

**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 2016**

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

			Reviewed			Audited		
			Current Period 30 June 2016			Prior Period 31 December 2015		
ASSETS	Notes	TL	FC	Total	TL	FC	Total	
I.	CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	3,189,548	22,609,307	25,798,855	2,133,980	19,350,809	21,484,789
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	815,096	168,390	983,486	739,339	146,128	885,467
2.1	Financial assets held for trading purpose		815,096	168,390	983,486	739,339	146,128	885,467
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	815,096	168,390	983,486	739,339	146,128	885,467
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Debt securities issued by the governments		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	V-I-3	32,025	4,331,573	4,363,598	370,201	4,864,065	5,234,266
IV.	RECEIVABLES FROM INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	12,425,417	4,858,518	17,283,935	12,100,346	4,673,623	16,773,969
5.1	Equity securities		15	22,412	22,427	15	79,238	79,253
5.2	Debt securities issued by the governments		12,425,402	4,836,106	17,261,508	12,100,331	4,594,385	16,694,716
5.3	Other securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	V-I-5	93,232,909	37,046,787	130,279,696	88,430,947	35,349,706	123,780,653
6.1	Performing loans and receivables		92,253,149	37,046,787	129,299,936	87,624,772	35,349,706	122,974,478
6.1.1	Loans provided to risk group	V-VII-1	49,649	110,486	160,135	86,394	60,304	146,698
6.1.2	Debt securities issued by the governments		-	-	-	-	-	-
6.1.3	Others		92,203,500	36,936,301	129,139,801	87,538,378	35,289,402	122,827,780
6.2	Loans under follow-up		5,470,018	-	5,470,018	4,850,213	-	4,850,213
6.3	Specific provisions (-)		4,490,258	-	4,490,258	4,044,038	-	4,044,038
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	7,587,748	158,447	7,746,195	7,546,748	130,981	7,677,729
8.1	Debt securities issued by the governments		7,587,748	-	7,587,748	7,546,748	-	7,546,748
8.2	Other securities		-	158,447	158,447	-	130,981	130,981
IX.	INVESTMENTS IN ASSOCIATES (Net)	V-I-7	284,537	-	284,537	270,290	-	270,290
9.1	Associates, consolidated per equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		284,537	-	284,537	270,290	-	270,290
9.2.1	Financial associates		273,137	-	273,137	258,890	-	258,890
9.2.2	Non-Financial associates		11,400	-	11,400	11,400	-	11,400
X.	INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	1,164,525	416,223	1,580,748	1,170,175	434,144	1,604,319
10.1	Unconsolidated financial subsidiaries		910,756	416,223	1,326,979	916,026	434,144	1,350,170
10.2	Unconsolidated non-financial subsidiaries		253,769	-	253,769	254,149	-	254,149
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	V-I-9	-	-	-	-	-	-
11.1	Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial joint-ventures		-	-	-	-	-	-
11.2.2	Non-Financial joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES	V-I-10	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE	V-I-11	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1,396,898	6,612	1,403,510	1,378,858	4,292	1,383,150
XV.	INTANGIBLE ASSETS (Net)		186,363	-	186,363	171,277	-	171,277
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		186,363	-	186,363	171,277	-	171,277
XVI.	INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
XVII.	TAX ASSETS		77,311	-	77,311	15,421	-	15,421
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets	V-I-13	77,311	-	77,311	15,421	-	15,421
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,081,559	-	1,081,559	994,964	-	994,964
18.1	Assets held for sale		1,081,559	-	1,081,559	994,964	-	994,964
18.2	Assets related to the discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	V-I-15	1,701,622	869,028	2,570,650	1,638,950	1,031,880	2,670,830
TOTAL ASSETS			123,175,558	70,464,885	193,640,443	116,961,496	65,985,628	182,947,124

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 2016**

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

			Reviewed Current Period 30 June 2016			Audited Prior Period 31 December 2015		
LIABILITIES AND EQUITY		Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	80,806,311	33,327,306	114,133,617	76,470,518	33,452,016	109,922,534
1.1	Deposits of the risk group	V-VII-1	2,234,675	274,592	2,509,267	1,625,019	185,477	1,810,496
1.2	Other deposits		78,571,636	33,052,714	111,624,350	74,845,499	33,266,539	108,112,038
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	246,623	485,355	731,978	139,504	150,085	289,589
III.	FUNDS BORROWED	V-II-3	709,904	17,709,815	18,419,719	332,783	18,223,214	18,555,997
IV.	INTERBANK MONEY MARKET		13,900,496	1,860,413	15,760,909	9,340,604	3,403,437	12,744,041
4.1	Interbank money market takings		1,300,325	-	1,300,325	1,150,343	-	1,150,343
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		12,600,171	1,860,413	14,460,584	8,190,261	3,403,437	11,593,698
V.	SECURITIES ISSUED (Net)	V-II-3	2,955,457	8,886,169	11,841,626	3,128,044	7,419,715	10,547,759
5.1	Bills		2,955,457	-	2,955,457	3,128,044	-	3,128,044
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	8,886,169	8,886,169	-	7,419,715	7,419,715
VI.	FUNDS		3,729	-	3,729	4,228	-	4,228
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		3,729	-	3,729	4,228	-	4,228
VII.	MISCELLANEOUS PAYABLES		3,992,020	448,041	4,440,061	3,539,365	620,852	4,160,217
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	846,464	1,692,643	2,539,107	601,292	1,770,238	2,371,530
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES	V-II-5	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE	V-II-6	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	V-II-7	3,002,958	15,649	3,018,607	2,906,753	17,019	2,923,772
12.1	General provisions	V-II-7	2,074,293	12,091	2,086,384	1,944,150	13,453	1,957,603
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		628,080	-	628,080	674,894	-	674,894
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions	V-II-7	300,585	3,558	304,143	287,709	3,566	291,275
XIII.	TAX LIABILITIES	V-II-8	597,722	1,596	599,318	488,757	1,678	490,435
13.1	Current tax liabilities		597,722	1,596	599,318	488,757	1,678	490,435
13.2	Deferred tax liabilities	V-I-15	-	-	-	-	-	-
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS	V-II-9	-	-	-	-	-	-
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	V-II-10	-	4,123,828	4,123,828	-	4,169,474	4,169,474
XVI.	EQUITY		17,588,642	439,302	18,027,944	16,336,411	431,137	16,767,548
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		2,222,175	439,302	2,661,477	1,972,304	431,137	2,403,441
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	647,722	439,302	1,087,024	399,276	431,137	830,413
16.2.4	Revaluation surplus on tangible assets		831,574	-	831,574	830,149	-	830,149
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		(50,261)	-	(50,261)	(50,261)	-	(50,261)
16.3	Profit reserves		11,762,447	-	11,762,447	9,933,998	-	9,933,998
16.3.1	Legal reserves		1,367,022	-	1,367,022	1,174,010	-	1,174,010
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		9,964,966	-	9,964,966	8,329,529	-	8,329,529
16.3.4	Other profit reserves		430,459	-	430,459	430,459	-	430,459
16.4	Profit or loss		1,104,020	-	1,104,020	1,930,109	-	1,930,109
16.4.1	Prior years' profit/loss		433	-	433	-	-	-
16.4.2	Current period's profit/loss		1,103,587	-	1,103,587	1,930,109	-	1,930,109
TOTAL LIABILITIES AND EQUITY			124,650,326	68,990,117	193,640,443	113,288,259	69,658,865	182,947,124

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

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED OFF-BALANCE SHEET ITEMS AS AT 30 JUNE 2016**

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

	Notes	Reviewed Current Period 30 June 2016			Audited Prior Period 31 December 2015		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES							
(I+II+III)		70,783,501	71,666,202	142,449,703	54,047,046	63,505,765	117,552,811
I. GUARANTEES AND SURETIES	V-III-2-4	23,261,286	10,334,625	33,595,911	22,083,837	10,984,524	33,068,361
1.1 Letters of guarantee		23,178,954	4,487,832	27,666,786	21,980,769	4,810,034	26,790,803
1.1.1 Guarantees subject to State Tender Law		2,675,019	2,190,067	4,865,086	2,542,809	2,199,589	4,742,398
1.1.2 Guarantees given for foreign trade operations		1,068,118	-	1,068,118	1,030,530	-	1,030,530
1.1.3 Other letters of guarantee		19,435,817	2,297,765	21,733,582	18,407,430	2,610,445	21,017,875
1.2 Bank acceptances		79,693	676,674	756,367	86,762	1,389,251	1,476,013
1.2.1 Import letter of acceptance		-	204,753	204,753	1,590	189,471	191,061
1.2.2 Other bank acceptances		79,693	471,921	551,614	85,172	1,199,780	1,284,952
1.3 Letters of credit		2,639	5,151,596	5,154,235	16,306	4,772,403	4,788,709
1.3.1 Documentary letters of credit		2,639	5,151,596	5,154,235	16,306	4,772,403	4,788,709
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,291	2,291	-	2,314	2,314
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		-	8,077	8,077	-	10,522	10,522
1.9 Other sureties		-	8,155	8,155	-	-	-
II. COMMITMENTS		25,451,831	12,966,916	38,418,747	21,439,019	13,120,948	34,559,967
2.1 Irrevocable commitments		22,744,722	4,375,859	27,120,581	19,031,959	3,730,953	22,762,912
2.1.1 Asset purchase commitments	V-III-1	2,246,683	4,375,859	6,622,542	112,420	3,730,953	3,843,373
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitments to associates and subsidiaries	V-III-1	-	-	-	-	-	-
2.1.4 Loan granting commitments	V-III-1	8,965,301	-	8,965,301	8,482,816	-	8,482,816
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	2,005,128	-	2,005,128	1,805,569	-	1,805,569
2.1.8 Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card limits	V-III-1	8,158,027	-	8,158,027	7,399,361	-	7,399,361
2.1.10 Commitments for credit card and banking operations promotions		267,056	-	267,056	196,037	-	196,037
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		1,102,527	-	1,102,527	1,035,756	-	1,035,756
2.2 Revocable commitments		2,707,109	8,591,057	11,298,166	2,407,060	9,389,995	11,797,055
2.2.1 Revocable loan granting commitments		2,707,109	8,591,057	11,298,166	2,407,060	9,389,995	11,797,055
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		22,070,384	48,364,661	70,435,045	10,524,190	39,400,293	49,924,483
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		22,070,384	48,364,661	70,435,045	10,524,190	39,400,293	49,924,483
3.2.1 Forward foreign currency purchases/sales		343,270	327,326	670,596	211,514	257,246	468,760
3.2.1.1 Forward foreign currency purchases		171,927	163,720	335,647	106,014	128,693	234,707
3.2.2.2 Forward foreign currency sales		171,343	163,606	334,949	105,500	128,553	234,053
3.2.2 Currency and interest rate swaps		20,180,851	38,739,502	58,920,353	9,442,940	30,544,698	39,987,638
3.2.2.1 Currency swaps-purchases		12,836,768	13,252,038	26,088,806	4,382,013	12,050,672	16,432,685
3.2.2.2 Currency swaps-sales		6,344,083	13,813,190	20,157,273	4,160,927	6,080,268	10,241,195
3.2.2.3 Interest rate swaps-purchases		500,000	5,837,137	6,337,137	450,000	6,206,879	6,656,879
3.2.2.4 Interest rate swaps-sales		500,000	5,837,137	6,337,137	450,000	6,206,879	6,656,879
3.2.3 Currency, interest rate and security options		286,734	333,896	620,630	258,134	255,396	513,530
3.2.3.1 Currency call options		100,158	204,476	304,634	65,004	185,976	250,980
3.2.3.2 Currency put options		186,576	129,420	315,996	193,130	69,420	262,550
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		1,259,529	8,963,937	10,223,466	611,602	8,342,953	8,954,555
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		984,979,294	434,981,155	1,419,960,449	899,689,613	421,931,972	1,321,621,585
IV. ITEMS HELD IN CUSTODY		80,802,608	3,289,105	84,091,713	74,007,877	3,193,339	77,201,216
4.1 Customers' securities held		-	-	-	-	28,306	28,306
4.2 Investment securities held in custody		69,414,356	123,344	69,537,700	63,189,794	118,086	63,307,880
4.3 Checks received for collection		9,366,532	2,213,585	11,580,117	8,967,543	2,282,378	11,249,921
4.4 Commercial notes received for collection		1,020,508	350,236	1,370,744	1,065,285	310,417	1,375,702
4.5 Other assets received for collection		2,152	115	2,267	2,152	116	2,268
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		309	40,746	41,055	309	48,883	49,192
4.8 Custodians		998,751	561,079	1,559,830	782,794	405,153	1,187,947
V. PLEDGED ITEMS		256,659,414	81,565,738	338,225,152	235,391,497	82,272,386	317,663,883
5.1 Securities		420,775	13,374	434,149	435,193	14,171	449,364
5.2 Guarantee notes		769,884	458,236	1,228,120	792,339	429,076	1,221,415
5.3 Commodities		30,202,552	666,251	30,868,803	28,164,121	681,732	28,845,853
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		210,618,302	67,159,206	277,777,508	191,738,765	67,309,165	259,047,930
5.6 Other pledged items		14,103,688	13,121,514	27,225,202	13,657,901	13,683,601	27,341,502
5.7 Pledged items-depository		544,213	147,157	691,370	603,178	154,641	757,819
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		647,517,272	350,126,312	997,643,584	590,290,239	336,466,247	926,756,486
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		1,055,762,795	506,647,357	1,562,410,152	953,736,659	485,437,737	1,439,174,396

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 2016**

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

	Notes	Reviewed Current Period 1 January 2016- 30 June 2016	Reviewed Prior Period 1 January 2015- 30 June 2015	Reviewed Current Period 1 April 2016- 30 June 2016	Reviewed Prior Period 1 April 2015- 30 June 2015
I. INTEREST INCOME		7,837,113	6,448,647	3,920,936	3,419,479
1.1 Interest income from loans	V-IV-1	6,672,471	5,383,845	3,425,824	2,782,849
1.2 Interest income from reserve deposits		54,942	8,144	26,349	5,958
1.3 Interest income from banks	V-IV-1	12,574	4,324	7,046	2,786
1.4 Interest income from money market transactions		-	-	-	-
1.5 Interest income from securities portfolio	V-IV-1	1,095,472	1,051,193	461,449	627,716
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		753,055	713,484	330,011	408,698
1.5.4 Held-to-maturity investments		342,417	337,709	131,438	219,018
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		1,654	1,141	268	170
II. INTEREST EXPENSE		4,738,921	3,775,871	2,373,721	1,986,866
2.1 Interest expense on deposits	V-IV-2	3,623,801	2,823,739	1,809,275	1,475,976
2.2 Interest expense on funds borrowed	V-IV-2	159,277	126,501	85,105	59,339
2.3 Interest expense on money market transactions		484,489	417,217	248,816	242,300
2.4 Interest expense on securities issued	V-IV-2	313,006	278,594	158,661	143,624
2.5 Other interest expenses		158,348	129,820	71,864	65,627
III. NET INTEREST INCOME (I – II)		3,098,192	2,672,776	1,547,215	1,432,613
IV. NET FEES AND COMMISSIONS INCOME		455,760	449,425	228,729	220,746
4.1 Fees and commissions received		723,135	681,596	373,398	347,911
4.1.1 Non-cash loans		109,393	88,034	56,418	45,250
4.1.2 Others		613,742	593,562	316,980	302,661
4.2 Fees and commissions paid		267,375	232,171	144,669	127,165
4.2.1 Non-cash loans		19	67	10	32
4.2.2 Others		267,356	232,104	144,659	127,133
V. DIVIDEND INCOME		82,722	62,130	44,465	-
VI. TRADING INCOME/LOSSES (Net)	V-IV-3	72,819	93,186	53,674	33,808
6.1 Trading account income/losses	V-IV-3	40,482	55,993	31,115	4,972
6.2 Income/losses from derivative financial instruments	V-IV-3	(25,116)	6,542	(8,182)	13,683
6.3 Foreign exchange gains/losses	V-IV-3	57,453	30,651	30,741	15,153
VII. OTHER OPERATING INCOME	V-IV-4	577,672	543,870	332,269	264,613
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		4,287,165	3,821,387	2,206,352	1,951,780
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	990,029	990,071	480,882	540,677
X. OTHER OPERATING EXPENSES (-)	V-IV-6	1,906,326	1,760,617	974,270	905,305
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,390,810	1,070,699	751,200	505,798
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)		1,390,810	1,070,699	751,200	505,798
XVI. CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-7	(287,223)	(249,762)	(164,276)	(119,488)
16.1 Current tax charges		(423,471)	(121,820)	(320,823)	(49,019)
16.2 Deferred tax credits		136,248	(127,942)	156,547	(70,469)
XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)	V-IV-8	1,103,587	820,937	586,924	386,310
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from investment properties		-	-	-	-
18.2 Income from sales of subsidiaries, affiliates and joint-ventures		-	-	-	-
18.3 Other income from discontinued activities		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS		-	-	-	-
19.1 Investment property expenses		-	-	-	-
19.2 Losses from sales of subsidiaries, affiliates and joint ventures		-	-	-	-
19.3 Other expenses from discontinued activities		-	-	-	-
XX. INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES		-	-	-	-
XXI. DISCONTINUED OPERATIONS PROVISION FOR TAXES		-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge		-	-	-	-
XXII. NET INCOME/LOSS AFRET TAXES FROM DISCONTINUED OPERATIONS		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	V-IV-8	1,103,587	820,937	586,924	386,310
Profit/Loss per 100 shares (full TL)		0.4414	0.3284	0.2348	0.1545

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 2016**

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

	Reviewed Current Period 1 January 2016- 30 June 2016	Reviewed Prior Period 1 January 2015- 30 June 2015	Reviewed Current Period 1 April 2016- 30 June 2016	Reviewed Prior Period 1 April 2015- 30 June 2015
GAINS AND LOSSES RECOGNIZED IN EQUITY				
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN				
VALUATION DIFFERENCES OF MARKETABLE SECURITIES	385,795	(481,360)	157,487	(315,941)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	(247)	-	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	-	-	-	-
V. GAINS/(LOSSES) FROM CASH FLOW HEDGES				
(Effective Portion of Fair Value Changes)	-	-	-	-
VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES				
(Effective portion)	-	-	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS				
VIII				
OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	(54,381)	(58,007)	(59,015)	(420)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(74,358)	97,877	(28,201)	62,394
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	256,809	(441,490)	70,271	(253,967)
XI. CURRENT PERIOD'S PROFIT/(LOSS)	1,103,587	820,937	586,924	386,310
11.1 Change in fair value of securities (transfers to the statement of income)	31,058	50,240	25,796	2,376
11.2 Gains/Losses recognized in the statement of income due to reclassification of cash flow hedges	-	-	-	-
11.3 Gains/Losses recognized in the statement of income due to reclassification of net foreign investment hedges	-	-	-	-
11.4 Others	1,072,529	770,697	561,128	383,934
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	1,360,396	379,447	657,195	132,343

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 2016

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

REVIEWED	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustm ents to Paid-in Capital	Share Premium	Share Cancell ation Profits	Legal Reserves	Status Reserves	Extraordina ry 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 Discount. Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD – 30 June 2015																			
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
II.	Corrections made according to TAS 8																		
2.1.	The effect of corrections of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	The effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted beginning balance (I+II)	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
Changes during the period																			
IV.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	(441,490)	-	-	-	-	(441,490)	-	(441,490)
VI.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1.	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2.	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on the Bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1.	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2.	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	820,937	-	-	-	-	-	-	820,937	-	820,937
XX.	Profit distribution	-	-	-	-	161,214	-	1,114,821	141,116	-	1,753,273	-	236,122	-	-	-	(100,000)	-	(100,000)
20.1.	Dividends	VI-1	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
20.2.	Transferred to reserves	VI-1	-	-	-	161,214	-	1,114,821	141,116	-	(1,653,273)	-	236,122	-	-	-	-	-	-
20.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	723,918	-	1,174,010	-	8,329,529	376,343	820,937	-	775,479	281,759	69,222	-	-	15,051,197	-	15,051,197

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 2016**

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

AUDITED	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellat ion 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	Shareholders ' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
CURRENT PERIOD – 30 June 2016																			
I.	Balances at the beginning of the period	2,500,000	-	723,918	-	1,174,010	-	8,329,529	380,198	-	1,930,109	830,413	830,149	69,222	-	-	16,767,548	-	16,767,548
	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	256,611	-	-	-	-	256,611	-	256,611
IV.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	433	-	(235)	-	-	-	198	-	198
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.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,103,587	-	-	-	-	-	-	1,103,587	-	1,103,587
XVIII.	Profit distribution	-	-	-	-	193,012	-	1,635,437	-	-	(1,930,109)	-	1,660	-	-	-	(100,000)	-	(100,000)
18.1	Dividends	VI-1	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
18.2	Transferred to reserves	VI-1	-	-	-	193,012	-	1,635,437	-	-	(1,830,109)	-	1,660	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period	2,500,000	-	723,918	-	1,367,022	-	9,964,966	380,198	1,103,587	433	1,087,024	831,574	69,222	-	-	18,027,944	-	18,027,944

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 2016(Amounts expressed in thousands of Turkish Lira
("TL") unless otherwise stated.)

	Reviewed Current Period 30 June 2016	Reviewed Prior Period 30 June 2015
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1,925,182	1,078,839
1.1.1 Interests received	7,577,195	5,962,186
1.1.2 Interests paid	(4,651,788)	(3,674,411)
1.1.3 Dividends received	14,819	36,072
1.1.4 Fee and commissions received	723,135	681,596
1.1.5 Other income	114,581	46,902
1.1.6 Collections from previously written-off loans and other receivables	500,208	436,897
1.1.7 Payments to personnel and service suppliers	(833,554)	(713,881)
1.1.8 Taxes paid	(391,476)	(405,060)
1.1.9 Others	(1,127,938)	(1,291,462)
1.2 Changes in operating assets and liabilities	(2,168,713)	(3,494,515)
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	(2,397,513)	(1,690,682)
1.2.4 Net (increase) decrease in loans	(7,568,305)	(14,453,508)
1.2.5 Net (increase) decrease in other assets	138,999	82,900
1.2.6 Net increase (decrease) in bank deposits	1,150,286	(37,942)
1.2.7 Net increase (decrease) in other deposits	2,893,615	8,481,590
1.2.8 Net increase (decrease) in funds borrowed	(149,587)	1,397,752
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	3,763,792	2,725,851
I. Net cash flow from banking operations	(243,531)	(2,415,676)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	92,718	(712,864)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures	-	-
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	-	-
2.3 Purchases of tangible assets	(85,126)	(86,326)
2.4 Proceeds from disposal of tangible assets	211,561	40,497
2.5 Cash paid for purchase of available-for-sale financial assets	(2,347,440)	(3,131,440)
2.6 Proceeds from disposal of available-for-sale financial assets	2,276,157	2,583,420
2.7 Cash paid for purchase of held-to-maturity investments	(1,042,305)	(508,785)
2.8 Proceeds from disposal of held-to-maturity investments	1,105,605	418,167
2.9 Others	(25,734)	(28,397)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities	1,161,284	2,844,923
3.1 Cash obtained from funds borrowed and securities issued	5,374,441	6,580,711
3.2 Cash used for repayment of funds borrowed and securities issued	(4,113,157)	(3,635,788)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	(100,000)	(100,000)
3.5 Repayments for finance leases	-	-
3.6 Others	-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	35,580	17,115
V. Net increase in cash and cash equivalents	1,046,051	(266,502)
VI. Cash and cash equivalents at the beginning of the period	8,200,424	8,182,469
VII. Cash and cash equivalents at the end of the period	9,246,475	7,915,967

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