>380,195</b>
2.1 Financial assets held for trading purpose		569,646	91,297	660,943	343,094	37,101	380,195
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	568,551	91,297	659,848	342,475	37,101	379,576
2.1.4 Other securities		1,095	-	1,095	619	-	619
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 Loans		-	-	-	-	-	-
2.2.4 Other securities		-	-	-	-	-	-
<b>III. BANKS</b>	<b>V-I-3</b>	<b>4,341</b>	<b>4,438,836</b>	<b>4,443,177</b>	<b>14,733</b>	<b>2,555,887</b>	<b>2,570,620</b>
<b>IV. RECEIVABLES FROM INTERBANK MONEY MARKETS</b>		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>V-I-4</b>	<b>12,558,754</b>	<b>3,871,352</b>	<b>16,430,106</b>	<b>12,629,821</b>	<b>3,693,476</b>	<b>16,323,297</b>
5.1 Equity securities		15	-	15	15	-	15
5.2 Debt securities issued by the governments		12,558,739	3,871,352	16,430,091	12,629,806	3,693,476	16,323,282
5.3 Other securities		-	-	-	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	<b>V-I-5</b>	<b>84,943,074</b>	<b>33,663,048</b>	<b>118,606,122</b>	<b>76,682,669</b>	<b>27,900,848</b>	<b>104,583,517</b>
6.1 Performing loans and receivables		84,631,344	33,663,048	118,294,392	76,442,594	27,900,848	104,343,442
6.1.1 Loans provided to risk group	V-V-1	213,868	65,196	279,064	57,996	22,347	80,343
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		84,417,476	33,597,852	118,015,328	76,384,598	27,878,501	104,263,099
6.2 Loans under follow-up		4,309,702	-	4,309,702	3,974,372	-	3,974,372
6.3 Specific provisions (-)		3,997,972	-	3,997,972	3,734,297	-	3,734,297
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)</b>	<b>V-I-6</b>	<b>7,016,830</b>	<b>107,045</b>	<b>7,123,875</b>	<b>6,761,749</b>	<b>92,844</b>	<b>6,854,593</b>
8.1 Debt securities issued by the governments		7,016,830	-	7,016,830	6,761,749	-	6,761,749
8.2 Other securities		-	107,045	107,045	-	92,844	92,844
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>V-I-7</b>	<b>301,648</b>	<b>-</b>	<b>301,648</b>	<b>305,469</b>	<b>-</b>	<b>305,469</b>
9.1 Associates, consolidated per equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		301,648	-	301,648	305,469	-	305,469
9.2.1 Financial associates		290,248	-	290,248	294,069	-	294,069
9.2.2 Non-Financial associates		11,400	-	11,400	11,400	-	11,400
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	<b>V-I-8</b>	<b>1,082,261</b>	<b>321,124</b>	<b>1,403,385</b>	<b>1,110,389</b>	<b>321,124</b>	<b>1,431,513</b>
10.1 Unconsolidated financial subsidiaries		839,975	321,124	1,161,099	866,473	321,124	1,187,597
10.2 Unconsolidated non-financial subsidiaries		242,286	-	242,286	243,916	-	243,916
<b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>	<b>V-I-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2 Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1 Financial joint-ventures		-	-	-	-	-	-
11.2.2 Non-Financial joint-ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES</b>	<b>V-I-10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE</b>	<b>V-I-11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		<b>730,845</b>	<b>1,173</b>	<b>732,018</b>	<b>707,628</b>	<b>1,372</b>	<b>709,000</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>		<b>160,587</b>	<b>125</b>	<b>160,712</b>	<b>140,639</b>	<b>111</b>	<b>140,750</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		160,587	125	160,712	140,639	111	140,750
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	<b>V-I-12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSETS</b>		<b>42,372</b>	<b>-</b>	<b>42,372</b>	<b>72,437</b>	<b>-</b>	<b>72,437</b>
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets	V-I-13	42,372	-	42,372	72,437	-	72,437
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)</b>	<b>V-I-14</b>	<b>804,500</b>	<b>-</b>	<b>804,500</b>	<b>745,883</b>	<b>-</b>	<b>745,883</b>
18.1 Assets held for sale		804,500	-	804,500	745,883	-	745,883
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>V-I-15</b>	<b>1,594,468</b>	<b>648,707</b>	<b>2,243,175</b>	<b>1,556,242</b>	<b>659,231</b>	<b>2,215,473</b>
<b>TOTAL ASSETS</b>		<b>112,591,774</b>	<b>61,877,884</b>	<b>174,469,658</b>	<b>105,197,081</b>	<b>53,020,645</b>	<b>158,217,726</b>

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS AT 30 JUNE 2015**

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

			Reviewed Current Period 30 June 2015			Audited Prior Period 31 December 2014		
LIABILITIES AND EQUITY		Notes	TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	<b>V-II-1</b>	<b>69,132,204</b>	<b>31,139,176</b>	<b>100,271,380</b>	<b>65,703,337</b>	<b>26,053,631</b>	<b>91,756,968</b>
1.1	Deposits of the risk group	V-V-1	1,670,661	210,303	1,880,964	1,511,586	216,777	1,728,363
1.2	Other deposits		67,461,543	30,928,873	98,390,416	64,191,751	25,836,854	90,028,605
<b>II.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE</b>	<b>V-II-2</b>	<b>97,502</b>	<b>132,359</b>	<b>229,861</b>	<b>54,233</b>	<b>196,019</b>	<b>250,252</b>
<b>III.</b>	<b>FUNDS BORROWED</b>	<b>V-II-3</b>	<b>101,124</b>	<b>16,224,158</b>	<b>16,325,282</b>	<b>887,938</b>	<b>14,039,110</b>	<b>14,927,048</b>
<b>IV.</b>	<b>INTERBANK MONEY MARKET</b>		<b>14,441,650</b>	<b>3,477,120</b>	<b>17,918,770</b>	<b>9,793,634</b>	<b>6,591,668</b>	<b>16,385,302</b>
4.1	Interbank money market takings		-	-	-	200,000	-	200,000
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		14,441,650	3,477,120	17,918,770	9,593,634	6,591,668	16,185,302
<b>V.</b>	<b>SECURITIES ISSUED (Net)</b>	<b>V-II-3</b>	<b>2,705,498</b>	<b>9,034,009</b>	<b>11,739,507</b>	<b>2,913,190</b>	<b>7,544,567</b>	<b>10,457,757</b>
5.1	Bills		2,705,498	-	2,705,498	2,913,190	-	2,913,190
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	9,034,009	9,034,009	-	7,544,567	7,544,567
<b>VI.</b>	<b>FUNDS</b>		<b>5,082</b>	<b>-</b>	<b>5,082</b>	<b>20,089</b>	<b>-</b>	<b>20,089</b>
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		5,082	-	5,082	20,089	-	20,089
<b>VII.</b>	<b>MISCELLANEOUS PAYABLES</b>		<b>3,211,128</b>	<b>441,785</b>	<b>3,652,913</b>	<b>2,937,216</b>	<b>223,199</b>	<b>3,160,415</b>
<b>VIII.</b>	<b>OTHER EXTERNAL RESOURCES PAYABLE</b>	<b>V-II-4</b>	<b>727,129</b>	<b>1,768,875</b>	<b>2,496,004</b>	<b>517,101</b>	<b>938,558</b>	<b>1,455,659</b>
<b>IX.</b>	<b>FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X.</b>	<b>LEASE PAYABLES</b>	<b>V-II-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		-	-	-	-	-	-
<b>XI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE</b>	<b>V-II-6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XII.</b>	<b>PROVISIONS</b>	<b>V-II-7</b>	<b>2,667,970</b>	<b>13,604</b>	<b>2,681,574</b>	<b>2,424,177</b>	<b>12,962</b>	<b>2,437,139</b>
12.1	General provisions	V-II-7	1,840,325	13,604	1,853,929	1,591,002	12,240	1,603,242
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		582,999	-	582,999	603,083	-	603,083
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions	V-II-7	244,646	-	244,646	230,092	722	230,814
<b>XIII.</b>	<b>TAX LIABILITIES</b>	<b>V-II-8</b>	<b>261,304</b>	<b>2,227</b>	<b>263,531</b>	<b>456,288</b>	<b>1,029</b>	<b>457,317</b>
13.1	Current tax liabilities		261,304	2,227	263,531	456,288	1,029	457,317
13.2	Deferred tax liabilities	V-I-13	-	-	-	-	-	-
<b>XIV.</b>	<b>PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS</b>	<b>V-II-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
<b>XV.</b>	<b>SUBORDINATED LOANS</b>	<b>V-II-10</b>	<b>-</b>	<b>3,834,557</b>	<b>3,834,557</b>	<b>-</b>	<b>2,138,030</b>	<b>2,138,030</b>
<b>XVI.</b>	<b>EQUITY</b>		<b>14,703,788</b>	<b>347,409</b>	<b>15,051,197</b>	<b>14,396,856</b>	<b>374,894</b>	<b>14,771,750</b>
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		1,448,853	347,409	1,796,262	1,680,852	374,894	2,055,746
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	428,070	347,409	775,479	842,075	374,894	1,216,969
16.2.4	Revaluation surplus on tangible assets		281,759	-	281,759	45,637	-	45,637
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		69,222	-	69,222	69,222	-	69,222
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		(54,116)	-	(54,116)	-	-	-
16.3	Profit reserves		9,933,998	-	9,933,998	8,462,731	-	8,462,731
16.3.1	Legal reserves		1,174,010	-	1,174,010	1,012,796	-	1,012,796
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		8,329,529	-	8,329,529	7,214,708	-	7,214,708
16.3.4	Other profit reserves		430,459	-	430,459	235,227	-	235,227
16.4	Profit or loss		820,937	-	820,937	1,753,273	-	1,753,273
16.4.1	Prior years' profit/loss		-	-	-	-	-	-
16.4.2	Current period's profit/loss		820,937	-	820,937	1,753,273	-	1,753,273
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>108,054,379</b>	<b>66,415,279</b>	<b>174,469,658</b>	<b>100,104,059</b>	<b>58,113,667</b>	<b>158,217,726</b>

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED OFF-BALANCE SHEET ITEMS AS AT 30 JUNE 2015  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

	Notes	Reviewed Current Period 30 June 2015			Audited Prior Period 31 December 2014		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>50,425,541</b>	<b>53,161,127</b>	<b>103,586,668</b>	<b>42,543,635</b>	<b>48,918,083</b>	<b>91,461,718</b>
<b>I. GUARANTEES AND SURETIES</b>	<b>V-III-2,3</b>	<b>20,770,983</b>	<b>12,087,261</b>	<b>32,858,244</b>	<b>16,863,185</b>	<b>11,770,738</b>	<b>28,633,923</b>
1.1 Letters of guarantee		20,697,880	5,024,134	25,722,014	16,842,349	4,610,122	21,452,471
1.1.1 Guarantees subject to State Tender Law		2,488,442	2,284,914	4,773,356	1,869,107	2,266,261	4,135,368
1.1.2 Guarantees given for foreign trade operations		996,661	-	996,661	913,389	-	913,389
1.1.3 Other letters of guarantee		17,212,777	2,739,220	19,951,997	14,059,853	2,343,861	16,403,714
1.2 Bank acceptances		73,103	1,954,954	2,028,057	20,836	1,943,257	1,964,093
1.2.1 Import letter of acceptance		2,190	104,666	106,856	2,190	78,990	81,180
1.2.2 Other bank acceptances		70,913	1,850,288	1,921,201	18,646	1,864,267	1,882,913
1.3 Letters of credit		-	5,098,345	5,098,345	-	5,212,911	5,212,911
1.3.1 Documentary letters of credit		-	5,098,345	5,098,345	-	5,212,911	5,212,911
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,127	2,127	-	1,845	1,845
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		-	7,701	7,701	-	2,603	2,603
1.9 Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>20,195,982</b>	<b>6,414,697</b>	<b>26,610,679</b>	<b>19,162,556</b>	<b>7,458,391</b>	<b>26,620,947</b>
2.1 Irrevocable commitments		18,575,876	688,550	19,264,426	17,652,664	2,640,634	20,293,298
2.1.1 Asset purchase commitments	V-III-1	557,163	688,550	1,245,713	46,228	2,640,634	2,686,862
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments	V-III-1	8,919,744	-	8,919,744	8,053,342	-	8,053,342
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	1,719,281	-	1,719,281	1,638,976	-	1,638,976
2.1.8 Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card limits	V-III-1	7,077,005	-	7,077,005	7,641,987	-	7,641,987
2.1.10 Commitments for credit card and banking operations promotions		278,459	-	278,459	247,938	-	247,938
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		24,224	-	24,224	24,193	-	24,193
2.2 Revocable commitments		1,620,106	5,726,147	7,346,253	1,509,892	4,817,757	6,327,649
2.2.1 Revocable loan granting commitments		1,620,106	5,726,147	7,346,253	1,509,892	4,817,757	6,327,649
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>9,458,576</b>	<b>34,659,169</b>	<b>44,117,745</b>	<b>6,517,894</b>	<b>29,688,954</b>	<b>36,206,848</b>
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivatives		9,458,576	34,659,169	44,117,745	6,517,894	29,688,954	36,206,848
3.2.1 Forward foreign currency purchases/sales		717,302	839,957	1,557,259	242,929	312,275	555,204
3.2.1.1 Forward foreign currency purchases		359,163	420,065	779,228	121,619	156,202	277,821
3.2.2.2 Forward foreign currency sales		358,139	419,892	778,031	121,310	156,073	277,383
3.2.2 Currency and interest rate swaps		8,350,031	27,562,267	35,912,298	5,631,655	22,183,274	27,814,929
3.2.2.1 Currency swaps-purchases		3,026,017	12,140,797	15,166,814	1,659,308	10,977,077	12,636,385
3.2.2.2 Currency swaps-sales		4,424,014	6,506,410	10,930,424	3,772,347	3,927,959	7,700,306
3.2.2.3 Interest rate swaps-purchases		450,000	4,457,530	4,907,530	100,000	3,639,119	3,739,119
3.2.2.4 Interest rate swaps-sales		450,000	4,457,530	4,907,530	100,000	3,639,119	3,739,119
3.2.3 Currency, interest rate and security options		324,333	430,186	754,519	385,290	671,258	1,056,548
3.2.3.1 Currency call options		237,437	133,476	370,913	192,645	335,629	528,274
3.2.3.2 Currency put options		86,896	296,710	383,606	192,645	335,629	528,274
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		66,910	5,826,759	5,893,669	258,020	6,522,147	6,780,167
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>825,454,542</b>	<b>371,681,108</b>	<b>1,197,135,650</b>	<b>706,821,902</b>	<b>298,845,575</b>	<b>1,005,667,477</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>65,408,200</b>	<b>3,078,458</b>	<b>68,486,658</b>	<b>58,297,898</b>	<b>2,105,489</b>	<b>60,403,387</b>
4.1 Customers' securities held		-	26,020	26,020	-	22,567	22,567
4.2 Investment securities held in custody		54,078,437	102,670	54,181,107	48,295,375	94,082	48,389,457
4.3 Checks received for collection		9,106,636	1,908,563	11,015,199	8,300,087	1,452,398	9,752,485
4.4 Commercial notes received for collection		1,263,100	317,286	1,580,386	1,129,279	182,687	1,311,966
4.5 Other assets received for collection		2,152	107	2,259	2,152	93	2,245
4.6 Assets received through public offering		-	-	-	-	6,818	6,818
4.7 Other items under custody		309	54,926	55,235	309	77,724	78,033
4.8 Custodians		957,566	668,886	1,626,452	570,696	269,120	839,816
<b>V. PLEDGED ITEMS</b>		<b>221,172,428</b>	<b>71,937,296</b>	<b>293,109,724</b>	<b>180,351,054</b>	<b>59,408,743</b>	<b>239,759,797</b>
5.1 Securities		317,856	15,674	333,530	241,614	18,614	260,228
5.2 Guarantee notes		947,080	420,785	1,367,865	943,912	232,965	1,176,877
5.3 Commodities		26,804,582	665,212	27,469,794	25,696,626	590,812	26,287,438
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		179,484,941	58,227,725	237,712,666	142,283,678	47,319,679	189,603,357
5.6 Other pledged items		12,824,453	12,447,181	25,271,634	10,332,202	11,114,594	21,446,796
5.7 Pledged items-depository		793,516	160,719	954,235	853,022	132,079	985,101
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>538,873,914</b>	<b>296,665,354</b>	<b>835,539,268</b>	<b>468,172,950</b>	<b>237,331,343</b>	<b>705,504,293</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>875,880,083</b>	<b>424,842,235</b>	<b>1,300,722,318</b>	<b>749,365,537</b>	<b>347,763,658</b>	<b>1,097,129,195</b>

The accompanying explanations and notes form an integral part of these financial statements.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED STATEMENT OF INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

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

	Notes	Reviewed Current Period 1 January 2015- 30 June 2015	Reviewed Prior Period 1 January 2014- 30 June 2014	Reviewed Current Period 1 April 2015- 30 June 2015	Reviewed Prior Period 1 April 2014- 30 June 2014
<b>I. INTEREST INCOME</b>		<b>6,448,647</b>	<b>5,537,715</b>	<b>3,419,479</b>	<b>2,827,692</b>
1.1 Interest income from loans	V-IV-1	5,383,845	4,441,520	2,782,849	2,284,959
1.2 Interest income from reserve deposits		8,144	-	5,958	-
1.3 Interest income from banks	V-IV-1	4,324	3,390	2,786	1,368
1.4 Interest income from money market transactions		-	234	-	143
1.5 Interest income from securities portfolio	V-IV-1	1,051,193	1,091,197	627,716	540,806
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		713,484	817,904	408,698	405,185
1.5.4 Held-to-maturity investments		337,709	273,293	219,018	135,621
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		1,141	1,374	170	416
<b>II. INTEREST EXPENSE</b>		<b>3,775,871</b>	<b>3,432,274</b>	<b>1,986,866</b>	<b>1,781,399</b>
2.1 Interest expense on deposits	V-IV-2	2,823,739	2,569,839	1,475,976	1,322,280
2.2 Interest expense on funds borrowed	V-IV-2	126,501	75,313	59,339	36,537
2.3 Interest expense on money market transactions		417,217	513,975	242,300	286,394
2.4 Interest expense on securities issued	V-IV-2	278,594	199,507	143,624	101,330
2.5 Other interest expenses		129,820	73,640	65,627	34,858
<b>III. NET INTEREST INCOME (I – II)</b>		<b>2,672,776</b>	<b>2,105,441</b>	<b>1,432,613</b>	<b>1,046,293</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>449,425</b>	<b>316,467</b>	<b>220,746</b>	<b>171,362</b>
4.1 Fees and commissions received		681,596	531,282	347,911	289,828
4.1.1 Non-cash loans		88,034	80,646	45,250	41,246
4.1.2 Others		593,562	450,636	302,661	248,582
4.2 Fees and commissions paid		232,171	214,815	127,165	118,466
4.2.1 Non-cash loans		67	92	32	35
4.2.2 Others		232,104	214,723	127,133	118,431
<b>V. DIVIDEND INCOME</b>		<b>62,130</b>	<b>65,608</b>	<b>-</b>	<b>652</b>
<b>VI. TRADING INCOME/LOSSES (Net)</b>	<b>V-IV-3</b>	<b>93,186</b>	<b>152,422</b>	<b>33,808</b>	<b>80,096</b>
6.1 Trading account income/losses	V-IV-3	55,993	109,298	4,972	104,570
6.2 Income/losses from derivative financial instruments	V-IV-3	6,542	(30,263)	13,683	(62,960)
6.3 Foreign exchange gains/losses	V-IV-3	30,651	73,387	15,153	38,486
<b>VII. OTHER OPERATING INCOME</b>	<b>V-IV-4</b>	<b>543,870</b>	<b>610,672</b>	<b>264,613</b>	<b>386,669</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>3,821,387</b>	<b>3,250,610</b>	<b>1,951,780</b>	<b>1,685,072</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	<b>V-IV-5</b>	<b>990,071</b>	<b>806,754</b>	<b>540,677</b>	<b>430,810</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>V-IV-6</b>	<b>1,760,617</b>	<b>1,525,981</b>	<b>905,305</b>	<b>792,339</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>1,070,699</b>	<b>917,875</b>	<b>505,798</b>	<b>461,923</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>		-	-	-	-
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-	-	-
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV. INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)</b>		<b>1,070,699</b>	<b>917,875</b>	<b>505,798</b>	<b>461,923</b>
<b>XVI. CONTINUING OPERATIONS PROVISION FOR TAXES</b>	<b>V-IV-7</b>	<b>(249,762)</b>	<b>(195,068)</b>	<b>(119,488)</b>	<b>(112,730)</b>
16.1 Current tax charges		(121,820)	(270,292)	(49,019)	(199,454)
16.2 Deferred tax credits		(127,942)	75,224	(70,469)	86,724
<b>XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)</b>	<b>V-IV-8</b>	<b>820,937</b>	<b>722,807</b>	<b>386,310</b>	<b>349,193</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
18.1 Income from investment properties		-	-	-	-
18.2 Income from sales of subsidiaries, affiliates and joint-ventures		-	-	-	-
18.3 Other income from discontinued activities		-	-	-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
19.1 Investment property expenses		-	-	-	-
19.2 Losses from sales of subsidiaries, affiliates and joint ventures		-	-	-	-
19.3 Other expenses from discontinued activities		-	-	-	-
<b>XX. INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES</b>		-	-	-	-
<b>XXI. DISCONTINUED OPERATIONS PROVISION FOR TAXES</b>		-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge		-	-	-	-
<b>XXII. NET INCOME/LOSS AFRET TAXES FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	<b>V-IV-8</b>	<b>820,937</b>	<b>722,807</b>	<b>386,310</b>	<b>349,193</b>
Profit/Loss per 100 shares (full TL)		0.3284	0.2891	0.1545	0.1397

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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

	Reviewed Current Period 1 January 2015- 30 June 2015	Reviewed Prior Period 1 January 2014- 30 June 2014	Reviewed Current Period 1 April 2015- 30 June 2015	Reviewed Prior Period 1 April 2014- 30 June 2014
<b>GAINS AND LOSSES RECOGNIZED IN EQUITY</b>				
<b>I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES</b>	<b>(481,360)</b>	<b>635,918</b>	<b>(315,941)</b>	<b>612,243</b>
<b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>	-	-	-	-
<b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>	-	-	-	-
<b>IV. CURRENCY TRANSLATION DIFFERENCES</b>	-	-	-	-
<b>V. GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)</b>	-	-	-	-
<b>VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)</b>	-	-	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS</b>	-	-	-	-
<b>VIII. OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS</b>	<b>(58,007)</b>	<b>(265,383)</b>	<b>(420)</b>	<b>(137,610)</b>
<b>IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES</b>	<b>97,877</b>	<b>(113,520)</b>	<b>62,394</b>	<b>(116,981)</b>
<b>X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)</b>	<b>(441,490)</b>	<b>257,015</b>	<b>(253,967)</b>	<b>357,652</b>
<b>XI. CURRENT PERIOD'S PROFIT/(LOSS)</b>	<b>820,937</b>	<b>722,807</b>	<b>386,310</b>	<b>349,193</b>
11.1 Change in fair value of securities (transfers to the statement of income)	50,240	333,592	2,376	288,870
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	770,697	389,215	383,934	60,323
<b>XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)</b>	<b>379,447</b>	<b>979,822</b>	<b>132,343</b>	<b>706,845</b>

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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

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
<b>PRIOR PERIOD – 31 June 2014</b>																			
I.	Balances at the beginning of the period	2,500,000	-	723,918	-	854,240	-	5,889,226	266,115	1,585,539	-	681,326	44,136	71,821	-	-	12,616,321	-	12,616,321
<b>Changes during the period</b>																			
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	259,614	-	-	-	-	259,614	-	259,614
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	-	-	-	-	-	-	-	-	-	-	-	-	(2,599)	-	-	(2,599)	-	(2,599)
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	-	-	-	-	-	-	-	-	722,807	-	-	-	-	-	-	722,807	-	722,807
XVIII.	Profit distribution	-	-	-	-	158,556	-	1,325,482	-	(1,585,539)	-	-	1,501	-	-	-	(100,000)	-	(100,000)
18.1	Dividends	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(100,000)	-	(100,000)
18.2	Transferred to reserves	-	-	-	-	158,556	-	1,325,482	-	(1,485,539)	-	-	1,501	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the end of the period</b>		<b>2,500,000</b>	<b>-</b>	<b>723,918</b>	<b>-</b>	<b>1,012,796</b>	<b>-</b>	<b>7,214,708</b>	<b>266,115</b>	<b>722,807</b>	<b>-</b>	<b>940,940</b>	<b>45,637</b>	<b>69,222</b>	<b>-</b>	<b>-</b>	<b>13,496,143</b>	<b>-</b>	<b>13,496,143</b>
<b>CURRENT PERIOD – 30 June 2015</b>																			
I.	Balances at the beginning of the period	2,500,000	-	723,918	-	1,012,796	-	7,214,708	235,227	1,753,273	-	1,216,969	45,637	69,222	-	-	14,771,750	-	14,771,750
<b>Changes during the period</b>																			
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	(441,490)	-	-	-	-	(441,490)	-	(441,490)
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	-	-	-	-	-	-	-	-	820,937	-	-	-	-	-	-	820,937	-	820,937
XVIII.	Profit distribution	-	-	-	-	161,214	-	1,114,821	141,116	(1,753,273)	-	-	236,122	-	-	-	(100,000)	-	(100,000)
18.1	Dividends	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(100,000)	-	(100,000)
18.2	Transferred to reserves	-	-	-	-	161,214	-	1,114,821	141,116	(1,653,273)	-	-	236,122	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the end of the period</b>		<b>2,500,000</b>	<b>-</b>	<b>723,918</b>	<b>-</b>	<b>1,174,010</b>	<b>-</b>	<b>8,329,529</b>	<b>376,343</b>	<b>820,937</b>	<b>-</b>	<b>775,479</b>	<b>281,759</b>	<b>69,222</b>	<b>-</b>	<b>-</b>	<b>15,051,197</b>	<b>-</b>	<b>15,051,197</b>

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

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

	Reviewed Current Period 30 June 2015	Reviewed Prior Period 30 June 2014
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	<b>1,078,839</b>	<b>1,348,281</b>
1.1.1 Interests received	5,962,186	4,993,868
1.1.2 Interests paid	(3,674,411)	(3,384,425)
1.1.3 Dividends received	36,072	43,023
1.1.4 Fee and commissions received	681,596	531,282
1.1.5 Other income	46,902	74,472
1.1.6 Collections from previously written-off loans and other receivables	436,897	382,450
1.1.7 Payments to personnel and service suppliers	(713,881)	(1,218,804)
1.1.8 Taxes paid	(405,060)	(168,145)
1.1.9 Others	(1,291,462)	94,560
<b>1.2 Changes in operating assets and liabilities</b>	<b>(3,494,515)</b>	<b>(4,109,069)</b>
1.2.1 Net (increase) decrease in financial assets held for trading purpose	(476)	-
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	(1,690,682)	27,918
1.2.4 Net (increase) decrease in loans	(14,453,508)	(5,759,236)
1.2.5 Net (increase) decrease in other assets	82,900	589,613
1.2.6 Net increase (decrease) in bank deposits	(37,942)	284,011
1.2.7 Net increase (decrease) in other deposits	8,481,590	2,322,280
1.2.8 Net increase (decrease) in funds borrowed	1,397,752	(834,378)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	2,725,851	(739,277)
<b>I. Net cash flow from banking operations</b>	<b>(2,415,676)</b>	<b>(2,760,788)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash flow from investing activities</b>	<b>(712,864)</b>	<b>548,276</b>
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	-	(169,747)
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Purchases of tangible assets	(86,326)	(68,623)
2.4 Proceeds from disposal of tangible assets	40,497	231,884
2.5 Cash paid for purchase of available-for-sale financial assets	(3,131,440)	(2,975,508)
2.6 Proceeds from disposal of available-for-sale financial assets	2,583,420	4,174,190
2.7 Cash paid for purchase of held-to-maturity investments	(508,785)	(1,923,299)
2.8 Proceeds from disposal of held-to-maturity investments	418,167	1,301,290
2.9 Others	(28,397)	(21,911)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net cash flow from financing activities</b>	<b>2,844,923</b>	<b>1,207,456</b>
3.1 Cash obtained from funds borrowed and securities issued	6,580,711	4,082,249
3.2 Cash used for repayment of funds borrowed and securities issued	(3,635,788)	(2,774,793)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	(100,000)	(100,000)
3.5 Repayments for finance leases	-	-
3.6 Others	-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>	<b>17,115</b>	<b>10,546</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>(266,502)</b>	<b>(994,510)</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	<b>8,182,469</b>	<b>5,677,984</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	<b>7,915,967</b>	<b>4,683,474</b>

The accompanying explanations and notes form an integral part of these financial statements.

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**SECTION THREE  
ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards, within the scope of interim reporting Turkish Accounting Standards 34 and Turkish Financial Reporting Standards (“TFRS”) and related appendices and interpretations (referred as “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis as modified in accordance with inflation adjustments applied until 31 December 2004, 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.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgments and estimates are explained in related notes.

The accounting policies and valuation principles applied in the preparation of these financial statements are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II. to XXII. below.

**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.



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**ACCOUNTING POLICIES (Continued)**

**II. STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND INFORMATION ON  
FOREIGN CURRENCY TRANSACTIONS (Continued)**

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.

Within the legal limitations and the regulations of the bank’s internal control, the foreign currency position is being followed, the foreign currency position is established according to the basket equilibrium that is determined by taking into account current market conditions.

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

**Information on foreign currency transactions**

Foreign currency 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, precious metals 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.

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.

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**ACCOUNTING POLICIES (Continued)**

**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**

Financial assets, which are classified as “financial assets at fair value through profit or loss”, are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer’s margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

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.

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**ACCOUNTING POLICIES (Continued)**

**VI. INFORMATION ON FINANCIAL ASSETS (Continued)**

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, which are traded in an active market or whose fair value can be reliably measured, are recorded at fair value.

Associates are accounted in accordance with TAS 39-Financial Instruments: Recognition and Measurement in the unconsolidated financial statements. Associates, 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.

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**ACCOUNTING POLICIES (Continued)**

**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 classified under “held for trading”, “available for sale” and/or “held-to-maturity” portfolios and they are valued based on the revaluation principles of the related portfolios. 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**

Tangible assets acquired in consideration of receivables are accounted for in accordance with the requirements of the Communiqué on “Methods, Principles for Purchase and Sale of Precious Metal and Sale of Goods and Immovables obtained in Return of Receivables” published in the Official Gazette numbered 26333 and dated 1 November 2006 and these assets are subject to revaluation by no means.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank has no discontinued operations.

**XI. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS**

As at the balance sheet date, the Bank has no goodwill.

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.

Estimated useful lives of the Bank’s intangible assets are 3-15 years, and amortisation rates are 6.66-33.33%

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**ACCOUNTING POLICIES (Continued)**

**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:

<b>Tangible assets</b>	<b>Estimated useful life (Years)</b>	<b>Depreciation Rate (%)</b>
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.

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**ACCOUNTING POLICIES (Continued)**

**XIV. INFORMATION ON PROVISIONS AND CONTINGENT LIABILITIES**

Provisions other than the specific and general provisions set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 “Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding”.

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 2015 is TL 3,541 (full TL) (31 December 2014: TL 3,438 (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 2015 and 31 December 2014, the major actuarial assumptions used in the calculation of the total liability are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Discount Rate	8.60%	8.60%
Estimated Inflation Rate	6.50%	6.50%
Increase in Real Wage Rate	7.50%	7.50%

**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.

The accounting of actuarial gains and losses due to the changes in actuarial assumptions or the differences between assumption and realized has been changed to be applied after the account periods starting from 1 January 2013 by “The communique (No: 9) about Employee Benefits (“TAS 19”)” published by the Official Gazette No. 28585 dated 12 March 2013 issued by Public Oversight Accounting and Auditing Standards Authority. “Transition and Validity Date” in the standard permits retrospective application. Thus, actuarial gains and losses have been accounted in “Other Capital

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**ACCOUNTING POLICIES (Continued)**

**XV. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS  
(Continued)**

Reserves” shown under “Equity” associated with “The Statement of Gains and Losses Recognized in Equity” for the respective reporting periods.

**Pension fund**

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

The first paragraph of the temporary article no. 23 which states the Banks should transfer pension funds to the Social Security Institution within three years after the issue date of the Banking Law no.5411, issued in the 1 November 2005 dated and 25983 numbered Official Gazette, has been cancelled by the Constitutional Court’s 22 March 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on 15 December 2007 in the Official Gazette no. 26731. 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. Before the expiration date, with the decision of Council of Ministers published in Official Gazette dated 3 May 2013, the period for transferring banks, insurance and reinsurance firms, board of trade, exchanges or participants, monthly salary paid individuals and beneficiaries of the funds that are constructed for their personnel to Social Security Institution in the scope of the temporary article no. 20 of the Social Security Law no. 506 published in Official Gazette dated 30 April 2014 extended for one year. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 numbered 29335.

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 “Actuaries Regulation” which is issued as per the Article no. 21 of the 5684 numbered Insurance Law. As per the actuarial report dated February 2015 in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against as at 31 December 2014.

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**ACCOUNTING POLICIES (Continued)**

**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 25<sup>th</sup> 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.



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**ACCOUNTING POLICIES (Continued)**

**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 obtain 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 2015 and 31 December 2014, 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 MATTERS**

**Earnings per shares**

Earnings per share has been calculated by dividing the net profit for the year 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 2015, earnings per 100 shares are full TL 0.3284 (30 June 2014: full TL 0.2891).

**Related parties**

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

**Cash and cash equivalents**

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

**Classifications**

None.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. CAPITAL ADEQUACY RATIO**

The Bank’s unconsolidated capital adequacy ratio is 13.71% (31 December 2014: 13.96%).

**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 6<sup>th</sup> 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 “Communiqué 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 “Communiqué 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”.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

I. CAPITAL ADEQUACY RATIO (Continued)

Information on unconsolidated capital adequacy ratio

Current Period	30 June 2015 Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Surplus credit risk weighted</b>	<b>61,589,398</b>	-	<b>6,603,732</b>	<b>42,520,918</b>	<b>27,221,538</b>	<b>66,562,771</b>	<b>2,801,495</b>	<b>8,225,389</b>	<b>69,343</b>	-
Risk classifications:										
Claims on sovereigns and Central Banks	54,565,536	-	-	4,988,193	-	-	-	-	-	-
Claims on regional governments or local authorities	11,679	-	2,507,247	680,971	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	15,423	-	1,009	-	-	534,227	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	5,255,695	-	2,919,613	2,618,371	-	6,273	-	-	-	-
Claims on corporate	297,189	-	1,038,315	1,000,505	-	56,314,916	-	-	-	-
Claims included in the regulatory retail portfolios	128,687	-	46,172	-	27,221,538	1,030,320	-	-	-	-
Claims secured by residential property	-	-	-	33,232,878	-	3,959,691	-	-	-	-
Past due loans	-	-	-	-	-	311,730	-	-	-	-
Higher risk categories decided by the Agency	10,148	-	3,199	-	-	-	2,801,495	8,225,389	69,343	-
Marketable securities secured by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization exposures	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-
Other claims	1,305,041	-	88,177	-	-	4,405,614	-	-	-	-

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I. CAPITAL ADEQUACY RATIO (Continued)

Information on unconsolidated capital adequacy ratio

Prior Period	31 December 2014									
	Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Surplus credit risk weighted</b>	<b>54,978,227</b>	<b>-</b>	<b>10,597,030</b>	<b>37,813,961</b>	<b>23,371,738</b>	<b>56,480,407</b>	<b>2,986,884</b>	<b>9,434,959</b>	<b>97,738</b>	<b>-</b>
Risk classifications:										
Claims on sovereigns and Central Banks	46,173,249	-	-	5,454,530	-	-	-	-	-	-
Claims on regional governments or local authorities	16,257	-	2,439,440	507,007	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	34,810	-	979	-	-	1,017,536	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	7,031,344	-	6,911,054	1,475,539	-	2,127	-	-	-	-
Claims on corporate	207,239	-	1,137,923	910,484	-	45,989,999	-	-	-	-
Claims included in the regulatory retail portfolios	121,740	-	41,820	-	23,371,738	1,185,664	-	-	-	-
Claims secured by residential property	-	-	-	29,466,401	-	3,401,067	-	-	-	-
Past due loans	-	-	-	-	-	240,075	-	-	-	-
Higher risk categories decided by the Agency	11,949	-	3,166	-	-	-	2,986,884	9,434,959	97,738	-
Marketable securities secured by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization exposures	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-
Other claims	1,381,639	-	62,648	-	-	4,643,939	-	-	-	-

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. CAPITAL ADEQUACY RATIO (Continued)**

**Summary information related to capital adequacy ratio**

	<b>Bank Only</b>	
	<b>Current Period</b>	<b>Prior Period</b>
Capital Requirement for Credit Risk (Value at Credit Risk*0,08) (CRCR)	10,430,921	9,490,415
Capital Requirement for Market Risk (MRCR)	95,422	55,940
Capital Requirement for Operational Risk (ORCR) <sup>(*)</sup>	879,185	777,799
Shareholders' Equity	19,544,383	18,013,163
Shareholders' Equity/((CRCR+MRCR+ORCR) *12,5*100)	13.71	13.96
Tier I Capital/((CRCR+MRCR+ORCR) *12,5*100)	10.38	11.26
Common Equity Tier I Capital/((CRCR+MRCR+ORCR) *12,5*100)	10.44	11.35

<sup>(\*)</sup> In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 2014 was measured by taking value at operational risk calculated based on gross incomes for the years ended 2013, 2012 and 2011 into consideration. For the year 2015, value at operational risk is being calculated based on gross incomes for the years ended 2014, 2013 and 2012.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. CAPITAL ADEQUACY RATIO (Continued)**

**Information on equity items**

	<b>Current Period</b>	<b>Prior Period</b>
<b>COMMON EQUITY TIER I CAPITAL</b>		
Paid-in Capital to be Entitled for Compensation after all Creditors	2,500,000	2,500,000
Share Premium	723,918	723,918
Share Cancellation Profits	-	-
Reserves	9,933,998	8,462,731
Other Comprehensive Income according to TAS	1,057,238	1,262,606
Profit	820,937	1,753,273
Current Period Profit	820,937	1,753,273
Previous Period Profit	-	-
General Reserves for Possible Losses	-	-
Bonus shares from Associates, Subsidiaries, and Joint-Ventures not Accounted in Current Period's Profit	69,222	69,222
<b>Common Equity Tier I Capital Before Deductions</b>	<b>15,105,313</b>	<b>14,771,750</b>
<b>Deductions from Common Equity Tier I Capital</b>	<b>-</b>	<b>-</b>
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS(-)	54,116	-
Leasehold Improvements on Operational Leases(-)	97,737	97,140
Goodwill and Other Intangible Assets and Related Deferred Taxes(-)	64,285	28,153
Net Deferred Tax Asset/Liability (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law(-)	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more than the Issued Share Capital not deducted from Tier I Capital(-)	-	-
Mortgage Servicing Rights not deducted (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>216,138</b>	<b>125,293</b>
<b>Total Common Equity Tier I Capital</b>	<b>14,889,175</b>	<b>14,646,457</b>
<b>ADDITIONAL CORE CAPITAL</b>	<b>-</b>	<b>-</b>
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Defined by the BRSA (Issued or Obtained after 1.1.2014)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-	-
<b>Additional Core Capital before Deductions</b>	<b>-</b>	<b>-</b>
<b>Deductions from Additional Core Capital</b>	<b>-</b>	<b>-</b>
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more of 10% of the Issued Share Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
The amount to be deducted from Additional Tier I Capital (-)	-	-

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. CAPITAL ADEQUACY RATIO (Continued)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Total Deductions from Additional Core Capital</b>	-	-
<b>Total Additional Core Capital</b>	-	-
<b>Deductions from Core Capital</b>	<b>96,427</b>	<b>112,613</b>
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Rations of Banks (-)	96,427	112,613
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Rations of Banks (-)	-	-
<b>Total Core Capital</b>	<b>14,792,748</b>	<b>14,533,844</b>
<b>TIER II CAPITAL</b>	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	1,331,584	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	1,905,885	2,117,650
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-	-
General Provisions	1,629,831	1,482,877
<b>Tier II Capital before Deductions</b>	<b>4,867,300</b>	<b>3,600,527</b>
<b>Deductions from Tier II Capital</b>	-	-
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
The Total of Net Long Positions of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>4,867,300</b>	<b>3,600,527</b>
<b>CAPITAL</b>	<b>19,660,048</b>	<b>18,134,371</b>
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-	-
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	115,333	120,737
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	-	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Rations of Banks (-)	-	-
Other items to be Defined by the BRSA (-)	332	471
The Portion of Total of Net Long Positions of the Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more than the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
<b>EQUITY</b>	<b>19,544,383</b>	<b>18,013,163</b>
<b>Amounts lower than Excesses as per Deduction Rules</b>	-	-
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	42,372	72,437

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. CAPITAL ADEQUACY RATIO (Continued)**

**Components of items of shareholders’ equity subject to temporary applications**

	<b>Bank Only</b>	
	<b>Amount Included in Equity Calculation</b>	<b>Total Amount</b>
Minorities' share in Tier I capital	-	-
Third Parties' share in additional core capital	-	-
Third Parties' share in supplementary capital	-	-
Debt Instruments and Related Issuance Premiums Defined by the BRSA (Issued before 01.01.2014)	1,905,885	2,373,228



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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. CAPITAL ADEQUACY RATIO (Continued)**

Issuer	T. Vakıflar Bankası T.A.O.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0849728190/ US90015NAB91 XS1175854923/ US90015WAC73
Governing law(s) of the instrument	Debt Instrument Communique numbered CMB-II-2-31.1 BRSA regulation on bank's shareholder equity
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	XS0849728190/ US90015NAB91 is subject to deduction. XS1175854923/ US90015WAC73 is not subject to deduction.
Eligible at solo/group/group&solo	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions ( Tier II Capital)
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	3,237
Par value of instrument (in million)	3,745
Accounting classification	347011
Original date of issuance	XS0849728190/ US90015NAB91 1 November 2012 XS1175854923/ US90015WAC73 2 February 2015
Perpetual or dated	XS0849728190/ US90015NAB91 Dated (10 years) Maturity Date: 1 November 2022 XS1175854923/ US90015WAC73 Dated (10 years) Maturity Date: 3 February 2025
Issue date	XS0849728190/ US90015NAB91 1 November 2012 XS1175854923/ US90015WAC73 2 February 2015
Issuer call subject to prior supervisory approval	Available
Call option dates, conditioned call dates and call amount	XS0849728190/ US90015NAB91 not available. XS1175854923/ US90015WAC73 early call date at 3 February 2020 is available.
Subsequent call dates, if applicable	XS0849728190/ US90015NAB91 not available. XS1175854923/ US90015WAC73 only one call option is available.
<b>Coupons / dividends</b>	
Fixed or floating dividend/coupon	Fixed/Interest payment once in six month, principal payment at the maturity date
Coupon rate and any related index	XS0849728190/ US90015NAB91 6% fix interest rate XS1175854923/ US90015WAC73 6,875% fix interest rate
Existence of a dividend stopper	Nil
Fully discretionary, partially discretionary or mandatory	Nil
Existence of step up or other incentive to redeem	Nil
Noncumulative or cumulative	Nil
<b>Convertible or non-convertible</b>	
If convertible, conversion trigger (s)	Nil
If convertible, fully or partially	Nil
If convertible, conversion rate	Nil
If convertible, mandatory or optional conversion	Nil
If convertible, specify instrument type convertible into	Nil
If convertible, specify issuer of instrument it converts into	Nil
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	XS0849728190/ US90015NAB91 not available XS1175854923/ US90015WAC73 available Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events
If write-down, full or partial	XS0849728190/ US90015NAB91 not available XS1175854923/ US90015WAC73 has full or partial write down feature.
If write-down, permanent or temporary	XS0849728190/ US90015NAB91 not available XS1175854923/ US90015WAC73 has permanent write down feature.
If temporary write-down, description of write-up mechanism	XS0849728190/ US90015NAB91 not available XS1175854923/ US90015WAC73 has no write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before debt instruments included in Tier II Capital after deposit and other receivables
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess Article 8
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	Not Possess Article 7

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**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**

	<b>Current Period</b>	<b>Prior Period</b>
(I) Capital Obligation against General Market Risk - Standard Method	13,569	13,128
(II) Capital Obligation against Specific Risks - Standard Method	175	99
Capital to be employed for specific risk in securitisation positions- Standard Method	-	-
(III) Capital Obligation against Currency Risk - Standard Method	68,902	34,268
(IV) Capital Obligation against Stocks Risks - Standard Method	-	-
(V) Capital Obligation against Exchange Risks - Standard Method	-	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	209	234
(VII) Capital Obligation Calculated for Counterparty Credit Risk - Standard Method	12,567	8,211
(VIII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	95,422	55,940
<b>(X) Value-At-Market Risk (12.5xVIII) or (12.5xIX)</b>	<b>1,192,778</b>	<b>699,250</b>

**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.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**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 2015 and 31 December 2014 the Bank does not have derivative 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:

	<b>US Dollar</b>	<b>Euro</b>
<b>The Bank’s foreign currency purchase rate at the balance sheet date</b>	2.6750	2.9880
<u>Foreign currency purchase rates for the days before balance sheet date:</u>		
Day 1	2.6600	2.9236
Day 2	2.6100	2.9201
Day 3	2.6200	2.9328
Day 4	2.6200	2.9352
Day 5	2.6200	2.9514
	<b>US Dollar</b>	<b>Euro</b>
<b>Last 30-days arithmetical average rate</b>	<b>2.6320</b>	<b>2.9391</b>

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**IV. FOREIGN CURRENCY EXCHANGE RISK (Continued)**

**Information on currency risk**

<b>Current Period</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Other FCs</b>	<b>Total</b>
<b>Assets:</b>				
Cash and balances with the Central Bank of Turkey	2,238,206	12,204,983	4,291,988	18,735,177
Banks	103,075	4,246,492	89,269	4,438,836
Financial assets at fair value through profit or loss <sup>(1)</sup>	-	40,925	-	40,925
Interbank money market placements	-	-	-	-
Available-for-sale financial assets	837,123	3,034,229	-	3,871,352
Loans and receivables <sup>(2)</sup>	10,155,402	26,811,430	39,514	37,006,346
Associates, subsidiaries and joint-ventures	321,124	-	-	321,124
Held-to-maturity investments	-	107,045	-	107,045
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	1,173	-	1,173
Intangible assets	-	125	-	125
Other assets <sup>(3)</sup>	48,702	534,824	771	584,297
<b>Total assests</b>	<b>13,703,632</b>	<b>46,981,226</b>	<b>4,421,542</b>	<b>65,106,400</b>
<b>Liabilities:</b>				
Bank deposits	457,041	3,180,515	16,748	3,654,304
Foreign currency deposits	10,220,543	16,600,618	663,711	27,484,872
Interbank money market takings	-	3,477,120	-	3,477,120
Other funding	6,442,047	9,782,111	-	16,224,158
Securities issued	2,808,678	6,214,396	10,935	9,034,009
Miscellaneous payables	320,606	67,365	53,814	441,785
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities <sup>(1) (4)</sup>	46,382	5,608,007	133	5,654,522
<b>Total liabilities</b>	<b>20,295,297</b>	<b>44,930,132</b>	<b>745,341</b>	<b>65,970,770</b>
<b>Net 'on balance sheet' position</b>	<b>(6,591,665)</b>	<b>2,051,094</b>	<b>3,676,201</b>	<b>(864,370)</b>
<b>Net 'off-balance sheet' position</b>	<b>6,854,963</b>	<b>(1,634,153)</b>	<b>(3,665,889)</b>	<b>1,554,921</b>
Derivative assets <sup>(6)</sup>	7,646,221	10,633,905	171,194	18,451,320
Derivative liabilities <sup>(6)</sup>	791,258	12,268,058	3,837,083	16,896,399
Non-cash loans <sup>(5)</sup>	2,866,562	8,842,735	377,964	12,087,261
<b>Prior Period</b>				
Total assets	11,794,857	39,483,255	4,443,232	55,721,344
Total liabilities	16,845,448	39,728,574	1,005,175	57,579,197
<b>Net 'on balance sheet' position</b>	<b>(5,050,591)</b>	<b>(245,319)</b>	<b>3,438,057</b>	<b>(1,857,853)</b>
<b>Net 'off-balance sheet' position</b>	<b>5,259,448</b>	<b>701,095</b>	<b>(3,430,091)</b>	<b>2,530,452</b>
Derivative assets <sup>(6)</sup>	7,286,590	8,766,209	1,377,221	17,430,020
Derivative liabilities <sup>(6)</sup>	2,027,142	8,065,114	4,807,312	14,899,568
Non-cash loans <sup>(5)</sup>	2,206,271	9,304,139	260,328	11,770,738

<sup>(1)</sup> Derivative financial assets amounting to TL 50,372 (31 December 2014: TL 6,468) and liabilities amounting to TL 43,612 (31 December 2014: TL 113,526) resulting from changes in foreign exchange rates are not included.

<sup>(2)</sup> Foreign currency indexed loans amounting to TL 3,343,298 (31 December 2014: TL 2,763,606) which are presented in TL column in the balance sheet are included in the table above.

<sup>(3)</sup> Prepaid expenses amounting to TL 64,410 (31 December 2014: TL 56,439) is not included.

<sup>(4)</sup> Unearned revenues amounting to TL 53,488 (31 December 2014: TL 46,050) and equities amounting to TL 347,409 (31 December 2014: TL 374,894) are not included.

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

<sup>(6)</sup> Asset purchase commitments amounting to TL 153,022 (31 December 2014: TL 1,327,706) and asset sales commitments amounting to TL 535,528 (31 December 2014: TL 1,312,928) are included.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**IV. FOREIGN CURRENCY EXCHANGE RISK (Continued)**

**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 2015 and 2014 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 2015		30 June 2014	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	41,564	41,564	33,748	33,748
EUR	(5,783)	(5,783)	(10,670)	(10,670)
Other currencies	1,031	1,031	40	40
<b>Total, net</b>	<b>36,812</b>	<b>36,812</b>	<b>23,118</b>	<b>23,118</b>

(\*) 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 2015 and 2014 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	30 June 2015		30 June 2014	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	(40,097)	(40,097)	(32,530)	(32,530)
Euro	5,783	5,783	11,339	11,339
Other currencies	(905)	(905)	(40)	(40)
<b>Total, net</b>	<b>(35,219)</b>	<b>(35,219)</b>	<b>(21,231)</b>	<b>(21,231)</b>

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

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**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*

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets:</b>							
Cash and balances with CBT	13,683,367	-	-	-	-	7,834,258	21,517,625
Banks	3,967,917	87,504	-	-	-	387,756	4,443,177
Financial assets at fair value through profit/loss	257,091	261,022	53,711	68,021	20,003	1,095	660,943
Interbank money market placements	-	-	-	-	-	-	-
Available-for-sale financial assets	3,009,546	1,498,997	4,921,877	4,957,837	2,041,834	15	16,430,106
Loans and receivables	55,883,789	11,791,326	22,345,536	17,820,924	10,452,817	311,730	118,606,122
Held-to-maturity investments	584,291	1,577,026	3,425,517	1,307,219	229,822	-	7,123,875
Other assets <sup>(*)</sup>	16,935	142	2,944	37,551	335	5,629,903	5,687,810
<b>Total assets</b>	<b>77,402,936</b>	<b>15,216,017</b>	<b>30,749,585</b>	<b>24,191,552</b>	<b>12,744,811</b>	<b>14,164,757</b>	<b>174,469,658</b>
<b>Liabilities:</b>							
Bank deposits	3,924,836	433,963	244,861	-	-	236,506	4,840,166
Other deposits	51,382,156	20,561,928	4,533,861	40,449	-	18,912,820	95,431,214
Interbank money market takings	16,406,395	449,425	706,571	356,379	-	-	17,918,770
Miscellaneous payables	-	-	-	-	-	3,652,913	3,652,913
Securities issued	103,540	2,779,449	3,304,161	5,552,357	-	-	11,739,507
Funds borrowed	3,520,904	7,292,991	4,540,317	147,657	823,413	-	16,325,282
Other liabilities <sup>(**)</sup>	54,122	76,660	214,711	820,712	2,903,295	20,492,306	24,561,806
<b>Total liabilities</b>	<b>75,391,953</b>	<b>31,594,416</b>	<b>13,544,482</b>	<b>6,917,554</b>	<b>3,726,708</b>	<b>43,294,545</b>	<b>174,469,658</b>
On balance sheet long position	2,010,983	-	17,205,103	17,273,998	9,018,103	-	45,508,187
On balance sheet short position	-	(16,378,399)	-	-	-	(29,129,788)	(45,508,187)
Off-balance sheet long position	935,715	1,627,960	-	-	-	-	2,563,675
Off-balance sheet short position	-	-	(117,767)	(1,200,240)	(829,250)	-	(2,147,257)
<b>Position, Net</b>	<b>2,946,698</b>	<b>(14,750,439)</b>	<b>17,087,336</b>	<b>16,073,758</b>	<b>8,188,853</b>	<b>(29,129,788)</b>	<b>416,418</b>

<sup>(\*)</sup> Subsidiaries, associates and tangible and intangible assets, and deferred tax are included in non-interest bearing column.

<sup>(\*\*)</sup> Equity is included in non-interest bearing column in other liabilities line.

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V. INTEREST RATE RISK (Continued)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets:</b>							
Cash and balances with CBT	3,055,551	-	-	-	-	18,829,428	21,884,979
Banks	2,158,787	114,574	6,245	-	-	291,014	2,570,620
Financial assets at fair value through profit/loss	158,375	164,087	6,250	28,995	21,869	619	380,195
Interbank money market placements	-	-	-	-	-	-	-
Available-for-sale financial assets	2,629,343	2,018,908	5,222,280	4,234,901	2,217,850	15	16,323,297
Loans and receivables	33,327,775	22,020,835	21,643,728	16,994,647	10,356,457	240,075	104,583,517
Held-to-maturity investments	281,186	1,559,200	3,180,566	290,780	1,542,861	-	6,854,593
Other assets (*)	15,993	110	4,868	47,165	528	5,551,861	5,620,525
<b>Total assets</b>	<b>41,627,010</b>	<b>25,877,714</b>	<b>30,063,937</b>	<b>21,596,488</b>	<b>14,139,565</b>	<b>24,913,012</b>	<b>158,217,726</b>
<b>Liabilities:</b>							
Bank deposits	4,340,899	452,338	22,912	-	-	59,910	4,876,059
Other deposits	44,970,026	19,229,378	5,909,177	19,415	-	16,752,913	86,880,909
Interbank money market takings	15,596,871	233,330	349,241	-	205,860	-	16,385,302
Miscellaneous payables	-	-	-	-	-	3,160,415	3,160,415
Securities issued	718,111	2,188,178	2,584,786	4,966,682	-	-	10,457,757
Fund borrowed	3,795,555	6,750,842	3,566,606	70,562	743,483	-	14,927,048
Other liabilities (**)	142,908	19,277	127,000	458,380	1,660,806	19,121,865	21,530,236
<b>Total liabilities</b>	<b>69,564,370</b>	<b>28,873,343</b>	<b>12,559,722</b>	<b>5,515,039</b>	<b>2,610,149</b>	<b>39,095,103</b>	<b>158,217,726</b>
On balance sheet long position	-	-	17,504,215	16,081,449	11,529,416	-	45,115,080
On balance sheet short position	(27,937,360)	(2,995,629)	-	-	-	(14,182,091)	(45,115,080)
Off-balance sheet long position	658,387	1,660,268	-	-	-	-	2,318,655
Off-balance sheet short position	-	-	-	(1,304,201)	(777,200)	-	(2,081,401)
<b>Position, Net</b>	<b>(27,278,973)</b>	<b>(1,335,361)</b>	<b>17,504,215</b>	<b>14,777,248</b>	<b>10,752,216</b>	<b>(14,182,091)</b>	<b>237,254</b>

(\*) 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
	%	%	%	%
<b>Assets:</b>				
Cash and balance with CBT	-	0.15	-	2.09
Banks	0.01	0.56	-	9.08
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Available-for-sale financial assets	5.25	6.86	-	6.94
Loans and receivables	3.71	4.72	-	11.21
Held-to-maturity investments	-	1.50	-	5.58
<b>Liabilities:</b>				
Bank deposits	0.82	0.41	-	11.38
Other deposits	1.87	1.97	-	9.66
Interbank money market takings	-	0.69	-	9.42
Miscellaneous payables	-	-	-	-
Securities issued	2.31	3.76	0.93	9.81
Funds borrowed	0.84	1.60	-	6.96

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. INTEREST RATE RISK (Continued)

Prior Period	Euro	US Dollar	Japanese Yen	TL
	%	%	%	%
<b>Assets:</b>				
Cash and balance with CBT	-	-	-	1.51
Banks	0.01	0.28	-	10.47
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Available-for-sale financial assets	5.25	6.96	-	7.19
Loans and receivables	4.36	5.40	-	12.70
Held-to-maturity investments	-	1.58	-	5.56
<b>Liabilities:</b>				
Bank deposits	0.66	0.42	-	8.59
Other deposits	1.99	2.13	-	9.22
Interbank money market takings	-	0.95	-	9.82
Miscellaneous payables	-	-	-	-
Securities issued	3.47	3.45	-	9.06
Funds borrowed	0.96	1.58	-	7.04

The interest rate risk of the banking book items

Frequency of 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 Standard 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 Standard Shock Technique” are presented in the below table:

Currency Unit-Current Period	Applied Shock (+/- x base point)	Gain/ Loss	Gain/ Equity-Loss/ Equity
1. TRY	500 / (400)	(2,298,660) / 2,279,348	(%11.76) / %11.66
2. EURO	200 / (200)	148,594 / (18,546)	%0.76 / (%0.09)
3. USD	200 / (200)	639,617 / (612,559)	%3.27 / (%3.14)
<b>Total (For Negative Shocks)</b>	-	<b>1,648,243</b>	<b>%8.43</b>
<b>Total (For Positive Shocks)</b>	-	<b>(1,510,449)</b>	<b>(%7.73)</b>

Currency Unit-Prior Period	Applied Shock (+/- x base point)	Gain/ Loss	Gain/ Equity-Loss/ Equity
1. TRY	500 / (400)	(2,440,546) / 2,452,172	(13.54%) / 13.61%
2. EURO	200 / (200)	178,773 / (9,440)	0.99% / (0.05%)
3. USD	200 / (200)	441,639 / (383,071)	2.45% / (2.13%)
<b>Total (For Negative Shocks)</b>	-	<b>2,059,661</b>	<b>11.43%</b>
<b>Total (For Positive Shocks)</b>	-	<b>(1,820,134)</b>	<b>(10.10%)</b>



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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. INTEREST RATE RISK (Continued)

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 strategically 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:

Current Period Stock Investments	Carrying Value	Comparison	
		Fair Value <sup>(*)</sup>	Market Value <sup>(*)</sup>
<b>Stocks quoted in exchange<sup>(*)</sup></b>	<b>614,312</b>	<b>614,312</b>	<b>614,312</b>
1.Stocks Investments Group A	614,312	614,312	614,312
2.Stock Investments Group B	-	-	-
3.Stock Investment Group C	-	-	-
<b>Stocks unquoted in exchange<sup>(**)</sup></b>	<b>1,090,736</b>	<b>1,038,581</b>	<b>-</b>

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

(\*\*) The values of stocks unquoted in exchange are determined according to valuation reports prepared by independent valuation companies.

Prior Period Stock Investments	Carrying Value	Comparison	
		Fair Value <sup>(*)</sup>	Market Value <sup>(*)</sup>
<b>Stocks quoted in exchange<sup>(*)</sup></b>	<b>631,875</b>	<b>631,875</b>	<b>631,875</b>
1.Stocks Investments Group A	631,875	631,875	631,875
2.Stock Investments Group B	-	-	-
3.Stock Investment Group C	-	-	-
<b>Stocks unquoted in exchange<sup>(**)</sup></b>	<b>1,105,121</b>	<b>1,053,476</b>	<b>-</b>

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

(\*\*) The values of stocks unquoted in exchange are determined according to valuation reports prepared by independent valuation companies.

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-Current Period	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total <sup>(*)</sup>	Included in Core Capital	Total <sup>(*)</sup>	Included in Core Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	159,857	159,857
3. Other Stocks	-	513,395	513,395	-	-
<b>4. Total</b>	<b>-</b>	<b>513,395</b>	<b>513,395</b>	<b>159,857</b>	<b>159,857</b>

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

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**V. INTEREST RATE RISK (Continued)**

Portfolio-Prior Period	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total (*)	Included in Core Capital	Total (*)	Included in Core Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	204,847	204,847
3. Other Stocks	-	524,807	524,807	-	-
<b>4. Total</b>	<b>-</b>	<b>524,807</b>	<b>524,807</b>	<b>204,847</b>	<b>204,847</b>

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

**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 and international bond issues. 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 <sup>(*)</sup>	Total
<b>Assets:</b>								
Cash and balance with CBT	21,517,625	-	-	-	-	-	-	21,517,625
Banks	3,553,161	802,512	87,504	-	-	-	-	4,443,177
Financial assets at fair value through profit/loss	1,095	66,468	13,044	31,259	529,074	20,003	-	660,943
Interbank money market placements	-	-	-	-	-	-	-	-
Available-for-sale financial assets	-	124,730	131,185	1,255,089	8,221,224	6,697,863	15	16,430,106
Loans and receivables	-	10,585,143	4,428,471	25,140,347	49,849,920	28,290,511	311,730	118,606,122
Held-to-maturity investments	-	-	53,545	344,172	2,909,446	3,816,712	-	7,123,875
Other assets	-	863,471	142	2,944	79,923	335	4,740,995	5,687,810
<b>Total assets</b>	<b>25,071,881</b>	<b>12,442,324</b>	<b>4,713,891</b>	<b>26,773,811</b>	<b>61,589,587</b>	<b>38,825,424</b>	<b>5,052,740</b>	<b>174,469,658</b>
<b>Liabilities:</b>								
Bank deposits	236,506	3,924,836	433,963	244,861	-	-	-	4,840,166
Other deposits	18,912,820	51,382,156	20,561,928	4,533,861	40,449	-	-	95,431,214
Funds borrowed	-	288,798	3,310,072	5,751,246	2,706,728	4,268,438	-	16,325,282
Interbank money market takings	-	16,406,395	449,425	706,571	356,379	-	-	17,918,770
Securities issued	-	102,940	2,779,282	3,056,101	5,801,184	-	-	11,739,507
Miscellaneous payables	-	2,922,919	64,980	-	-	-	665,014	3,652,913
Other liabilities	-	861,392	65,134	48,814	57,168	3,907,251	19,622,047	24,561,806
<b>Total liabilities</b>	<b>19,149,326</b>	<b>75,889,436</b>	<b>27,664,784</b>	<b>14,341,454</b>	<b>8,961,908</b>	<b>8,175,689</b>	<b>20,287,061</b>	<b>174,469,658</b>
<b>Liquidity gap</b>	<b>5,922,555</b>	<b>(63,447,112)</b>	<b>(22,950,893)</b>	<b>12,432,357</b>	<b>52,627,679</b>	<b>30,649,735</b>	<b>(15,234,321)</b>	<b>-</b>
<b>Prior Period</b>								
Total assets	20,926,527	14,139,195	4,676,850	21,078,355	55,931,161	36,611,257	4,854,381	158,217,726
Total liabilities	16,812,823	70,245,968	23,293,031	15,184,411	7,805,460	6,177,711	18,698,322	158,217,726
<b>Liquidity gap</b>	<b>4,113,704</b>	<b>(56,106,773)</b>	<b>(18,616,181)</b>	<b>5,893,944</b>	<b>48,125,701</b>	<b>30,433,546</b>	<b>(13,843,941)</b>	<b>-</b>

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

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**VI. LIQUIDITY RISK (Continued)**

*Residual contractual maturities of the financial liabilities*

<b>Current Period</b>	<b>Carrying amount</b>	<b>Gross nominal outflow</b>	<b>Demand</b>	<b>Less than one month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Bank deposits	4,840,166	4,850,172	236,506	3,928,657	438,056	246,953	-	-
Other deposits	95,431,214	95,868,124	18,912,820	51,524,463	20,744,597	4,644,428	41,816	-
Funds borrowed	16,325,282	17,340,829	-	290,161	3,327,352	5,812,380	2,943,947	4,966,989
Money market takings	17,918,770	17,930,603	-	16,409,954	449,612	712,784	358,253	-
Issued Securities (Net)	11,739,507	12,567,810	-	102,978	2,804,153	3,098,046	6,562,633	-
Miscellaneous payables	3,652,913	3,652,913	665,014	2,922,919	64,980	-	-	-
Other liabilities	6,313,156	8,192,013	1,636,928	624,150	38,845	48,814	57,168	5,786,108
<b>Total</b>	<b>156,221,008</b>	<b>160,402,464</b>	<b>21,451,268</b>	<b>75,803,282</b>	<b>27,867,595</b>	<b>14,563,405</b>	<b>9,963,817</b>	<b>10,753,097</b>
<b>Non-Cash Loans</b>	<b>32,858,244</b>	<b>32,858,244</b>	<b>2,977,005</b>	<b>1,003,746</b>	<b>18,311,066</b>	<b>6,763,106</b>	<b>3,267,848</b>	<b>535,473</b>

<b>Prior Period</b>	<b>Carrying amount</b>	<b>Gross nominal outflow</b>	<b>Demand</b>	<b>Less than one month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Bank deposits	4,876,059	4,879,012	59,910	4,341,671	453,419	24,012	-	-
Other deposits	86,880,909	87,345,379	16,752,913	45,091,487	19,424,640	6,056,284	20,055	-
Funds borrowed	14,927,048	15,845,654	-	1,240,618	854,153	6,607,235	2,794,190	4,349,458
Money market takings	16,385,302	16,396,538	-	15,604,502	233,628	351,133	-	207,275
Issued Securities (Net)	10,457,757	11,312,237	-	713,864	2,208,287	2,407,908	5,982,178	-
Miscellaneous payables	3,160,415	3,160,415	322,656	2,781,158	56,601	-	-	-
Other liabilities	3,601,609	4,553,819	904,356	393,062	35,016	9,687	37,883	3,173,815
<b>Total</b>	<b>140,289,099</b>	<b>143,493,054</b>	<b>18,039,835</b>	<b>70,166,362</b>	<b>23,265,744</b>	<b>15,456,259</b>	<b>8,834,306</b>	<b>7,730,548</b>
<b>Non-Cash Loans</b>	<b>28,633,923</b>	<b>28,633,923</b>	<b>243,079</b>	<b>835,912</b>	<b>16,437,467</b>	<b>6,930,286</b>	<b>3,503,638</b>	<b>683,541</b>

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.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. LIQUIDITY RISK (Continued)

*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-Current Period	Amount	Financial Guarantees	Other /Physical Guarantees	Guarantees and credit derivatives
Claims on sovereigns and Central Banks	59,553,729	11,755,996	-	-
Claims on regional governments or local authorities	3,199,897	16,645	-	-
Claims on administrative bodies and other non-commercial undertakings	550,659	23,540	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	10,799,952	5,257,075	-	-
Claims on corporate	58,650,925	691,954	-	1,212,239
Claims included in the regulatory retail portfolios	28,426,717	216,054	-	-
Claims secured by residential property	37,192,569	-	-	-
Past due loans	311,730	-	-	-
Higher risk categories decided by the Agency	11,109,574	13,347	-	-
Marketable securities secured by mortgages	-	-	-	-
Securitization exposures	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-
Other claims	5,798,832	-	-	-
<b>Total</b>	<b>215,594,584</b>	<b>17,974,611</b>	<b>-</b>	<b>1,212,239</b>

Risk Classification-Prior Period	Amount	Financial Guarantees	Other/ Physical Guarantees	Guarantees and credit derivatives
Claims on sovereigns and Central Banks	51,627,779	4,810,208	-	-
Claims on regional governments or local authorities	2,962,704	19,276	-	-
Claims on administrative bodies and other non-commercial undertakings	1,053,325	63,400	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	15,420,064	7,032,378	-	-
Claims on corporate	48,245,645	514,692	-	634,888
Claims included in the regulatory retail portfolios	24,720,962	199,482	-	-
Claims secured by residential property	32,867,468	-	-	-
Past due loans	240,075	-	-	-
Higher risk categories decided by the Agency	12,534,696	15,115	-	-
Marketable securities secured by mortgages	-	-	-	-
Securitization exposures	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-
Other claims	6,088,226	-	-	-
<b>Total</b>	<b>195,760,944</b>	<b>12,654,551</b>	<b>-</b>	<b>634,888</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**VI. LIQUIDITY RISK (Continued)**

*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.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. SEGMENT REPORTING (Continued)

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
<b>OPERATING INCOME/ EXPENSES</b>					
Interest Income	2,015,567	3,368,278	1,063,661	1,141	6,448,647
<i>Interest income from loans</i>	2,015,567	3,368,278	-	-	5,383,845
<i>Interest income from reserve deposits</i>	-	-	8,144	-	8,144
<i>Interest income from securities portfolio</i>	-	-	1,051,193	-	1,051,193
<i>Interest income from banks</i>	-	-	4,324	-	4,324
<i>Interest income from money market transactions</i>	-	-	-	-	-
<i>Other interest income</i>	-	-	-	1,141	1,141
Interest Expense	1,149,581	1,575,273	1,030,094	20,923	3,775,871
<i>Interest expense on deposits</i>	1,149,581	1,575,273	98,885	-	2,823,739
<i>Interest expense on funds borrowed</i>	-	-	126,501	-	126,501
<i>Interest expense on money market transactions</i>	-	-	417,217	-	417,217
<i>Interest expense on securities issued</i>	-	-	278,594	-	278,594
<i>Other interest expenses</i>	-	-	108,897	20,923	129,820
Net Interest Income	865,986	1,793,005	33,567	(19,782)	2,672,776
Net Fees and Commissions Income	297,208	152,217	-	-	449,425
Trading Income/ Losses (Net)	-	-	93,186	-	93,186
Dividend Income	-	-	62,130	-	62,130
Other Income	-	-	-	543,870	543,870
Provision For Losses on Loans and Other Receivables	269,943	454,237	15,157	250,734	990,071
Other Expenses	-	-	-	1,760,617	1,760,617
<b>Profit Before Taxes</b>	<b>893,251</b>	<b>1,490,985</b>	<b>173,726</b>	<b>(1,487,263)</b>	<b>1,070,699</b>
Provision for taxes	-	-	-	(249,762)	(249,762)
<b>Net Profit/ Loss</b>	<b>893,251</b>	<b>1,490,985</b>	<b>173,726</b>	<b>(1,737,025)</b>	<b>820,937</b>
<b>SEGMENT ASSETS</b>					
Securities Portfolio	-	-	23,553,981	-	23,553,981
Derivative financial assets held for trading purpose	-	-	660,943	-	660,943
Banks and Receivables From Money Markets	-	-	4,443,177	-	4,443,177
Investments in Associates and Subsidiaries	-	-	1,705,033	-	1,705,033
Loans	35,639,088	82,967,034	-	-	118,606,122
Other Assets	-	-	20,631,367	4,869,035	25,500,402
<b>TOTAL ASSETS</b>	<b>35,639,088</b>	<b>82,967,034</b>	<b>50,994,501</b>	<b>4,869,035</b>	<b>174,469,658</b>
<b>SEGMENT LIABILITIES</b>					
Deposits	41,872,527	53,558,687	4,840,166	-	100,271,380
Derivative Financial Liabilities Held for Trading Purpose	-	-	229,861	-	229,861
Interbank Money Market	-	-	17,918,770	-	17,918,770
Funds Borrowed	-	-	16,325,282	-	16,325,282
Securities Issued	-	-	11,739,507	-	11,739,507
Other Liabilities	-	-	4,266,222	5,722,334	9,988,556
Provisions and Tax Liabilities	-	-	-	2,945,105	2,945,105
Equity	-	-	-	15,051,197	15,051,197
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>41,872,527</b>	<b>53,558,687</b>	<b>55,319,808</b>	<b>23,718,636</b>	<b>174,469,658</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**VII. SEGMENT REPORTING (Continued)**

<b>Prior Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
<b>OPERATING INCOME/ EXPENSES</b>					
Interest Income	1,629,230	2,812,290	1,094,821	1,374	5,537,715
<i>Interest income from loans</i>	1,629,230	2,812,290	-	-	4,441,520
<i>Interest income from securities portfolio</i>	-	-	1,091,197	-	1,091,197
<i>Interest income from banks</i>	-	-	3,390	-	3,390
<i>Interest income from money market transactions</i>	-	-	234	-	234
<i>Other interest income</i>	-	-	-	1,374	1,374
Interest Expense	1,047,706	1,443,464	925,465	15,639	3,432,274
<i>Interest expense on deposits</i>	1,047,706	1,443,464	78,669	-	2,569,839
<i>Interest expense on funds borrowed</i>	-	-	75,313	-	75,313
<i>Interest expense on money market transactions</i>	-	-	513,975	-	513,975
<i>Interest expense on securities issued</i>	-	-	199,507	-	199,507
<i>Other interest expenses</i>	-	-	58,001	15,639	73,640
Net Interest Income	581,524	1,368,826	169,356	(14,265)	2,105,441
Net Fees and Commissions Income	232,326	84,141	-	-	316,467
Trading Income/ Losses (Net)	-	-	152,422	-	152,422
Dividend Income	-	-	65,608	-	65,608
Other Income	-	-	-	610,672	610,672
Provision For Losses on Loans and Other	-	-	-	-	-
Receivables	258,250	393,919	26,155	128,430	806,754
Other Expenses	-	-	-	1,525,981	1,525,981
<b>Profit Before Taxes</b>	<b>555,600</b>	<b>1,059,048</b>	<b>361,231</b>	<b>(1,058,004)</b>	<b>917,875</b>
Provision for taxes	-	-	-	(195,068)	(195,068)
<b>Net Profit/ Loss</b>	<b>555,600</b>	<b>1,059,048</b>	<b>361,231</b>	<b>(1,253,072)</b>	<b>722,807</b>
<b>SEGMENT ASSETS</b>					
Securities Portfolio	-	-	23,177,890	-	23,177,890
Derivative financial assets held for trading purpose	-	-	380,195	-	380,195
Banks and Receivables From Money Markets	-	-	2,570,620	-	2,570,620
Investments in Associates and Subsidiaries	-	-	1,736,982	-	1,736,982
Loans	32,952,925	71,630,592	-	-	104,583,517
Other Assets	-	-	20,860,935	4,907,587	25,768,522
<b>TOTAL ASSETS</b>	<b>32,952,925</b>	<b>71,630,592</b>	<b>48,726,622</b>	<b>4,907,587</b>	<b>158,217,726</b>
<b>SEGMENT LIABILITIES</b>					
Deposits	36,352,846	50,532,382	4,871,740	-	91,756,968
Derivative Financial Liabilities Held for Trading	-	-	250,252	-	250,252
Purpose	-	-	250,252	-	250,252
Interbank Money Market	-	-	16,385,302	-	16,385,302
Funds Borrowed	-	-	14,927,048	-	14,927,048
Securities Issued	-	-	10,457,757	-	10,457,757
Other Liabilities	-	-	2,341,732	4,432,461	6,774,193
Provisions and Tax Liabilities	-	-	-	2,894,456	2,894,456
Equity	-	-	-	14,771,750	14,771,750
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36,352,846</b>	<b>50,532,382</b>	<b>49,233,831</b>	<b>22,098,667</b>	<b>158,217,726</b>

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**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	1,037,922	263,720	1,008,203	362,556
Central Bank of Turkey <sup>(*)</sup>	1,656,351	18,468,056	3,055,674	17,385,018
Others	88,175	3,401	62,451	11,077
<b>Total</b>	<b>2,782,448</b>	<b>18,735,177</b>	<b>4,126,328</b>	<b>17,758,651</b>

<sup>(\*)</sup> TL 17,850,691 (31 December 2014: TL 16,156,471) 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 ranging from 5% to 11.5% (31 December 2014: ranging from 5% to 11.5%). For foreign currency liabilities, all banks shall provide a reserve rate ranging from 6% to 20% in US Dollar or Euro (31 December 2014: ranging from 6% to 13%).

According to 2014-72 numbered and 21 October 2014 dated announcement of Central Bank of Turkey, interest has started to be paid for Turkish Lira reserve deposit beginning from November 2014.

According to 2015-35 numbered and 2 May 2015 dated announcement of Central Bank of Turkey, interest has started to be paid for US Dollar reserve deposit beginning from May 2015.

***Balances with the Central Bank of Turkey***

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,650,322	593,964	3,054,416	1,228,547
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	71	23,401	3	-
Reserve Deposits	5,958	17,850,691	1,255	16,156,471
<b>Total</b>	<b>1,656,351</b>	<b>18,468,056</b>	<b>3,055,674</b>	<b>17,385,018</b>

**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.



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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

*Positive differences on derivative financial assets held for trading purpose*

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	10,082	1,737	3,616	474
Swap Transactions	558,139	86,046	338,329	31,410
Futures	-	-	-	-
Options	330	3,514	530	5,217
Others	-	-	-	-
<b>Total</b>	<b>568,551</b>	<b>91,297</b>	<b>342,475</b>	<b>37,101</b>

3. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	4,341	4,438,836	14,733	2,555,887
Domestic	4,341	267,509	14,733	348,007
Foreign	-	4,171,327	-	2,207,880
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>4,341</b>	<b>4,438,836</b>	<b>14,733</b>	<b>2,555,887</b>

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	700,487	360,044	1,624,464	354,106
Others	-	-	-	-
<b>Total</b>	<b>700,487</b>	<b>360,044</b>	<b>1,624,464</b>	<b>354,106</b>

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

*Available-for-sale financial assets subject to repurchase agreements*

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	9,743,808	-	8,668,579	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	3,191,526	-	3,132,480
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
<b>Total</b>	<b>9,743,808</b>	<b>3,191,526</b>	<b>8,668,579</b>	<b>3,132,480</b>

*Information on available-for-sale financial assets*

	Current Period	Prior Period
<b>Debt securities</b>	<b>16,543,376</b>	<b>16,351,196</b>
Quoted	16,543,376	16,351,196
Unquoted	-	-
<b>Equity securities</b>	<b>15</b>	<b>15</b>
Quoted	-	-
Unquoted	15	15
<b>Provision for impairment on available-for-sale financial assets (-)</b>	<b>113,285</b>	<b>27,914</b>
<b>Total</b>	<b>16,430,106</b>	<b>16,323,297</b>

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
<b>Direct loans provided to the shareholders</b>	-	<b>35,909</b>	-	<b>10,174</b>
Legal entities	-	35,909	-	10,174
Real persons	-	-	-	-
<b>Indirect loans provided to the shareholders</b>	-	-	-	-
<b>Loans provided to the employees</b>	<b>93,183</b>	-	<b>86,082</b>	-
<b>Total</b>	<b>93,183</b>	<b>35,909</b>	<b>86,082</b>	<b>10,174</b>

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

	Standard loans and other receivables			Loans and other receivables under close monitoring		
	<i>Loans and other receivables</i>	<i>Agreement conditions modified</i>	<i>Payment plan extensions</i>	<i>Loans and other receivables</i>	<i>Agreement conditions modified</i>	<i>Payment plan extensions</i>
<b>Non-specialized loans</b>	<b>111,811,097</b>	<b>681,820</b>	<b>-</b>	<b>4,902,751</b>	<b>896,068</b>	<b>-</b>
Loans given to enterprises	34,511,659	194,115	-	1,461,708	585,128	-
Export loans	4,636,256	-	-	110,838	5,525	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	3,069,839	-	-	186	-	-
Consumer loans	29,925,464	109,158	-	1,836,231	254,965	-
Credit cards	4,395,082	-	-	377,971	9,769	-
Other	35,272,797	378,547	-	1,115,817	40,681	-
<b>Specialized lending</b>	<b>2,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>111,813,753</b>	<b>681,820</b>	<b>-</b>	<b>4,902,751</b>	<b>896,068</b>	<b>-</b>

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

	<i>Standard Loans and Other Receivables (*)</i>	<i>Loans and other receivables under close monitoring (*)</i>
<b>Number of modifications to extend payment plans</b>		
Extended for 1 or 2 times	681,820	654,194
Extended for 3,4 or 5 times	-	-
Extended for more than 5	-	-
<b>Extended period of time</b>		
0-6 Months	3,636	72
6 - 12 Months	289	66
1-2 Years	7,182	6,268
2-5 Years	460,612	210,840
5 Years and Over	210,101	436,948

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans – TL</b>	351,797	30,003,297	30,355,094
Housing Loans	7,881	14,854,271	14,862,152
Automobile Loans	5,388	425,365	430,753
General Purpose Loans	338,528	14,723,661	15,062,189
Other	-	-	-
<b>Consumer Loans – FC indexed</b>	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans – FC</b>	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards – TL</b>	3,231,350	112,668	3,344,018
With Installment	1,394,288	69,783	1,464,071
Without Installment	1,837,062	42,885	1,879,947
<b>Retail Credit Cards – FC</b>	6,549	-	6,549
With Installment	-	-	-
Without Installment	6,549	-	6,549
<b>Personnel Loans – TL</b>	2,748	41,001	43,749
Housing Loan	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	2,748	41,001	43,749
Other	-	-	-
<b>Personnel Loans – FC indexed</b>	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans – FC</b>	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards – TL</b>	49,039	164	49,203
With Installment	20,114	128	20,242
Without Installment	28,925	36	28,961
<b>Personnel Credit Cards – FC</b>	231	-	231
With Installment	-	-	-
Without Installment	231	-	231
<b>Overdraft Checking Accounts – TL (Real persons)</b>	1,726,892	-	1,726,892
<b>Overdraft Checking Accounts – FC (Real persons)</b>	83	-	83
<b>Total</b>	<b>5,368,689</b>	<b>30,157,130</b>	<b>35,525,819</b>

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

*Installment based commercial loans and corporate credit cards*

	Short-Term	Medium and Long-Term	Total
<b>Installment-based Commercial Loans – TL</b>	<b>959,530</b>	<b>22,760,314</b>	<b>23,719,844</b>
Real Estate Loans	1,187	711,334	712,521
Automobile Loans	39,783	1,673,602	1,713,385
General Purpose Loans	918,560	20,375,378	21,293,938
Other	-	-	-
<b>Installment-based Commercial Loans – FC indexed</b>	<b>24,073</b>	<b>977,056</b>	<b>1,001,129</b>
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	24,073	977,056	1,001,129
Other	-	-	-
<b>Installment-based Commercial Loans – FC</b>	<b>268</b>	<b>4,664,417</b>	<b>4,664,685</b>
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	268	4,609,873	4,610,141
Other	-	54,544	54,544
<b>Corporate Credit Cards – TL</b>	<b>1,382,237</b>	<b>295</b>	<b>1,382,532</b>
With Installment	552,537	295	552,832
Without Installment	829,700	-	829,700
<b>Corporate Credit Cards – FC</b>	<b>289</b>	<b>-</b>	<b>289</b>
With Installment	-	-	-
Without Installment	289	-	289
<b>Overdraft Checking Accounts – TL (Corporate)</b>	<b>850,185</b>	<b>-</b>	<b>850,185</b>
<b>Overdraft Checking Accounts – FC (Corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,216,582</b>	<b>28,402,082</b>	<b>31,618,664</b>

*Allocation of domestic and overseas loans*

	Current Period	Prior Period
Domestic Loans	118,034,499	104,145,709
Overseas Loans	259,893	197,733
<b>Total</b>	<b>118,294,392</b>	<b>104,343,442</b>

*Loans to associates and subsidiaries*

	Current Period	Prior Period
Direct Loans Provided to the Subsidiaries and Associates	266,120	74,105
Indirect Loans Provided to the Subsidiaries and Associates	-	-
<b>Total</b>	<b>266,120</b>	<b>74,105</b>

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

*Specific provisions for loans*

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	78,059	60,286
Loans and Receivables with Doubtful Collectability	553,523	546,295
Uncollectible Loans and Receivables	3,366,390	3,127,716
<b>Total</b>	<b>3,997,972</b>	<b>3,734,297</b>

*Information on non-performing loans (Net)*

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

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
<b>Current period</b>	<b>29,574</b>	<b>83,308</b>	<b>66,856</b>
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	29,574	83,308	66,856
<b>Prior period</b>	<b>34,563</b>	<b>92,576</b>	<b>82,945</b>
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	34,563	92,576	82,945

*Movements in non-performing loan groups*

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
<b>Balance at the beginning of the period</b>	<b>300,361</b>	<b>546,295</b>	<b>3,127,716</b>
Additions (+)	792,281	4,155	13,056
Transfers from other categories of loans under follow-up (+) <sup>(*)</sup>	-	590,914	533,192
Transfers to other categories of loans under follow-up (-) <sup>(*)</sup>	632,258	509,327	19,786
Collections (-)	70,595	78,514	287,788
Write-offs (-)			
<i>Corporate and commercial loans</i>	-	-	-
<i>Retail loans</i>	-	-	-
<i>Credit cards</i>	-	-	-
<i>Others</i>	-	-	-
<b>Balance at the end of the period</b>	<b>389,789</b>	<b>553,523</b>	<b>3,366,390</b>
Specific provision (-)	78,059	553,523	3,366,390
<b>Balance, net</b>	<b>311,730</b>	<b>-</b>	<b>-</b>

(\*) 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.

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance at the end of the period	9,887	11,340	210,737
Specific provision (-)	1,977	11,340	210,737
<b>Net balance on balance sheet</b>	<b>7,910</b>	-	-
<b>Prior Period</b>			
Balance at the end of the period	7,681	2,907	244,100
Specific provision (-)	1,536	2,907	244,100
<b>Net balance on balance sheet</b>	<b>6,145</b>	-	-

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 collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>			
	<b>311,730</b>	-	-
Consumer and Commercial Loans (Gross)	384,883	546,562	3,286,006
Specific Provision (-)	77,078	546,562	3,286,006
Consumer and Commercial Loans (Net)	307,805	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	4,906	6,961	78,833
Specific Provision (-)	981	6,961	78,833
Other Loans and Receivables (Net)	<b>3,925</b>	-	-
<b>Prior Period (Net)</b>			
	<b>240,075</b>	-	-
Consumer and Commercial Loans (Gross)	297,145	539,926	3,067,758
Specific Provision (-)	59,643	539,926	3,067,758
Consumer and Commercial Loans (Net)	237,502	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	3,216	6,369	58,407
Specific Provision (-)	643	6,369	58,407
Other Loans and Receivables (Net)	2,573	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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	7,016,830	-	6,761,749	-
Treasury Bills	-	-	-	-
Other Securities Issued by the Governments	-	-	-	-
<b>Total</b>	<b>7,016,830</b>	<b>-</b>	<b>6,761,749</b>	<b>-</b>

*Information on held-to-maturity investment securities*

	Current Period	Prior Period
<b>Debt Securities</b>	<b>7,130,087</b>	<b>6,860,448</b>
Quoted at Stock Exchanges	7,023,042	6,767,604
Unquoted at Stock Exchanges	107,045	92,844
<b>Impairment Losses (-)</b>	<b>6,212</b>	<b>5,855</b>
<b>Total</b>	<b>7,123,875</b>	<b>6,854,593</b>

*The movement table of the held-to-maturity investments*

	Current Period	Prior Period
<b>Balances at the beginning of the period</b>	<b>6,854,593</b>	<b>5,403,815</b>
Foreign currency differences on monetary assets	16,800	7,990
Purchases during the period	508,785	2,924,991
Transfers to available for sale portfolio	-	-
Disposals through sales/redemptions	(418,167)	(1,764,546)
Impairment losses	(357)	51,505
Change in amortized costs of the securities (*)	162,221	230,838
<b>Balances at the end of the period</b>	<b>7,123,875</b>	<b>6,854,593</b>

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

*Information on held-to-maturity investments*

Current Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	1,069,758	107,000	1,128,460	107,045
Investments subject to repurchase agreements	5,353,775	-	5,838,291	-
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others (*)	42,015	-	50,079	-
<b>Total</b>	<b>6,465,548</b>	<b>107,000</b>	<b>7,016,830</b>	<b>107,045</b>



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(Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Prior Period	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	931,961	92,800	972,002	92,844
Investments subject to repurchase agreements	5,289,597	-	5,629,267	-
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others (*)	150,772	-	160,480	-
<b>Total</b>	<b>6,372,330</b>	<b>92,800</b>	<b>6,761,749</b>	<b>92,844</b>

(\*) 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. (*)	Lefkoşa/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	4.37	4.37
9 Kredi Garanti Fonu AŞ	Ankara/TURKEY	1.69	1.69
10 Tasfiye Halinde World Vakıf UBB Ltd.	Lefkoşa/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	821,612	66,941	9,574	14,545	1,528	2,861	1,234	-
2	19,260,070	2,426,185	544,581	350,597	165,013	188,352	214,399	2,977,418
3	2,667,331	613,580	468,851	2,239	-	6,389	36,103	-
4	57,389	30,944	36,564	411	-	5,165	3,980	-
5	120,482	88,055	58,935	978	0.4	9,994	9,275	-
6	134,833	(21,200)	88,020	131	-	(6,563)	(1,933)	-
7	100,487	3,017	90,578	-	-	(15,490)	(1,519)	-
8	6,150,297	778,393	100,979	48,443	3,875	42,632	32,815	-
9	308,741	303,658	4,283	6,311	-	10,141	6,085	-
10	1,377	(68,175)	-	-	-	(3,377)	(1,282)	-

(\*) The financial statements for these associates as at and for the period ended 31 March 2015 are presented.

(\*\*) Figures are obtained from audited financial statements as at and for the period ended 30 June 2015 disclosed in Public Disclosure Platform.

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**DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
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**I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)**

*Movement table of investments in associates*

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the beginning of the period</b>	<b>305,469</b>	<b>245,523</b>
<b>Movements during the period</b>	<b>(3,821)</b>	<b>59,946</b>
Transfers	-	-
Acquisitions and capital increases	-	-
Bonus shares received	21,453	19,985
Income/loss from investments under equity accounting	-	-
Sales and liquidations	-	-
Fair value changes	(25,274)	39,961
Impairment losses	-	-
<b>Balance at the end of the period</b>	<b>301,648</b>	<b>305,469</b>
<b>Capital commitments</b>	-	-
<b>Share percentage at the end of the period (%)</b>	-	-

In the current period, subsequent to the approval of the decision to increase the paid-in capital of Türkiye Sınai Kalkınma Bankası AŞ from TL 1,500,000 to TL 1,750,000 in the Ordinary Meeting of General Assembly of the Company dated 26 March 2015, the share of the Bank amounting to TL 20,944 is presented in the movement table of investments in associates as bonus shares received.

In the current period, subsequent to the approval of the decision of the capital of Kredi Garanti Fonu A.Ş. in the Ordinary Meeting of General Assembly of the Company dated 31 March 2015, an associate of the Bank, has been increased from TL 240,000 to TL 278,439, TL 29,000 is paid from company’s own resources and TL 9,439 is paid cash by two new shareholders and registered to commercial register on 10 April 2015. After the capital increase, Bank’s current nominal share has been increased from TL 4,211 to TL 4,719 by a bonus increase of TL 509 and Bank’s share percentage will be decreased from 1.75% to 1.69% after the involvement of two shareholders as at 10 April 2015. The share of the Bank amounting to TL 509 is presented as bonus shares received in the movement table of investments in associates.

In the prior period, subsequent to the approval of the decision of the capital of İstanbul Takas ve Saklama Bankası in the Ordinary Meeting of General Assembly of the Company dated 28 March 2014, an associate of the Bank, has been increased from TL 420,000 to TL 600,000, TL 120,000 has been paid from bonus shares and TL 60,000 has been paid in cash amounting to TL 180,000 in total. The share of the Bank amounting to TL 3,230 is presented as bonus shares received in the movement table of investments in associates. The stock right in cash capital commitment has been removed related to the capital increase and Banks’ share percentage has been decreased from 4.86% to 4.37%.

In the prior period, subsequent to the approval of the decision to increase the paid-in capital of Türkiye Sınai Kalkınma Bankası AŞ from TL 1,300,000 to TL 1,500,000 in the Ordinary Meeting of General Assembly of the Company dated 27 March 2014, the share of the Bank amounting to TL 16,755 is presented in the movement table of investments in associates as bonus shares received.

The title 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. In year 2010, due to loss of control over Company, World Vakıf UBB Ltd. has been reclassified “Investments in associates”. The liquidation process of World Vakıf UBB Ltd, an associate of the Bank, has been carried out by NCTR Collecting and Liquidation Office. The application of the company for cancellation of the liquidation has been rejected and the decision of liquidation has been agreed on 27 August 2013. Thus, the company’s title has been changed as “World Vakıf UBB Ltd in Liquidation”.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

*Sectoral distribution of investments in financial associates*

	<b>Current Period</b>	<b>Prior Period</b>
Banks	285,529	289,858
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other associates	4,719	4,211
<b>Total</b>	<b>290,248</b>	<b>294,069</b>

*Quoted associates*

	<b>Current Period</b>	<b>Prior Period</b>
Quoted at domestic stock exchanges	249,508	253,838
Quoted at international stock exchanges	-	-
<b>Total</b>	<b>249,508</b>	<b>253,838</b>

*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.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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 Menkul Kıymet Yat. Ort. AŞ
Paid in Capital	114,483	65,000	35,000	22,400	150,000	26,500	3,000	203,320	20,000
Share Premium	-	-	-	-	-	-	-	246,731	-
Adjustment to paid-in capital	-	408	(26)	29,228	(1,751)	8,107	40	22,087	105
Valuation changes in marketable securities	27,345	2,711	34,731	-	176,991	493	-	-	-
Profit on sale of associates, subsidiaries and buildings	-	-	-	-	17,763	-	-	-	-
Free shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	59	191	-	-	-
Legal Reserves	8,824	3,890	5,644	4,988	17,179	18,385	920	3,639	395
Extraordinary Reserves	-	36,846	7,368	32,280	19,247	38,943	7,919	54,773	-
Other Profit Reserves	123,671	-	2,308	-	-	-	-	-	-
Profit/Loss	113,373	89	(6,195)	4,985	(299,344)	44,953	700	26,814	(2,761)
<i>Prior Years' Profit/Loss</i>	102,600	(3,863)	871	2,804	(144,912)	54,925	-	19,705	(2,492)
<i>Current Years' Profit/Loss</i>	10,773	3,952	(7,066)	2,181	(154,432)	(9,972)	700	7,109	(269)
Minority Rights	-	106	-	-	-	-	-	-	-
<b>Total Core Capital</b>	<b>387,696</b>	<b>109,050</b>	<b>78,830</b>	<b>93,881</b>	<b>80,144</b>	<b>137,572</b>	<b>12,579</b>	<b>557,364</b>	<b>17,739</b>
<b>SUPPLEMENTARY CAPITAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>387,696</b>	<b>109,050</b>	<b>78,830</b>	<b>93,881</b>	<b>80,144</b>	<b>137,572</b>	<b>12,579</b>	<b>557,364</b>	<b>17,739</b>
<b>NET AVAILABLE EQUITY</b>	<b>387,696</b>	<b>109,050</b>	<b>78,830</b>	<b>93,881</b>	<b>80,144</b>	<b>137,572</b>	<b>12,579</b>	<b>557,364</b>	<b>17,739</b>

The financial statements as at and for the year ended 31 March 2015 are presented.

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**I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)**

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 6 month. 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 6 month. According to the calculations at 31 March 2015, 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 Faktoring 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 (*)	Viyana/AUSTRIA	90.00	90.00
7 Vakıf Portföy Yönetimi AŞ (*)	İstanbul/TURKEY	100.00	100.00
8 Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ (**)	İstanbul/TURKEY	22.89	32.91
9 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ (***)	İstanbul/TURKEY	38.70	40.64
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	1,241,767	38,680	351,848	6,537	180	(59,778)	1,411	358,138
2	3,395,347	168,269	88,882	6,287	64	3,787	4,140	527,618
3	810,862	98,209	2,717	35,807	-	6,509	3,830	83,267
4	1,281,290	109,050	5,082	22,842	-	3,952	243	70,636
5	272,287	78,831	283	3,637	223	(7,066)	1,893	79,971
6	3,040,072	387,695	636	17,770	4,240	10,772	7,612	356,805
7	13,683	12,580	264	298	7	701	580	46,339
8	18,077	17,742	50	164	205	(268)	(187)	16,488
9	569,109	567,381	172,690	16,372	-	15,061	5,430	489,346
10	18,998	7,903	1,065	581	-	(711)	(32)	14,000
11	364,895	349,900	231,477	2,901	-	434	(673)	356,734
12	47,990	40,368	653	2,828	1,272	3,861	3,420	45,635
13	33,783	26,355	474	688	50	1,538	2,428	36,000

(\*) The financial statements for these subsidiaries as at and for the period ended 31 March 2015 are presented.

(\*\*) Figures are obtained from financial statements as at and for the period ended 31 March 2015 disclosed in Public Disclosure Platform.

(\*\*\*) The financial statements for these subsidiaries as at and for the period ended 30 June 2015 disclosed in Public Disclosure Platform.

(\*\*\*\*) The financial statements for these subsidiaries as at and for the year ended 31 December 2014 are presented

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

**Movement table of investments in subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the beginning of the period</b>	<b>1,431,513</b>	<b>1,365,470</b>
<b>Movements during the period</b>	<b>(28,128)</b>	<b>66,043</b>
Transfers	-	-
Acquisitions and capital increases	-	205,713
Bonus shares received	4,605	-
Dividends from current year profit	(26,186)	(34,017)
Sales and liquidations	-	-
Fair value changes	5,229	(107,850)
Impairment losses	(11,776)	2,197
<b>Balance at the end of the period</b>	<b>1,403,385</b>	<b>1,431,513</b>
<b>Capital commitments</b>	<b>-</b>	<b>-</b>
<b>Share percentage at the end of the period (%)</b>	<b>-</b>	<b>-</b>

*Methods to measure investments in subsidiaries*

	<b>Current Period</b>	<b>Prior Period</b>
Measured at cost	-	-
Measured at fair value	1,403,385	1,431,513
Equity method of accounting	-	-
<b>Total</b>	<b>1,403,385</b>	<b>1,431,513</b>

*Sectoral distribution of investments in financial subsidiaries*

	<b>Current Period</b>	<b>Prior Period</b>
Insurance companies	414,568	402,768
Banks	321,124	321,124
Factoring companies	65,273	65,273
Leasing companies	41,470	45,149
Finance companies	-	-
Other financial subsidiaries	318,661	353,283
<b>Total</b>	<b>1,161,096</b>	<b>1,187,597</b>

*Quoted subsidiaries*

	<b>Current Period</b>	<b>Prior Period</b>
Quoted at domestic stock exchanges	364,805	378,037
Quoted at international stock exchanges	-	-
<b>Total</b>	<b>364,805</b>	<b>378,037</b>

*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, the title of Vakıf Finans Faktoring Hizmetleri AŞ has been changed to Vakıf Faktoring AŞ, the aforementioned change of title has been registered on 13 April 2015.

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**DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
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**I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)**

In the current period, subsequent to the approval of the decision to increase the paid-in capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ from TL 203,320 to TL 205,400 by a bonus increase of TL 2,080 in the Ordinary Meeting of General Assembly of the Company dated 31 March 2015. After the capital increase, Bank's current nominal share has been increased from TL 78,690 to TL 79,495 by bonus increase of TL 805 and Bank's share percentage has been remained the same (38.70%). The share of the Bank amounting to TL 805 is presented as bonus shares received in the movement table of investments in subsidiaries.

In the current period, in total full TL 12 nominal share of Vakıf Portföy AŞ has been purchased by Bank from other real person shareholders and Bank has signed share transfer contract with real person shareholders on 11 February 2015. Thus, Bank's nominal share has been increased from full TL 2,999,988 to full TL 3,000,000. Bank's share percentage has been increased from 99.99% to 100.00%.

In the current period, subsequent to the approval of the decision to increase the paid-in capital of Vakıf Gayrimenkul Değerleme AŞ from TL 7,000 to TL 14,000 by a bonus increase of TL 7,000 in the Ordinary Meeting of General Assembly of the Company dated 20 March 2015. After the capital increase, Bank's current nominal share has been increased from TL 3,800 to TL 7,600 by TL 3,800 and Bank's share percentage has been remained the same (54.29%). The share of the Bank amounting to TL 3,800 is presented as bonus shares received in the movement table of investments in subsidiaries.

In the prior period, Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ has decided to increase the capital of TL 15,000 to TL 20,000 in its registered capital ceiling amounting to TL 50,000 in accordance with Capital Markets Board's temporary clause I of "Comminique on Securities Investment Associations" (III-48.2). In the capital increase, Bank's nominal share amount has increased from TL 1,763 to TL 2,351 with an increase of TL 588 by using stock rights on 25 November 2014. Besides, in order to finalize the capital increase, Bank has purchased additional shares from stock rights that have not been used in due, amounting to TL 2,228 from Istanbul Stock Exchange Share Market on 2 December 2014. In this context, Bank's total nominal share has increased to TL 4,579 and share percentage has increased to 22.89%. The share of the Bank amounting to TL 2,815 is presented in the acquisitions and capital increases in the movement table of investments in subsidiaries.

In the prior period, at the Extraordinary General Assembly of Taksim Otelcilik AŞ dated 24 June 2014, the decision of increasing the capital from TL 269,257 to TL 334,257 through rights offering by TL 65,000. The related change has been registered on 22 July 2014. The nominal share of the Bank TL 137,324 has been increased by cash TL 33,151 to TL 170,474. The share percentage of the Bank is remained the same (51.001%). TL 8,288 of the cash commitment amounting to TL 33,151 is paid on 15 July 2014, TL 24,863 is paid on 2 October 2014. Total cash commitment TL 33,151 is presented in the acquisitions and capital increases in the movement table of investments in subsidiaries.

In the prior period, related to the capital increase of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ from TL 106,200 to TL 203,320, the Bank has obtained shares with a nominal value of TL 29,345 at a rate of TL 3.44 by using the stock rights. For these shares TL 100,947 has been paid. Besides, Bank has obtained shares with a nominal value of TL 20,000 at TL 3.44 rate since the other shareholders did not use their stock rights. Bank has paid TL 68,800 for the shares. As at 4 July 2014, company's capital increase has been registered and as of the date the existing nominal share of the Bank has been increased from TL 29,345 to TL 78,690 Bank's share percentage has been increased from 27.63% to 38.70%. The capital increase as of TL 169,747 is presented in the acquisitions and capital increases in the movement table of investments in subsidiaries.

In the prior period, the title of Vakıf B Tipi Menkul Kıymetler Yatırım Ortaklığı has been changed to Vakıf Menkul Kıymet Yatırım Ortaklığı. The new title of the company has been registered on 9 April 2014.

**9. Investments in joint-ventures**

None.

**10. Information on finance lease receivables (net)**

None.

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

As at 30 June 2015 and 31 December 2014, items generating deferred tax assets or liabilities are listed below:

	Current period	Prior Period
<b>Deferred tax assets:</b>	<b>203,146</b>	<b>227,132</b>
Provision for employee termination benefits and unused vacations	87,382	81,013
Other provisions	33,244	28,083
Valuation differences of associates and subsidiaries	23,456	23,456
Valuation differences of financial assets and liabilities	46,560	82,413
BRSA - Tax Code depreciation differences	10,605	10,131
Others	1,899	2,036
<b>Deferred tax liabilities:</b>	<b>(160,774)</b>	<b>(154,695)</b>
Valuation differences of financial assets and liabilities	(122,320)	(114,636)
Valuation differences of associates and subsidiaries	(38,454)	(40,059)
<b>Deferred tax assets, net</b>	<b>42,372</b>	<b>72,437</b>

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

As at 30 June 2015 assets held for sale and assets related to the discontinued operations amount to TL 804,500 (31 December 2014: TL 745,883)

15. Information on other assets

As at 30 June 2015 and 31 December 2014 other assets are as follows:

	Current period	Prior Period
Receivables from credit card payments	770,709	772,007
Prepaid expenses	682,228	617,476
Guarantees given for repurchase agreements	102,591	193,605
Guarantees given for derivative financial instruments	449,054	351,579
Receivables from term sale of assets	57,906	68,664
Others	180,687	212,142
<b>Total</b>	<b>2,243,175</b>	<b>2,215,473</b>



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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES**

**1. Information on maturity profile of deposits**

<b>Current Period</b>	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulating Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	<b>4,249,142</b>	-	<b>489,042</b>	<b>19,884,012</b>	<b>1,074,791</b>	<b>254,426</b>	<b>128,973</b>	-	<b>26,080,386</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>4,360,315</b>	-	<b>3,124,919</b>	<b>13,722,961</b>	<b>1,767,397</b>	<b>850,502</b>	<b>3,099,044</b>	-	<b>26,925,138</b>
Residents in Turkey	4,158,667	-	3,119,148	13,506,015	1,531,704	595,200	884,868	-	23,795,602
Residents in Abroad	201,648	-	5,771	216,946	235,693	255,302	2,214,176	-	3,129,536
<b>Public Sector Deposits</b>	<b>4,255,407</b>	-	<b>2,418,650</b>	<b>6,912,050</b>	<b>539,705</b>	<b>3,200,473</b>	<b>195,914</b>	-	<b>17,522,199</b>
<b>Commercial Deposits</b>	<b>2,012,145</b>	-	<b>4,010,102</b>	<b>10,143,334</b>	<b>499,731</b>	<b>70,326</b>	<b>4,794</b>	-	<b>16,740,432</b>
<b>Others</b>	<b>3,476,078</b>	-	<b>987,614</b>	<b>2,732,556</b>	<b>295,074</b>	<b>87,786</b>	<b>24,218</b>	-	<b>7,603,326</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>559,733</b>	-	-	-	-	-	-	-	<b>559,733</b>
<b>Bank Deposits</b>	<b>236,506</b>	-	<b>3,019,545</b>	<b>1,215,200</b>	<b>174,651</b>	<b>190,059</b>	<b>4,205</b>	-	<b>4,840,166</b>
Central Bank	1,426	-	-	-	-	-	-	-	1,426
Domestic Banks	6,736	-	2,735,302	906,026	13,831	40,629	4,205	-	3,706,729
Foreign Banks	216,568	-	284,243	309,174	160,820	149,430	-	-	1,120,235
Participation Banks	11,776	-	-	-	-	-	-	-	11,776
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19,149,326</b>	-	<b>14,049,872</b>	<b>54,610,113</b>	<b>4,351,349</b>	<b>4,653,572</b>	<b>3,457,148</b>	-	<b>100,271,380</b>

<b>Prior Period</b>	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulating Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	<b>3,715,353</b>	-	<b>463,572</b>	<b>18,032,423</b>	<b>1,393,667</b>	<b>328,345</b>	<b>136,781</b>	-	<b>24,070,141</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>3,234,204</b>	-	<b>2,197,700</b>	<b>11,340,861</b>	<b>1,411,649</b>	<b>759,201</b>	<b>2,828,588</b>	-	<b>21,772,203</b>
Residents in Turkey	3,056,529	-	2,195,602	11,162,513	1,193,080	494,191	794,731	-	18,896,646
Residents in Abroad	177,675	-	2,098	178,348	218,569	265,010	2,033,857	-	2,875,557
<b>Public Sector Deposits</b>	<b>3,583,281</b>	-	<b>2,370,191</b>	<b>5,695,639</b>	<b>437,138</b>	<b>2,788,470</b>	<b>190,212</b>	-	<b>15,064,931</b>
<b>Commercial Deposits</b>	<b>2,157,535</b>	-	<b>4,622,420</b>	<b>10,102,792</b>	<b>430,016</b>	<b>233,506</b>	<b>5,478</b>	-	<b>17,551,747</b>
<b>Others</b>	<b>3,208,185</b>	-	<b>1,102,804</b>	<b>2,747,775</b>	<b>380,429</b>	<b>98,701</b>	<b>29,638</b>	-	<b>7,567,532</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>854,355</b>	-	-	-	-	-	-	-	<b>854,355</b>
<b>Bank Deposits</b>	<b>59,910</b>	-	<b>3,599,082</b>	<b>1,086,606</b>	<b>80,387</b>	<b>33,206</b>	<b>16,868</b>	-	<b>4,876,059</b>
Central Bank	424	-	-	-	-	-	-	-	424
Domestic Banks	2,094	-	3,288,392	422,069	2,016	33,206	16,868	-	3,764,645
Foreign Banks	53,763	-	310,690	664,537	78,371	-	-	-	1,107,361
Participation Banks	3,629	-	-	-	-	-	-	-	3,629
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,812,823</b>	-	<b>14,355,769</b>	<b>49,006,096</b>	<b>4,133,286</b>	<b>4,241,429</b>	<b>3,207,565</b>	-	<b>91,756,968</b>

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

*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	14,443,492	12,652,145	11,636,894	11,417,996
Foreign Currency Saving Deposits	4,528,863	3,846,786	11,263,278	8,435,919
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>18,972,355</b>	<b>16,498,931</b>	<b>22,900,172</b>	<b>19,853,915</b>

*Saving deposits out of insurance coverage limits*

	Current Period	Prior Period
Deposits and other accounts at foreign branches	24,655	21,061
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	4,705	3,905
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	9,034	1,668	3,209	458
Swap Transactions	88,014	127,214	50,567	190,324
Futures	-	-	-	-
Options	454	3,477	457	5,237
<b>Total</b>	<b>97,502</b>	<b>132,359</b>	<b>54,233</b>	<b>196,019</b>

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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

**3. Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Bank and Institutions	101,124	234,489	139,471	91,169
Foreign Banks, Institutions and Funds	-	15,989,669	748,467	13,947,941
<b>Total</b>	<b>101,124</b>	<b>16,224,158</b>	<b>887,938</b>	<b>14,039,110</b>

*Maturity information of funds borrowed*

	Current period		Prior period	
	TL	FC	TL	FC
Short-term (*)	99,390	5,302,218	867,372	7,312,287
Medium and Long term (*)	1,734	10,921,940	20,566	6,726,823
<b>Total</b>	<b>101,124</b>	<b>16,224,158</b>	<b>887,938</b>	<b>14,039,110</b>

(\*) 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 10.24% (31 December 2014: 10.41%) of the Bank’s liabilities. There is no risk concentration on funding sources of the Bank.

On 16 April 2014, Bank has obtained syndicated loan at the amount of US Dollar 270.5 million and Euro 525 million with the interest rate of US Libor +0.90% and Euribor +0.90% at a maturity of one year, with participation of 35 banks with the coordination of Wells Fargo Bank N.A., London Branch and Sumitomo Mitsui Banking Corporation, Brussels Branch acting as agent. On 17 April 2015, the loan has been renewed with a new syndicated loan amounting to US Dollar 204 million and Euro 763 million with the interest rate of US Libor +0.8% and Euribor +0.8% at a maturity of 367 days with participation of 35 banks, Wells Fargo Bank, N.A., London Branch acting as coordinator and agent bank.

On 20 September 2013, the Bank has obtained syndicated loan at the amount of US Dollar 166 million and Euro 471 million with the interest rate of US Libor + 0.75% and Euribor + 0.75% at a maturity of one year, with the participation of 27 banks with the coordination and agency of ING Bank N.V. London. On 22 September 2014, the loan has been renewed with a new syndicated loan amounting to US Dollar 168.5 million and Euro 528.75 million with interest rates of US Libor + 0.90% and Euribor + 0.90% at a maturity of one year, with the participation of 26 banks, ING Bank, London Branch acting as coordinator and agent bank.

On 19 December 2014, the Bank has obtained securitization loan at the amount of US Dollar 928.6 million related to foreign transfers and treasury transactions in Euro and US Dollar. Loan at the amount of US Dollar 500 million has been obtained related to foreign transfers at a maturity of five years and loan at the amount of US Dollar 428.6 million has been obtained related to treasury transactions at a maturity of seven years in seven different segments in total.

The loan obtained from European Bank for Reconstruction and Development Bank (EBRD) at the amount of US Dollar 125 million in 2014-A segment in order to finance medium term loans including to meet the needs of agricultural enterprises and support woman entrepreneurs.

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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

2014-B segment of the loan has been obtained from Wells Fargo Bank, N.A., 2014-C segment of the loan has been obtained from Raiffeisen Bank International AG, 2014-D segment of the loan has been obtained from Standard Chartered Bank, 2014-E segment of the loan has been obtained from Societe Generale, 2014-G segment of the loan has been obtained from Bank of America, N.A. and 2014-F segment of the loan related to treasury transactions has been obtained from JP Morgan Securities plc. in the scope of programme. As at 30 June 2015, total securitization loan amounts to US Dollar 1,264 million.

*Information on securities issued*

Within the context of Global Medium Term Notes (GMTN), the Bank has issued Turkey’s first Eurobond apart from Undersecretariat of Treasury. The bond has been issued in GMTN programme on 17 June 2014 has a nominal value of Euro 500 million, maturity date on 17 June 2019 with fix rate, 5 years maturity and annually coupon paid with 3.65% return and coupon rate 3.50%.

Within the context of Global Medium Term Notes (GMTN), 171 private placements have been realized with 16 separate banks since June 2013. These placements have been realized in different currencies (US Dollar, Euro and CHF) at the maturities of 3 months, 6 months, 1 year and 2 years and in total amount to USD Dollar 3,880 million equivalents. As at 30 June 2015 total private placement transactions amount to US Dollar 1,205 million equivalents.

	Current period		Prior period	
	TL	FC	TL	FC
Nominal	2,756,822	9,007,902	2,978,797	7,500,392
Cost	2,649,565	8,965,085	2,860,066	7,462,478
Net Book Value	2,705,498	9,034,009	2,913,190	7,544,567

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I. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Current Period									
ISIN Code	Security Type	Coupon Rate	Currency Type	Issue Date	Maturity Date	Days to Maturity	Nominal	Cost	Net Book Value
TRQVKFB81567	Discounted	-	TL	17.04.2015	07.08.2015	112	411,165	399,298	407,174
TRQVKFB91517	Discounted	-	TL	13.03.2015	04.09.2015	175	223,966	214,204	220,272
TRQVKFB91525	Discounted	-	TL	15.05.2015	04.09.2015	112	519,583	503,655	510,267
TRQVKFB81518	Discounted	-	TL	22.08.2014	07.08.2015	350	40,205	36,911	39,825
TRQVKFB81526	Discounted	-	TL	24.10.2014	07.08.2015	287	94,600	88,021	93,717
TRQVKFB81534	Discounted	-	TL	21.11.2014	07.08.2015	259	27,613	26,032	27,374
TRQVKFB81542	Discounted	-	TL	12.12.2014	07.08.2015	238	14,574	13,800	14,450
TRQVKFB81559	Discounted	-	TL	13.02.2015	07.08.2015	175	449,468	430,933	445,389
TRQVKFBE15110	Discounted	-	TL	13.02.2015	09.10.2015	238	2,765	2,613	2,698
TRQVKFBE1536	Discounted	-	TL	05.06.2015	09.10.2015	126	403,010	389,885	392,557
TRQVKFBK1512	Discounted	-	TL	15.05.2015	06.11.2015	175	264,763	252,165	255,480
TRQVKFBE1528	Discounted	-	TL	17.04.2015	09.10.2015	175	183,595	175,404	178,845
TRQVKFBK1520	Discounted	-	TL	05.06.2015	06.11.2015	154	121,515	116,644	117,450
XS1246700980	Fixed	1.45	USD	15.06.2015	17.12.2015	185	64,200	64,200	64,241
XS1246782699	Fixed	1.45	USD	15.06.2015	15.12.2015	183	48,685	48,685	48,716
XS1246885310	Fixed	0.93	JPY	29.06.2015	30.06.2016	367	10,934	10,934	10,934
XS1247491829	Fixed	0.95	EURO	16.06.2015	15.12.2015	182	95,018	95,018	95,056
XS1250876635	Fixed	0.95	EURO	23.06.2015	17.12.2015	177	16,135	16,135	16,139
XS1250881395	Fixed	0.95	EURO	22.06.2015	23.12.2015	184	61,553	61,553	61,567
XS1250933709	Fixed	0.95	EURO	23.06.2015	22.12.2015	182	82,469	82,469	82,486
XS1253945155	Fixed	1.45	USD	29.06.2015	08.01.2016	193	51,360	51,360	51,364
XS1254115766	Fixed	1.44	USD	30.06.2015	23.12.2015	176	69,550	69,547	69,549
US90015NAA19	Fixed	5.75	USD	24.04.2012	24.04.2017	1,826	1,337,500	1,322,787	1,346,506
XS1063444001	Floating	3 ME+2.15%	EURO	06.05.2014	06.05.2016	731	31,374	31,217	31,430
XS1077629225	Fixed	3.50	EURO	17.06.2014	17.06.2019	1,826	1,493,999	1,483,929	1,488,020
XS1113320888	Fixed	1.74	USD	24.09.2014	23.09.2015	364	16,585	16,583	16,805
XS1115283571	Fixed	1.73	USD	30.09.2014	07.10.2015	372	10,700	10,698	10,838
XS1118030300	Fixed	1.80	USD	09.10.2014	08.10.2015	364	32,100	32,100	32,519
XS1121229741	Fixed	1.78	USD	15.10.2014	26.10.2015	376	10,700	10,698	10,834
XS1126276697	Fixed	1.80	USD	23.10.2014	23.10.2015	365	133,750	133,750	134,200
XS1130490227	Fixed	1.79	USD	30.10.2014	04.11.2015	370	12,038	12,036	12,181
XS1132341568	Fixed	1.80	USD	04.11.2014	05.11.2015	366	13,910	13,910	14,074
XS1135135272	Fixed	1.80	USD	05.11.2014	05.11.2015	365	133,750	133,750	135,320
XS1170287558	Fixed	1.77	USD	20.01.2015	21.01.2016	366	66,875	66,875	67,402
XS1175833687	Fixed	1.35	USD	28.01.2015	28.07.2015	181	26,750	26,750	26,903
XS1186715626	Fixed	1.40	USD	10.02.2015	07.08.2015	178	49,755	49,755	50,025
XS1190638178	Fixed	1.45	USD	17.02.2015	20.08.2015	184	26,215	26,215	26,355
XS1190648136	Fixed	1.45	USD	17.02.2015	13.08.2015	177	24,075	24,075	24,204
XS1190980174	Fixed	1.44	USD	17.02.2015	18.08.2015	182	56,175	56,172	56,472
XS1193799621	Fixed	1.45	USD	24.02.2015	27.08.2015	184	19,260	19,260	19,357
XS1193799977	Fixed	1.45	USD	24.02.2015	25.08.2015	182	47,615	47,615	47,856
XS1193942957	Fixed	1.45	USD	24.02.2015	27.08.2015	184	29,425	29,425	29,574
XS1196725623	Fixed	1.45	USD	03.03.2015	03.09.2015	184	32,635	32,635	32,791
XS1196730383	Fixed	1.45	USD	03.03.2015	03.03.2016	366	12,305	12,305	12,364
XS1197016865	Fixed	1.75	USD	02.03.2015	03.03.2016	367	10,700	10,700	10,762
XS1199943652	Fixed	1.40	USD	10.03.2015	02.09.2015	176	49,488	49,488	49,703
XS1199943736	Fixed	1.40	USD	10.03.2015	10.09.2015	184	43,870	43,870	44,061
XS1199953883	Fixed	1.40	USD	10.03.2015	10.09.2015	184	17,655	17,655	17,732
XS1203859506	Fixed	0.95	EURO	17.03.2015	17.09.2015	184	63,346	63,346	63,521
XS1203859688	Fixed	1.15	EURO	17.03.2015	24.03.2016	373	46,613	46,613	46,768
XS1203880023	Fixed	0.95	EURO	17.03.2015	17.09.2015	184	20,916	20,916	20,974
XS0916347759	Fixed	3.75	USD	15.04.2013	15.04.2018	1,826	1,604,999	1,595,883	1,612,637
XS0987355939	Fixed	5.00	USD	31.10.2013	31.10.2018	1,826	1,337,499	1,328,805	1,343,084
XS1204187261	Fixed	0.95	EURO	17.03.2015	17.09.2015	184	91,134	91,134	91,386
XS1204237116	Fixed	1.40	USD	17.03.2015	11.09.2015	178	40,125	40,125	40,289
XS1204545799	Fixed	1.40	USD	18.03.2015	11.09.2015	177	70,888	70,888	71,174
XS1207315307	Fixed	1.40	USD	23.03.2015	18.09.2015	179	18,725	18,725	18,797
XS1207605483	Fixed	0.95	EURO	24.03.2015	22.09.2015	182	30,478	30,478	30,556
XS1208576493	Fixed	1.40	USD	24.03.2015	22.09.2015	182	66,073	66,073	66,324
XS1210395833	Fixed	1.45	USD	31.03.2015	08.10.2015	191	24,610	24,610	24,700
XS1210448038	Fixed	1.45	USD	31.03.2015	29.09.2015	182	53,500	53,500	53,696
XS1215192912	Fixed	0.80	EURO	07.04.2015	08.07.2015	92	75,895	75,895	76,037
XS1215193050	Fixed	0.95	EURO	07.04.2015	15.10.2015	191	27,490	27,490	27,551
XS1215337665	Fixed	1.45	USD	07.04.2015	08.10.2015	184	120,375	120,375	120,783
XS1225098935	Fixed	0.80	EURO	29.04.2015	04.08.2015	97	87,847	87,847	87,969
XS1226364880	Fixed	0.92	EURO	05.05.2015	30.10.2015	178	44,820	44,820	44,885
XS1226437868	Fixed	1.45	USD	30.04.2015	05.11.2015	189	16,050	16,050	16,090
XS1227248835	Fixed	1.45	USD	06.05.2015	03.11.2015	181	21,133	21,133	21,180
XS1227593180	Fixed	0.95	EURO	06.05.2015	05.11.2015	183	34,063	34,063	34,113
XS1232456282	Fixed	0.95	EURO	12.05.2015	19.11.2015	191	119,520	119,519	119,676
XS1232938198	Fixed	0.95	EURO	14.05.2015	12.11.2015	182	22,111	22,111	22,139
XS1233124731	Fixed	0.95	EURO	13.05.2015	18.11.2015	189	29,880	29,880	29,918
XS1233126868	Fixed	0.95	EURO	13.05.2015	19.11.2015	190	52,589	52,589	52,656
XS1234686944	Fixed	1.90	EURO	21.05.2015	19.11.2015	182	15,538	15,538	15,571
XS1234801394	Fixed	1.03	EURO	18.05.2015	19.11.2015	185	14,940	14,940	14,959
XS1234807243	Fixed	1.48	USD	20.05.2015	20.11.2015	184	53,500	53,500	53,591
XS1235133557	Fixed	1.16	USD	20.05.2015	17.08.2015	89	40,125	40,125	40,179
XS1238061078	Fixed	1.44	USD	22.05.2015	18.11.2015	180	20,063	20,062	20,093
XS1238824749	Fixed	1.45	USD	27.05.2015	24.11.2015	181	66,875	66,875	66,968
XS1238836594	Fixed	1.45	USD	26.05.2015	25.11.2015	183	19,260	19,260	19,288
XS1240157583	Fixed	0.60	EURO	01.06.2015	01.09.2015	92	74,700	74,663	74,712
XS1240951662	Fixed	0.95	EURO	02.06.2015	03.12.2015	184	111,751	111,752	111,836
XS1241549523	Fixed	1.44	USD	02.06.2015	02.12.2015	183	145,519	145,512	145,681
XS1245001927	Fixed	0.93	EURO	10.06.2015	08.12.2015	181	68,724	68,717	68,755
XS1245628216	Fixed	1.44	USD	10.06.2015	14.12.2015	187	17,120	17,119	17,133
<b>Total</b>							<b>11,764,724</b>	<b>11,614,650</b>	<b>11,739,507</b>

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**DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

Prior Period										
ISIN Code	Security Type	Coupon Rate	Currency		Issue Date	Maturity Date	Days to Maturity	Nominal	Cost	Net Book Value
			Type	Type						
TRQVKFB31521	Discounted	-	TL	TL	21.11.2014	13.03.2015	112	399,320	388,974	392,726
TRQVKFB31539	Discounted	-	TL	TL	12.12.2014	13.03.2015	91	196,129	192,033	192,925
TRQVKFB81526	Discounted	-	TL	TL	24.10.2014	07.08.2015	287	94,559	87,930	89,476
TRQVKFB81534	Discounted	-	TL	TL	21.11.2014	07.08.2015	259	27,404	25,798	26,044
TRQVKFB51529	Discounted	-	TL	TL	21.11.2014	15.05.2015	175	240,965	231,321	233,540
TRQVKFB81542	Discounted	-	TL	TL	12.12.2014	07.08.2015	238	14,561	13,782	13,846
TRQVKFB41520	Discounted	-	TL	TL	24.10.2014	17.04.2015	175	736,745	705,583	717,613
TRQVKFB51537	Discounted	-	TL	TL	12.12.2014	15.05.2015	154	165,233	159,456	160,193
TRQVKFB41512	Discounted	-	TL	TL	02.05.2014	17.04.2015	350	12,028	11,042	11,700
TRQVKFB51511	Discounted	-	TL	TL	06.06.2014	29.05.2015	357	36,117	33,210	34,837
TRQVKFB21514	Discounted	-	TL	TL	22.08.2014	13.02.2015	175	674,639	648,005	667,542
TRQVKFB81518	Discounted	-	TL	TL	22.08.2014	07.08.2015	350	43,546	39,822	41,166
TRQVKFB31513	Discounted	-	TL	TL	19.09.2014	13.03.2015	175	337,551	323,110	331,582
US90015NAA19	Fixed	5.75	USD	USD	24.04.2012	24.04.2017	1,826	1,160,000	1,147,240	1,166,728
XS0916347759	Fixed	3.75	USD	USD	15.04.2013	15.04.2018	1,826	1,392,000	1,384,093	1,397,984
XS0987355939	Fixed	5.00	USD	USD	31.10.2013	31.10.2018	1,826	1,160,000	1,152,460	1,164,098
XS1069999610	Fixed	1.75	USD	USD	21.05.2014	20.05.2015	364	11,600	11,600	11,725
XS1084474862	Fixed	0.73	USD	USD	03.07.2014	07.01.2015	188	18,328	18,328	18,394
XS1085714621	Fixed	1.43	USD	USD	09.07.2014	07.01.2015	182	92,800	92,800	93,443
XS1087783269	Fixed	1.45	USD	USD	14.07.2014	08.01.2015	178	42,688	42,688	42,979
XS1087831506	Fixed	1.45	USD	USD	15.07.2014	15.01.2015	184	97,440	97,440	98,100
XS1089992686	Fixed	1.40	USD	USD	22.07.2014	15.01.2015	177	48,720	48,720	49,025
XS1090076768	Fixed	1.40	USD	USD	22.07.2014	22.01.2015	184	58,000	58,000	58,364
XS1091762812	Fixed	1.40	USD	USD	25.07.2014	22.01.2015	181	48,256	48,256	48,553
XS1091766482	Fixed	1.40	USD	USD	01.08.2014	26.01.2015	178	71,920	71,920	72,343
XS1096098030	Fixed	1.40	USD	USD	08.08.2014	05.02.2015	181	76,328	76,324	76,756
XS1096471526	Fixed	1.40	USD	USD	08.08.2014	29.01.2015	174	35,264	35,264	35,462
XS1097465766	Fixed	1.40	USD	USD	13.08.2014	18.02.2015	189	27,840	27,840	27,991
XS1101735634	Fixed	1.40	USD	USD	20.08.2014	19.02.2015	183	40,600	40,600	40,809
XS1101839170	Fixed	1.40	USD	USD	21.08.2014	17.02.2015	180	69,600	69,600	69,956
XS1105745761	Fixed	0.70	USD	USD	02.09.2014	05.03.2015	184	64,960	64,960	65,111
XS1107482306	Fixed	1.38	USD	USD	09.09.2014	12.03.2015	184	84,680	84,671	85,043
XS1110657050	Fixed	1.40	USD	USD	16.09.2014	19.03.2015	184	116,000	116,000	116,477
XS1112873176	Fixed	1.40	USD	USD	23.09.2014	26.03.2015	184	85,840	85,840	86,170
XS1113320888	Fixed	1.74	USD	USD	24.09.2014	23.09.2015	364	14,384	14,382	14,450
XS1115283571	Fixed	1.73	USD	USD	30.09.2014	07.10.2015	372	9,280	9,278	9,319
XS1115485010	Fixed	1.40	USD	USD	29.09.2014	27.03.2015	179	34,800	34,800	34,926
XS1117991213	Fixed	1.10	USD	USD	08.10.2014	08.01.2015	92	73,776	73,776	73,966
XS1118030300	Fixed	1.80	USD	USD	09.10.2014	08.10.2015	364	27,840	27,840	27,955
XS1118051215	Fixed	1.35	USD	USD	08.10.2014	02.04.2015	176	73,312	73,312	73,543
XS1118053005	Fixed	1.35	USD	USD	08.10.2014	17.04.2015	191	11,600	11,600	11,637
XS1121229741	Fixed	1.78	USD	USD	15.10.2014	26.10.2015	376	9,280	9,278	9,314
XS1121307059	Fixed	1.10	USD	USD	15.10.2014	15.01.2015	92	73,312	73,312	73,485
XS1121307307	Fixed	1.35	USD	USD	15.10.2014	16.04.2015	183	55,680	55,680	55,841
XS1123043983	Fixed	1.02	USD	USD	20.10.2014	20.01.2015	92	23,200	23,195	23,246
XS1124128320	Fixed	1.35	USD	USD	17.10.2014	16.04.2015	181	62,640	62,640	62,817
XS1124141349	Fixed	1.10	USD	USD	17.10.2014	22.01.2015	97	30,160	30,160	30,229
XS1124325074	Fixed	1.35	USD	USD	20.10.2014	20.04.2015	182	58,000	58,000	58,157
XS1126276697	Fixed	1.80	USD	USD	23.10.2014	23.10.2015	365	116,000	116,000	116,402
XS1129857782	Fixed	1.35	USD	USD	24.10.2014	28.04.2015	186	56,144	56,144	56,288
XS1130031039	Fixed	1.33	USD	USD	28.10.2014	27.04.2015	181	81,200	81,192	81,388
XS1130490227	Fixed	1.79	USD	USD	30.10.2014	04.11.2015	370	10,440	10,438	10,471
XS1132341485	Fixed	1.25	USD	USD	03.11.2014	30.04.2015	178	30,160	30,160	30,221
XS1132341568	Fixed	1.80	USD	USD	04.11.2014	05.11.2015	366	12,064	12,064	12,099
XS1132440386	Fixed	1.27	USD	USD	05.11.2014	07.05.2015	183	32,480	32,480	32,545
XS1135135272	Fixed	1.80	USD	USD	05.11.2014	05.11.2015	365	116,000	116,000	116,326
XS1138701500	Fixed	1.30	USD	USD	18.11.2014	27.05.2015	190	18,560	18,558	18,588
XS1139114257	Fixed	1.24	USD	USD	18.11.2014	18.05.2015	181	92,800	92,791	92,932
XS1143013297	Fixed	1.28	USD	USD	24.11.2014	28.05.2015	185	52,432	52,432	52,502
XS1143372008	Fixed	1.25	USD	USD	25.11.2014	27.05.2015	183	81,200	81,196	81,300
XS1063444001	Floating	3 Month-Euribor+2.15	EUR	EUR	06.05.2014	06.05.2016	731	29,634	29,486	29,650
XS1077629225	Fixed	3.50	EUR	EUR	17.06.2014	17.06.2019	1,826	1,411,150	1,401,640	1,429,459
<b>Total</b>								<b>10,479,189</b>	<b>10,322,544</b>	<b>10,457,757</b>

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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*

	<b>Current Period</b>	<b>Prior period</b>
Provisions for loans and receivables in Group I	1,515,013	1,326,468
-Additional provision for loans with extended payment plans	25,674	26,989
Provisions for loans and receivables in Group II	230,471	175,204
-Additional provision for loans with extended payment plans	18,380	14,696
Provisions for non-cash loans	98,553	93,418
Others	9,892	8,152
<b>Total</b>	<b>1,853,929</b>	<b>1,603,242</b>

*Provision for currency exchange loss on foreign currency indexed loans*

	<b>Current Period</b>	<b>Prior Period</b>
Provision for currency exchange gain/loss on foreign currency indexed loans	8,896	12,048

The Bank has recorded provision amounting to TL 8,896 (31 December 2014: TL 12,048) 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 2015, Bank has recorded TL 48,675 (31 December 2014: TL 63,030) as provisions for non-cash loans that are not indemnified or converted into cash.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on other provisions

Information on other provisions exceeding 10% of total provisions

	Current Period	Prior period
Provisions for credits	137,030	105,005
Specific provisions for non-cash loans	48,675	63,030
Provision for cheques	44,692	37,207
Provisions for lawsuits against the Bank	4,755	14,673
Provisions for credit card promotions	9,494	10,177
Other provisions	-	722
<b>Total</b>	<b>244,646</b>	<b>230,814</b>

8. Taxation

Current taxes

Tax provision

As at and for the six-month period ended 30 June 2015, the tax provision was amounted to TL 121,038 (31 December 2014: TL 600,797). As at 30 June 2015, corporate tax liabilities of the Bank was amounted to TL 26,289 (31 December 2014: TL 248,173), after deducting prepaid taxes paid during temporary tax periods amounted to TL 94,749 (31 December 2014: TL 352,624).

Information on taxes payable

	Current Year	Prior Year
Corporate taxes payable	26,289	248,173
Taxation on securities	141,691	123,184
Capital gains tax on property	2,497	2,146
Taxes on foreign exchange transactions	-	-
Banking and Insurance Transaction Tax (BITT)	68,329	58,972
Value added tax payable	2,110	3,139
Others	20,360	19,879
<b>Total</b>	<b>261,276</b>	<b>455,493</b>

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	752	608
Unemployment insurance- employer share	1,503	1,216
Other	-	-
<b>Total</b>	<b>2,255</b>	<b>1,824</b>



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**DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

*Information on deferred tax liabilities*

Information on deferred tax liabilities is presented in disclosure 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 Bank has issued bond having the secondary subordinated loan quality to be sold non-resident natural and legal persons. The bond has been issued at the nominal value of USD 500 million with the maturity of 10 years and 6.0% coupon rate. In addition to the bond issued on 1 November 2012, on 3 December 2012 the Bank has realized second tranche at nominal value of USD 400 million, has the same due date and maturity of 10 years and 5.5% coupon rate.

The Bank has issued secondary subordinated loan (Tier II bond) as at January 2015 which satisfies Basel-III criterias. In this context, the bond has been issued at the nominal value of USD 500 million with the maturity date of 3 February 2025 and early call option date of 3 February 2020. The bond has fixed interest, 10 years and one day maturity, two times interest payment in a year with coupon rate of 6.875% and issue yield of 6.95%.

**11. Information on equity**

*Paid-in capital*

	<b>Current Period</b>	<b>Prior Period</b>
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.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

*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*

<b>Capital System</b>	<b>Paid-in Capital</b>	<b>Ceiling per Registered Share Capital</b>
Registered capital system	2,500,000	10,000,000

At the resolutions of Board of Directors dated 2 January 2015 and 61st Ordinary Meeting of the General Assembly dated 30 March 2015, Bank’s ceiling per registered share capital has been increased from TL 5,000,000 to TL 10,000,000.

*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*

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Associates, subsidiaries and joint ventures	554,848	118,404	611,250	118,404
Fair value differences of available-for-sale securities	(185,173)	229,005	172,430	256,490
Foreign exchange differences	58,395	-	58,395	-
<b>Total</b>	<b>428,070</b>	<b>347,409</b>	<b>842,075</b>	<b>374,894</b>

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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	7,077,005	7,641,987
Loan granting commitments	8,919,744	8,053,342
Commitments for cheque payments	1,719,281	1,638,976
Asset purchase sale commitments	1,245,713	2,686,862
Other	302,683	272,131
<b>Total</b>	<b>19,264,426</b>	<b>20,293,298</b>

*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 48,675 (31 December 2014: TL 63,030) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 104,554 (31 December 2014: TL 129,638).

*Final guarantees, provisional guarantees, sureties and similar transactions*

	Current Period	Prior Period
Final letters of guarantee	8,455,915	7,737,748
Letters of guarantee for advances	3,628,629	2,603,790
Letters of guarantee given to custom offices	996,661	913,389
Provisional letters of guarantee	1,041,608	1,107,255
Other letters of guarantee	11,599,201	9,090,289
<b>Total</b>	<b>25,722,014</b>	<b>21,452,471</b>

2. Non-cash loans

	Current Period	Prior Period
Non-cash loans given for cash loan risks	3,474,771	2,905,607
<i>With original maturity of 1 year or less</i>	1,854,413	1,846,045
<i>With original maturity of more than 1 year</i>	1,620,358	1,059,562
Other non-cash loans	29,383,473	25,728,316
<b>Total</b>	<b>32,858,244</b>	<b>28,633,923</b>

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS  
(Continued)

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>88,569</b>	<b>0.43</b>	<b>181,582</b>	<b>1.50</b>	<b>86,506</b>	<b>0.52</b>	<b>266,929</b>	<b>2.27</b>
Farming and Cattle	82,020	0.39	175,964	1.46	77,673	0.46	257,069	2.19
Forestry	5,848	0.03	5,618	0.05	7,898	0.05	7,540	0.06
Fishing	701	0.00	-	0.00	935	0.01	2,320	0.02
<b>Manufacturing</b>	<b>9,337,048</b>	<b>44.95</b>	<b>6,545,255</b>	<b>54.15</b>	<b>7,150,408</b>	<b>42.40</b>	<b>5,753,926</b>	<b>48.88</b>
Mining	1,179,546	5.68	98,834	0.82	168,108	1.00	29,069	0.25
Production	5,185,141	24.96	6,066,239	50.19	4,563,948	27.06	5,319,615	45.19
Electric, gas and water	2,972,361	14.31	380,182	3.15	2,418,352	14.34	405,242	3.44
<b>Construction</b>	<b>3,044,925</b>	<b>14.66</b>	<b>2,257,062</b>	<b>18.67</b>	<b>2,996,610</b>	<b>17.77</b>	<b>2,520,479</b>	<b>21.41</b>
<b>Services</b>	<b>7,792,740</b>	<b>37.52</b>	<b>2,956,486</b>	<b>24.46</b>	<b>6,226,616</b>	<b>36.92</b>	<b>2,756,081</b>	<b>23.42</b>
Wholesale and retail trade	3,216,050	15.48	1,572,071	13.01	2,580,882	15.30	1,597,411	13.57
Hotel, food and beverage Services	114,744	0.55	3,637	0.03	125,417	0.74	5,691	0.05
Transportation and telecommunication	1,097,561	5.28	787,259	6.51	963,436	5.71	1,058,514	8.99
Financial institutions	2,235,253	10.76	5,097	0.04	1,515,987	8.99	7,094	0.06
Real estate and renting Services	305,220	1.47	24,140	0.20	254,056	1.51	24,192	0.21
Self-employment services	596,993	2.87	549,314	4.54	591,814	3.51	44,562	0.38
Education services	22,017	0.11	5,174	0.04	24,595	0.15	3,903	0.03
Health and social services	204,902	0.99	9,794	0.08	170,429	1.01	14,714	0.13
<b>Others</b>	<b>507,701</b>	<b>2.44</b>	<b>146,876</b>	<b>1.22</b>	<b>403,045</b>	<b>2.39</b>	<b>473,323</b>	<b>4.02</b>
<b>Total</b>	<b>20,770,983</b>	<b>100.00</b>	<b>12,087,261</b>	<b>100.00</b>	<b>16,863,185</b>	<b>100.00</b>	<b>11,770,738</b>	<b>100.00</b>

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	20,466,841	4,989,992	149,002	16,507
Confirmed Bills of Exchange and Letters of Credit	73,103	1,952,199	-	-
Endorsements	-	5,097,134	-	1,211
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	7,701	-	-
<b>Non-Cash Loans</b>	<b>20,539,944</b>	<b>12,047,026</b>	<b>149,002</b>	<b>17,718</b>

Prior Period	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	16,653,687	4,549,302	113,427	8,262
Confirmed Bills of Exchange and Letters of Credit	20,836	1,943,257	-	-
Endorsements	-	5,212,911	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	2,603	-	-
<b>Non-Cash Loans</b>	<b>16,674,523</b>	<b>11,708,073</b>	<b>113,427</b>	<b>8,262</b>

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS  
(Continued)**

**5. Information on credit derivatives and related imposed risks**

None.

**6. Contingent assets and liabilities**

Bank allocates TL 4,755 as provision for lawsuits against Bank (31 December 2014: 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	1,540,912	63,881	1,327,650	74,008
Medium and Long-Term Loans	3,043,375	676,450	2,511,674	429,184
Loans Under Follow-Up	59,227	-	99,004	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4,643,514</b>	<b>740,331</b>	<b>3,938,328</b>	<b>503,192</b>

*Information on interest income received from banks*

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,076	322	976	439
Foreign Banks	47	2,879	-	1,975
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>1,123</b>	<b>3,201</b>	<b>976</b>	<b>2,414</b>

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME  
(Continued)

*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	602,845	110,639	717,922	99,982
Investments held to maturity	337,504	205	273,104	189
<b>Total</b>	<b>940,349</b>	<b>110,844</b>	<b>991,026</b>	<b>100,171</b>

*Information on interest income received from associates and subsidiaries*

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	3,632	1,604

2. Interest expense

*Interest expense on funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>21,263</b>	<b>94,569</b>	<b>3,472</b>	<b>62,420</b>
Central Bank of Turkey	-	-	-	-
Domestic Banks	4,247	1,162	3,472	1,452
Foreign Banks	17,016	93,407	-	60,968
Foreign Head Offices and Branches	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>10,669</b>	<b>-</b>	<b>9,421</b>
<b>Total</b>	<b>21,263</b>	<b>105,238</b>	<b>3,472</b>	<b>71,841</b>

*Interest expense paid to associates and subsidiaries*

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	31,174	25,475

*Interest expense on securities issued*

Interest paid to securities issued as at for the six-month period ended 30 June 2015 is TL 278,594 (30 June 2014: 199,507).

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME  
(Continued)

*Maturity structure of the interest expense on deposits*

Current Period	Demand Deposits	Time Deposits					Cumulative deposit	Total
		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	-	92,182	-	-	-	-	-	92,182
Saving deposits	-	19,243	906,510	61,447	14,301	5,277	-	1,006,778
Public sector deposits	3,916	100,714	297,572	21,936	137,315	7,760	-	569,213
Commercial deposits	27	213,451	499,366	20,598	10,812	210	-	744,464
Other deposits	-	30,846	121,569	15,841	4,207	856	-	173,319
Deposits with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,943</b>	<b>456,436</b>	<b>1,825,017</b>	<b>119,822</b>	<b>166,635</b>	<b>14,103</b>	-	<b>2,585,956</b>
<i>FC</i>								
Foreign Currency Deposits	9,321	14,929	146,852	16,279	8,976	34,723	-	231,080
Interbank deposits	-	6,703	-	-	-	-	-	6,703
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,321</b>	<b>21,632</b>	<b>146,852</b>	<b>16,279</b>	<b>8,976</b>	<b>34,723</b>	-	<b>237,783</b>
<b>Total</b>	<b>13,264</b>	<b>478,068</b>	<b>1,971,869</b>	<b>136,101</b>	<b>175,611</b>	<b>48,826</b>	-	<b>2,823,739</b>

Prior Period	Demand Deposits	Time Deposits					Cumulative deposit	Total
		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	-	68,636	-	-	-	-	-	68,636
Saving deposits	22	10,335	796,986	66,911	15,467	6,941	-	896,662
Public sector deposits	2,228	81,649	237,084	38,359	38,190	7,257	-	404,767
Commercial deposits	163	120,984	576,160	26,200	11,773	3,806	-	739,086
Other deposits	-	18,026	158,122	17,697	15,721	733	-	210,299
Deposits with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,413</b>	<b>299,630</b>	<b>1,768,352</b>	<b>149,167</b>	<b>81,151</b>	<b>18,737</b>	-	<b>2,319,450</b>
<i>FC</i>								
Foreign Currency Deposits	13,703	11,417	137,327	19,389	16,858	41,662	-	240,356
Interbank deposits	-	10,033	-	-	-	-	-	10,033
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,703</b>	<b>21,450</b>	<b>137,327</b>	<b>19,389</b>	<b>16,858</b>	<b>41,662</b>	-	<b>250,389</b>
<b>Total</b>	<b>16,116</b>	<b>321,080</b>	<b>1,905,679</b>	<b>168,556</b>	<b>98,009</b>	<b>60,399</b>	-	<b>2,569,839</b>

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME  
(Continued)

3. Information on trading income/losses

	Current Period	Prior Period
<b>Income</b>	<b>2,168,421</b>	<b>2,709,036</b>
Income from capital market transactions	61,605	125,474
Income from derivative financial instruments	1,115,541	1,143,091
Foreign exchange gains	991,275	1,440,471
<b>Losses</b>	<b>(2,075,235)</b>	<b>(2,556,614)</b>
Losses from capital market transactions	(5,612)	(16,176)
Losses from derivative financial instruments	(1,108,999)	(1,173,354)
Foreign exchange losses	(960,624)	(1,367,084)
<b>Trading income/losses, net</b>	<b>93,186</b>	<b>152,422</b>

Net loss arising from changes in foreign exchange rates that relate to the Bank's foreign exchange rate based derivative financial instruments is amounting to TL 7,491 as at and for the six-month period ended 30 June 2015 (30 June 2014: TL 8,302 net loss).

4. Information on other operating income

	Current Period	Prior Period
Income from reversal of specific provisions for loans	424,461	387,484
Communication income	24,686	42,303
Gain on sale of assets	39,042	37,944
Rent income	725	610
Other income	54,956	142,331
<b>Total</b>	<b>543,870</b>	<b>610,672</b>

5. Provision expenses for losses on loans and other receivables

	Current Period	Prior Period
Specific provisions on loans and other receivables	662,882	620,526
<i>Loans and receivables in Group III</i>	<i>148,460</i>	<i>117,634</i>
<i>Loans and receivables in Group IV</i>	<i>452,430</i>	<i>481,576</i>
<i>Loans and receivables in Group V</i>	<i>61,992</i>	<i>21,316</i>
Non-performing commissions and other receivables	-	-
General provision expenses	250,734	128,430
Provision for possible losses	-	-
Impairment losses on securities:	3,054	12,841
<i>Trading securities</i>	<i>-</i>	<i>-</i>
<i>Investment securities available-for-sale</i>	<i>3,054</i>	<i>12,841</i>
Other impairment losses:	12,103	13,314
<i>Associates</i>	<i>-</i>	<i>-</i>
<i>Subsidiaries</i>	<i>-</i>	<i>-</i>
<i>Joint ventures</i>	<i>-</i>	<i>-</i>
<i>Investment securities held-to-maturity</i>	<i>12,103</i>	<i>13,314</i>
Others <sup>(*)</sup>	61,298	31,643
<b>Total</b>	<b>990,071</b>	<b>806,754</b>

(\*) Other provision expenses amounting to TL 61,298 (30 June 2014: TL 31,643) is comprised of provision for non-cash loans that are not indemnified or converted into cash and provision for cheques amounting to TL 17,273 (30 June 2014: TL 23,532) and free provision expenses related to loans and receivables amounting to TL 44,025 (30 June 2014: TL 8,111)



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**IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME  
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**6. Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Costs	665,466	620,709
Reserve for Employee Termination Benefits	28,731	24,024
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	61,447	55,067
Impairment Losses on Intangible Assets	-	-
Amortization Expenses on Intangible Assets	8,275	5,993
Impairment Losses on Assets to be Disposed	3,698	1,301
Depreciation Expenses on Assets to be Disposed	7,944	6,255
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	638,337	574,387
<i>Operational lease expenses</i>	100,734	89,389
<i>Repair and maintenance expenses</i>	16,295	11,275
<i>Advertisement expenses</i>	35,002	31,780
<i>Other expenses</i>	486,306	441,943
Loss on sale of assets	252	1,634
Others <sup>(*)</sup>	346,467	236,611
<b>Total</b>	<b>1,760,617</b>	<b>1,525,981</b>

(\*) Other operating expenses amounting to TL 346,467 (30 June 2014: TL 236,611) is comprised of provision expenses for dividends to the personnel amounting to TL 68,914 (30 June 2014: TL 64,512), tax, fees and funds expenses amounting to TL 59,989 (30 June 2014: TL 54,684), “Saving Deposits Insurance Fund” expenses amounting to TL 55,517 (30 June 2014: TL 43,611) and other operating expenses amounting to TL 162,047 (30 June 2014: TL 73,804).

**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 121,820 (30 June 2014: TL 270,292) 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.

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

**DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME  
(Continued)**

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

<b>Sources of deferred tax benefit/charge</b>	<b>Current Period</b>	<b>Prior Period</b>
Arising from Origination / (Reversal) of Deductible Temporary Differences	(70,279)	4,946
Arising from (Origination)/ Reversal of Taxable Temporary Differences	(57,663)	70,278
Arising from Origination / (Reversal) of Tax Losses	-	-
Arising from tax rate change	-	-
<b>Total</b>	<b>(127,942)</b>	<b>75,224</b>

**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 6,448,647 interest income, TL 449,425 net fees and commissions income and incurred TL 3,775,871 interest expenses, from ordinary banking transactions (30 June 2014: TL 5,537,715 interest income, TL 3,432,274 net fees and commissions income TL 316,467 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.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

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	74,105	721,258	-	10,174	6,238	13,087
Balance at the end of the period	266,120	888,603	-	35,909	12,944	15,347
Interest and commission income	3,632	270	-	30	-	12

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	68,800	692,352	-	27,065	26,101	24,502
Balance at the end of the period	74,105	721,258	-	10,174	6,238	13,087
Interest and commission income	1,604	738	-	16	260	25

*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	898,566	1,014,201	713,966	968,601	115,831	46,810
Balance at the end of the period	1,199,807	898,566	584,995	713,966	96,162	115,831
Interest on deposits	31,174	25,475	20,202	33,036	1,735	1,161

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

None

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

V. INFORMATION AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP  
(Continued)

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 0.24% (31 December 2014: 0.08%) and 2.86% (31 December 2014: 2.60%), respectively.

<b>Current Period</b>	<b>Amount</b>	<b>Compared to financial statement amount (%)</b>
Cash loans	279,064	0.24
Non-cash loans	939,859	2.86
Deposits	1,880,964	1.88
Forward and option agreements	-	-

<b>Prior Period</b>	<b>Amount</b>	<b>Compared to financial statement amount (%)</b>
Cash loans	80,343	0.08
Non-cash loans	744,519	2.60
Deposits	1,728,363	1.88
Forward and option agreements	-	-

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**SECTION SIX**

**OTHER DISCLOSURES**

**I. OTHER DISCLOSURES ON THE BANK’S ACTIVITY**

As per the resolution of 61<sup>th</sup> Annual General Assembly held on 30 March 2015, the net profit of year 2014 has been decided to be distributed as follows:

<b>Profit Distribution Table of Year 2014</b>	
<b>Bank’s unconsolidated profit in its statutory financial statements</b>	<b>1,753,273</b>
Deferred tax income	(141,116)
<b>Net profit of the year subject to distribution</b>	<b>1,612,157</b>
Legal reserves	161,214
<i>First Legal Reserves</i>	80,607
<i>Reserves allocated according to banking law and articles of association.</i>	80,607
<b>Net profit of the year subject to distribution</b>	<b>1,450,943</b>
Gain on sale of immovables and shares of associates and subsidiaries	236,122
Extraordinary reserves	1,114,821
<b>Dividends to shareholders</b>	<b>100,000</b>

**II. INFORMATION ON THE BANK’S RATING GIVEN BY INTERNATIONAL CREDIT RATING INSTITUTIONS**

<b>July 2015 (*)</b>	<b>Moody’s Investors’ Service</b>
Baseline Credit Assessment	D+ (ba1)
Local Currency Deposit Rating	Baa3 / P-3
Local Currency Outlook	Negative
Foreign Currency Deposit Rating	Baa3 / P-3
Foreign Currency Outlook	Negative
<b>June 2014 (*)</b>	<b>Standard &amp; Poors</b>
Foreign Currency Credit Rating	BB+ / B
Foreign Currency Outlook	Negative
Local Currency Credit Rating	BB+ / B
Local Currency Outlook	Negative
National	trAA+ / trA-1
Continuance Rating	NR
<b>December 2014 (*)</b>	<b>Capital Intelligence</b>
Financial Strength Rate	BBB-
Short Term Foreign Currency	B
Long Term Foreign Currency	BB+
Support Rating	2
Foreign Currency Outlook	Stable
<b>January 2015 (*)</b>	<b>Fitch Ratings</b>
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-

(\*) Dates represent last report dates.

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**OTHER DISCLOSURES (Continued)**

**III. SIGNIFICANT EVENTS AND MATTERS SUBSEQUENT TO BALANCE SHEET DATE  
THAT ARE NOT RESULTED**

Bank and the German Development Bank (KfW) have signed a 10 year term loan agreement with 3 years grace period amounting EUR 200 Million on June 24, 2015, under the guarantee of the Republic of Turkey Undersecretariat of Treasury to be used for financing the micro, small and medium-sized enterprises operating in the country. In scope of this project, the Guarantee Protocol between the Bank and the Republic of Turkey Undersecretariat of Treasury has been signed on 6 July 2015

The MBS programme, which will enable the Bank to issue mortgage-backed securities (“MBS”) abroad , with fixed and/or floating interest, amounting maximum of EUR 3 billion or the equivalent amount in other currencies has been established by the Bank on 29 July 2015.

**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 2015 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). It was noted in their review report dated 3 August 2015 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.

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