

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT MARCH 31, 2017
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

			Reviewed Current Period March 31, 2017			Audited Prior Period December 31, 2016		
ASSETS	Notes	TL	FC	Total	TL	FC	Total	
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	3,557,838	19,749,137	23,306,975	4,409,164	19,960,151	24,369,315	
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	1,818,737	132,808	1,951,545	1,644,899	144,334	1,789,233	
2.1 Financial assets held for trading purpose		1,818,737	132,808	1,951,545	1,644,899	144,334	1,789,233	
2.1.1 Debt securities issued by the governments		205	5,473	5,678	206	10,647	10,853	
2.1.2 Equity securities		4,792	-	4,792	2,095	-	2,095	
2.1.3 Derivative financial assets held for trading purpose	V-I-2	1,647,166	127,335	1,774,501	1,473,865	133,687	1,607,552	
2.1.4 Other securities		166,574	-	166,574	168,733	-	168,733	
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-	
2.2.1 Debt securities issued by the governments		-	-	-	-	-	-	
2.2.2 Equity securities		-	-	-	-	-	-	
2.2.3 Other securities		-	-	-	-	-	-	
2.2.4 Loans		-	-	-	-	-	-	
III. BANKS	V-I-3	1,179,478	5,712,855	6,892,333	1,195,786	4,079,703	5,275,489	
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		364,068	-	364,068	5,232	-	5,232	
4.1 Interbank money market placements		360,464	-	360,464	-	-	-	
4.2 Istanbul Stock Exchange money market placements		2,950	-	2,950	3,428	-	3,428	
4.3 Receivables from reverse repurchase agreements		654	-	654	1,804	-	1,804	
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	13,030,980	6,205,619	19,236,599	12,588,929	6,030,151	18,619,080	
5.1 Equity securities		15	32,451	32,466	15	27,595	27,610	
5.2 Debt securities issued by the governments		13,030,965	5,837,266	18,868,231	12,588,914	5,719,498	18,308,412	
5.3 Other securities		-	335,902	335,902	-	283,058	283,058	
VI. LOANS AND RECEIVABLES	V-I-5	105,713,789	50,434,929	156,148,718	100,166,610	49,408,659	149,575,269	
6.1 Performing loans and receivables		104,589,431	50,431,203	155,020,634	99,001,801	49,402,693	148,404,494	
6.1.1 Loans provided to risk group	V-V-1	600	37,543	38,143	581	36,936	37,517	
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-	
6.1.3 Other		104,588,831	50,393,660	154,982,491	99,001,220	49,365,757	148,366,977	
6.2 Loans under follow-up		6,941,187	78,015	7,019,202	6,626,073	77,310	6,703,383	
6.3 Specific provisions (-)	V-I-5	5,816,829	74,289	5,891,118	5,461,264	71,344	5,532,608	
VII. FACTORING RECEIVABLES		1,011,557	182,818	1,194,375	1,171,659	219,055	1,390,714	
VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	8,501,327	127,089	8,628,416	8,039,914	140,621	8,180,535	
8.1 Debt securities issued by the governments		8,501,327	-	8,501,327	8,039,914	-	8,039,914	
8.2 Other securities		-	127,089	127,089	-	140,621	140,621	
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	342,803	3	342,806	336,229	3	336,232	
9.1 Associates, consolidated per equity method		282,339	-	282,339	275,765	-	275,765	
9.2 Unconsolidated associates		60,464	3	60,467	60,464	3	60,467	
9.2.1 Financial associates		48,111	-	48,111	48,111	-	48,111	
9.2.2 Non-Financial associates		12,353	3	12,356	12,353	3	12,356	
X. INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	286,698	-	286,698	286,698	-	286,698	
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-	
10.2 Unconsolidated non-financial subsidiaries		286,698	-	286,698	286,698	-	286,698	
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	422,492	1,212,202	1,634,694	364,209	1,182,200	1,546,409	
12.1 Finance lease receivables		546,547	1,351,244	1,897,791	465,056	1,323,625	1,788,681	
12.2 Operational lease receivables		-	-	-	-	-	-	
12.3 Other		-	-	-	-	-	-	
12.4 Unearned income (-)		124,055	139,042	263,097	100,847	141,425	242,272	
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)		1,684,052	9,605	1,693,657	1,693,745	9,358	1,703,103	
XV. INTANGIBLE ASSETS (Net)		240,784	49	240,833	230,242	23	230,265	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Other intangibles		240,784	49	240,833	230,242	23	230,265	
XVI. INVESTMENT PROPERTIES (Net)	V-I-12	354,843	-	354,843	354,385	-	354,385	
XVII. TAX ASSETS	V-I-13	110,118	-	110,118	197,922	-	197,922	
17.1 Current tax assets	V-I-13	884	-	884	835	-	835	
17.2 Deferred tax assets	V-I-13	109,234	-	109,234	197,087	-	197,087	
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,234,693	-	1,234,693	1,228,102	-	1,228,102	
18.1 Assets held for sale		1,234,693	-	1,234,693	1,228,102	-	1,228,102	
18.2 Assets related to the discontinued operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	V-I-15	3,600,158	1,987,095	5,587,253	3,110,515	2,472,502	5,583,017	
TOTAL ASSETS		143,454,415	85,754,209	229,208,624	137,024,240	83,646,760	220,671,000	

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT MARCH 31, 2017
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

			Reviewed Current Period March 31, 2017			Audited Prior Period December 31, 2016		
LIABILITIES AND EQUITY		Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	88,029,525	44,567,468	132,596,993	85,815,420	40,443,889	126,259,309
1.1	Deposits of risk group	V-V-1	1,861,233	381,914	2,243,147	1,686,765	116,088	1,802,853
1.2	Other deposits		86,168,292	44,185,554	130,353,846	84,128,655	40,327,801	124,456,456
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	512,906	209,456	722,362	955,019	199,405	1,154,424
III.	FUNDS BORROWED	V-II-3	1,541,493	27,078,863	28,620,356	1,720,814	24,578,616	26,299,430
IV.	INTERBANK MONEY MARKET		9,044,703	2,216,783	11,261,486	11,450,137	1,794,134	13,244,271
4.1	Interbank money market takings		3,966,234	363,040	4,329,274	2,501,180	-	2,501,180
4.2	Istanbul Stock Exchange money market takings		260,799	-	260,799	277,667	-	277,667
4.3	Obligations under repurchase agreements		4,817,670	1,853,743	6,671,413	8,671,290	1,794,134	10,465,424
V.	SECURITIES ISSUED (Net)	V-II-3	3,859,397	11,761,595	15,620,992	3,373,519	11,309,305	14,682,824
5.1	Bills		3,761,035	-	3,761,035	3,373,519	-	3,373,519
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		98,362	11,761,595	11,859,957	-	11,309,305	11,309,305
VI.	FUNDS		3,351	-	3,351	3,319	-	3,319
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Other		3,351	-	3,351	3,319	-	3,319
VII.	MISCELLANEOUS PAYABLES		4,497,097	1,194,128	5,691,225	4,622,676	920,879	5,543,555
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	885,276	1,308,081	2,193,357	747,599	2,018,132	2,765,731
IX.	FACTORING PAYABLES		279	8	287	77	4	81
X.	LEASE PAYABLES (Net)	V-II-5	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
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	5,762,390	44,223	5,806,613	5,562,513	43,584	5,606,097
12.1	General provisions	V-II-7	2,179,348	14,128	2,193,476	2,153,773	13,670	2,167,443
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		771,023	2,069	773,092	736,608	1,791	738,399
12.4	Insurance technical provisions (Net)		2,452,655	14,325	2,466,980	2,304,345	14,000	2,318,345
12.5	Other provisions	V-II-7	359,364	13,701	373,065	367,787	14,123	381,910
XIII.	TAX LIABILITIES	V-II-8	467,808	47,119	514,927	477,830	11,957	489,787
13.1	Current tax liabilities		460,385	2,733	463,118	463,916	2,847	466,763
13.2	Deferred tax liabilities	V-I-13	7,423	44,386	51,809	13,914	9,110	23,024
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	V-II-9	-	-	-	-	-	-
14.1	Payables related to the assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	V-II-10	-	5,181,686	5,181,686	-	5,014,700	5,014,700
XVI.	EQUITY		20,421,637	573,352	20,994,989	19,154,003	453,469	19,607,472
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		1,551,928	137,152	1,689,080	1,494,226	50,440	1,544,666
16.2.1	Share premium		727,780	-	727,780	727,780	-	727,780
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	(124,084)	137,152	13,068	(181,609)	50,440	(131,169)
16.2.4	Revaluation surplus on tangible assets		997,436	-	997,436	997,197	-	997,197
16.2.5	Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6	Revaluation surplus on investment properties		-	-	-	-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures		3,683	-	3,683	3,683	-	3,683
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		(52,887)	-	(52,887)	(52,825)	-	(52,825)
16.3	Profit reserves		12,027,409	255,619	12,283,028	12,025,037	234,296	12,259,333
16.3.1	Legal reserves		1,430,524	8,351	1,438,875	1,428,436	8,351	1,436,787
16.3.2	Status reserves		6,337	-	6,337	6,337	-	6,337
16.3.3	Extraordinary reserves		10,152,706	4,598	10,157,304	10,151,977	4,598	10,156,575
16.3.4	Other profit reserves		437,842	242,670	680,512	438,287	221,347	659,634
16.4	Profit or loss		3,811,399	123,614	3,935,013	2,660,885	115,059	2,775,944
16.4.1	Prior years' profit/loss		2,562,494	117,445	2,679,939	(107,147)	93,173	(13,974)
16.4.2	Current period's profit/loss		1,248,905	6,169	1,255,074	2,768,032	21,886	2,789,918
16.5	Non-controlling interest		530,901	56,967	587,868	473,855	53,674	527,529
TOTAL LIABILITIES AND EQUITY			135,025,862	94,182,762	229,208,624	133,882,926	86,788,074	220,671,000

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

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED OFF-BALANCE SHEET AS AT MARCH 31, 2017**

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

	Notes	Reviewed Current Period March 31, 2017			Audited Prior Period December 31, 2016		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		71,174,032	85,559,206	156,733,238	71,979,483	76,304,502	148,283,985
I. GUARANTEES AND SURETIES	V-III-2-4	27,924,738	14,600,417	42,525,155	26,946,124	13,714,227	40,660,351
1.1 Letters of guarantee		27,652,643	5,809,710	33,462,353	26,687,992	5,628,335	32,316,327
1.1.1 Guarantees subject to State Tender Law		3,161,501	2,748,633	5,910,134	3,203,501	2,571,209	5,774,710
1.1.2 Guarantees given for foreign trade operations		1,067,248	-	1,067,248	1,059,516	-	1,059,516
1.1.3 Other letters of guarantee		23,423,894	3,061,077	26,484,971	22,424,975	3,057,126	25,482,101
1.2 Bank acceptances		33,380	1,184,539	1,217,919	53,702	1,143,484	1,197,186
1.2.1 Import letter of acceptance		-	406,957	406,957	-	395,874	395,874
1.2.2 Other bank acceptances		33,380	777,582	810,962	53,702	747,610	801,312
1.3 Letters of credit		164	7,551,144	7,551,308	1,762	6,911,368	6,913,130
1.3.1 Documentary letters of credit		164	7,551,144	7,551,308	1,762	6,911,368	6,913,130
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,887	2,887	-	2,796	2,796
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Republic of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Marketable securities underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		238,551	9,526	248,077	202,668	7,682	210,350
1.8 Other guarantees		-	39,946	39,946	-	16,890	16,890
1.9 Other sureties		-	2,665	2,665	-	3,672	3,672
II. COMMITMENTS		27,617,972	20,455,413	48,073,385	27,151,229	12,692,995	39,844,224
2.1 Irrevocable commitments		24,583,519	2,249,052	26,832,571	24,078,084	1,659,432	25,737,516
2.1.1 Asset purchase commitments	V-III-1	692,700	1,800,953	2,493,653	1,362,697	1,502,055	2,864,752
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	10,141,835	18,932	10,160,767	9,817,555	34,042	9,851,597
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	2,340,829	-	2,340,829	2,154,102	-	2,154,102
2.1.8 Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card limits	V-III-1	9,348,728	-	9,348,728	8,682,835	-	8,682,835
2.1.10 Commitments for credit card and banking operations promotions		375,169	-	375,169	300,108	-	300,108
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		1,684,258	429,167	2,113,425	1,760,787	123,335	1,884,122
2.2 Revocable commitments		3,034,453	18,206,361	21,240,814	3,073,145	11,033,563	14,106,708
2.2.1 Revocable loan granting commitments		3,034,453	18,206,361	21,240,814	3,024,169	11,033,563	14,057,732
2.2.2 Other revocable commitments		-	-	-	48,976	-	48,976
III. DERIVATIVE FINANCIAL INSTRUMENTS		15,631,322	50,503,376	66,134,698	17,882,130	49,897,280	67,779,410
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		15,631,322	50,503,376	66,134,698	17,882,130	49,897,280	67,779,410
3.2.1 Forward foreign currency purchases/sales		817,048	1,431,236	2,248,284	492,117	1,123,868	1,615,985
3.2.1.1 Forward foreign currency purchases		408,997	715,660	1,124,657	247,789	560,368	808,157
3.2.2.2 Forward foreign currency sales		408,051	715,576	1,123,627	244,328	563,500	807,828
3.2.2 Currency and interest rate swaps		13,841,446	37,523,926	51,365,372	16,341,272	37,911,234	54,252,506
3.2.2.1 Currency swaps-purchases		4,764,306	14,211,311	18,975,617	8,566,437	11,982,601	20,549,038
3.2.2.2 Currency swaps-sales		7,627,140	6,269,805	13,896,945	6,324,835	10,311,809	16,636,644
3.2.2.3 Interest rate swaps-purchases		725,000	8,521,405	9,246,405	725,000	7,808,412	8,533,412
3.2.2.4 Interest rate swaps-sales		725,000	8,521,405	9,246,405	725,000	7,808,412	8,533,412
3.2.3 Currency, interest rate and security options		228,336	826,960	1,055,296	142,676	730,632	873,308
3.2.3.1 Currency call options		154,306	366,878	521,184	121,124	306,804	427,308
3.2.3.2 Currency put options		74,030	460,082	534,112	21,552	423,828	445,380
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 Other		744,492	10,721,254	11,465,746	906,065	10,131,546	11,037,611
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		1,104,077,554	669,183,077	1,773,260,631	1,045,090,768	580,650,674	1,625,741,442
IV. ITEMS HELD IN CUSTODY		60,072,366	4,306,995	64,379,361	56,357,991	4,476,062	60,834,053
4.1 Customers' securities held		856,173	-	856,173	796,204	-	796,204
4.2 Investment securities held in custody		47,738,147	110,654	47,848,801	43,543,703	147,806	43,691,509
4.3 Checks received for collection		9,497,334	2,510,545	12,007,879	9,441,126	2,589,510	12,030,636
4.4 Commercial notes received for collection		954,988	442,752	1,397,740	1,535,349	751,302	2,286,651
4.5 Other assets received for collection		2,152	145	2,297	2,152	141	2,293
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		209,196	260,188	469,384	49,414	87,056	136,470
4.8 Custodians		814,376	982,711	1,797,087	990,043	900,247	1,890,290
V. PLEDGED ITEMS		291,727,642	109,841,766	401,569,408	280,719,507	104,200,492	384,919,999
5.1 Securities		575,827	10,834	586,661	495,623	16,366	511,989
5.2 Guarantee notes		718,545	586,756	1,305,301	767,642	544,996	1,312,638
5.3 Commodities		32,125,859	655,877	32,781,736	31,750,967	775,907	32,526,874
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		238,836,504	91,303,593	330,140,097	230,190,866	86,340,346	316,531,212
5.6 Other pledged items		18,914,767	17,130,466	36,045,233	16,964,074	16,365,309	33,329,383
5.7 Pledged items-depository		556,140	154,240	710,380	550,335	157,568	707,903
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		752,277,546	555,034,316	1,307,311,862	708,013,270	471,974,120	1,179,987,390
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		1,175,251,586	754,742,283	1,929,993,869	1,117,070,251	656,955,176	1,774,025,427

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017**

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

	Notes	Reviewed Current Period January 1, 2017- March 31, 2017	Reviewed Prior Period January 1, 2016- March 31, 2016
I. INTEREST INCOME		4,969,787	4,019,494
1.1 Interest income from loans	V-IV-1	3,940,462	3,263,382
1.2 Interest income from reserve deposits		43,402	28,593
1.3 Interest income from banks	V-IV-1	36,962	28,632
1.4 Interest income from money market transactions		14,012	141
1.5 Interest income from securities portfolio	V-IV-1	856,465	640,361
1.5.1 Trading financial assets		4,217	2,524
1.5.2 Financial assets designated at fair value through profit or loss		-	-
1.5.3 Available-for-sale financial assets		507,614	426,858
1.5.4 Held-to-maturity investments		344,634	210,979
1.6 Finance lease income		31,837	27,463
1.7 Other interest income		46,647	30,922
II. INTEREST EXPENSE		2,516,884	2,398,056
2.1 Interest expense on deposits	V-IV-2	1,736,243	1,809,169
2.2 Interest expense on funds borrowed	V-IV-2	178,752	101,949
2.3 Interest expense on money market transactions		275,462	237,530
2.4 Interest expense on securities issued	V-IV-2	217,010	157,550
2.5 Other interest expenses		109,417	91,858
III. NET INTEREST INCOME (I – II)		2,452,903	1,621,438
IV. NET FEES AND COMMISSIONS INCOME		267,488	213,336
4.1 Fees and commissions received		409,903	334,354
4.1.1 Non-cash loans		67,908	52,777
4.1.2 Others		341,995	281,577
4.2 Fees and commissions paid		142,415	121,018
4.2.1 Non-cash loans		948	336
4.2.2 Others		141,467	120,682
V. DIVIDEND INCOME		43,054	38,263
VI. TRADING INCOME/LOSSES (Net)	V-IV-3	129,139	11,015
6.1 Trading account income/losses	V-IV-3	23,476	9,500
6.2 Income/losses from derivative financial instruments	V-IV-3	41,205	(14,601)
6.3 Foreign exchange gains/losses	V-IV-3	64,458	16,116
VII. OTHER OPERATING INCOME	V-IV-4	738,825	490,556
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		3,631,409	2,374,608
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	759,642	514,645
X. OTHER OPERATING EXPENSES (-)	V-IV-6	1,317,886	1,234,227
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,553,881	625,736
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		12,109	11,669
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES			
XV. (XI+...+XIV)		1,565,990	637,405
XVI. CONTINUING OPERATIONS PROVISION FOR TAXES		(298,847)	(122,158)
16.1 Current tax charges	V-IV-7	(217,809)	(106,701)
16.2 Deferred tax credits	V-IV-7	(81,038)	(15,457)
NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)		1,267,143	515,247
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		-	-
INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-
XX. TAXES(XVIII-XIX)		-	-
XXI. DISCONTINUED OPERATIONS PROVISION FOR TAXES(±)		-	-
21.1 Current tax charge		-	-
21.2 Deferred tax charge		-	-
NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXII. OPERATIONS(XX±XXI)		-	-
XXIII.NET PROFIT/LOSS (XVI+XXII)		1,267,143	515,247
23.1. Equity holders of the Bank		1,255,074	521,142
23.2. Non-controlling interest(-)	V-IV-12	12,069	(5,895)
Earnings per 100 Share (full TL)	III-XXV	0.5020	0.2085

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS'
EQUITY FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017**

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

GAINS AND LOSSES RECOGNIZED IN EQUITY	Reviewed Current Period January 1, 2017- March 31, 2017	Reviewed Prior Period January 1, 2016- March 31, 2016
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	174,599	240,814
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	(382)	309
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	20,879	6,084
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	(43,724)	(28,710)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(30,998)	(46,852)
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	120,374	171,645
XI. CURRENT PERIOD'S PROFIT/(LOSS)	1,267,143	515,247
11.1 Change in fair value of securities (transfers to the statement of income)	2,456	5,393
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	1,264,687	509,854
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	1,387,517	686,892

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017**

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

Reviewed	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
PRIOR PERIOD – March 31, 2016																			
I.	Balances at the beginning of the period	2,500,000	-	727,780	-	1,236,166	6,337	8,480,048	556,741	-	2,015,941	30,011	940,657	3,683	-	-	16,497,364	505,391	17,002,755
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	-	727,780	-	1,236,166	6,337	8,480,048	556,741	-	2,015,941	30,011	940,657	3,683	-	-	16,497,364	505,391	17,002,755
Changes during the period																			
IV.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	191,639	-	-	-	-	191,639	1,022	192,661
VI.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-	-	(11)	325	314
VIII.	Revaluation surplus on intangible as	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	-	-	-	5,545	-	-	-	-	-	-	-	5,545	539	6,084
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	-	-	-	-	-	-	-	-	-	(29,533)	1,717	-	-	-	-	(27,816)	-	(27,816)
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	-	-	-	-	-	-	-	226	-	-	-	-	-	-	-	226	176	402
XIX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	521,142	-	-	-	-	-	-	521,142	(5,895)	515,247
XX.	Profit distribution	-	-	-	-	194,809	-	1,637,436	-	-	(1,955,688)	-	23,443	-	-	-	(100,000)	-	(100,000)
20.1	Dividends	-	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
20.2	Transferred to reserves	-	-	-	-	194,809	-	1,637,436	-	-	(1,855,688)	-	23,443	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,430,975	6,337	10,117,484	562,512	521,142	30,720	223,367	964,089	3,683	-	-	17,088,089	501,558	17,589,647

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017**

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

	Notes	Paid in Capital	Capital Reserves from Inflation Adjustments to Paid in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extra-ordinary Reserves	Other Profit Reserves	Current Year's Net Profit/(Loss)	Prior Period's 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 Shares	Non-controlling Interest	Total Shareholders' Equity	
Current Period – March 31, 2017																				
I.		2,500,000	-	727,780	-	1,436,787	6,337	10,156,575	606,809	-	2,775,944	(131,169)	997,197	3,683	-	-	19,079,943	527,529	19,607,472	
Balances at the beginning of the period																				
Changes during the period																				
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mergers																				
III.		-	-	-	-	-	-	-	-	-	-	147,606	-	-	-	-	147,606	455	148,061	
Valuation differences of the marketable securities																				
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hedging reserves																				
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash flow hedges																				
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net investment hedges																				
V.		-	-	-	-	-	-	-	-	-	(640)	-	-	-	-	-	(640)	258	(382)	
Revaluation surplus on tangible assets																				
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revaluation surplus on intangible assets																				
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus shares of associates, subsidiaries and joint-ventures																				
VIII.		-	-	-	-	-	-	-	20,879	-	-	-	-	-	-	-	20,879	-	20,879	
Translation differences																				
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes resulted from disposal of the assets																				
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes resulted from reclassifications of the assets																				
XI.		-	-	-	-	-	-	-	-	-	(35,551)	(3,369)	-	-	-	-	(38,920)	(250)	(39,170)	
Effect of change in equities of associates on the Group'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.		-	-	-	-	-	-	-	(63)	-	(56,758)	-	-	-	-	-	(56,821)	47,807	(9,014)	
Other																				
XVII.		-	-	-	-	-	-	-	-	1,255,074	-	-	-	-	-	-	1,255,074	12,069	1,267,143	
Current period's net profit/loss																				
XVIII.		-	-	-	-	2,088	-	729	-	-	(3,056)	-	239	-	-	-	-	-	-	
Profit distribution																				
18.1	VI-1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends																				
18.2	VI-1	-	-	-	-	2,088	-	729	-	-	(3,056)	-	239	-	-	-	-	-	-	
Transferred to reserves																				
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other																				
Balances at the end of the period			2,500,000	-	727,780	-	1,438,875	6,337	10,157,304	627,625	1,255,074	2,679,939	13,068	997,436	3,683	-	-	20,407,121	587,868	20,994,989

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

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017

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

	Notes	Reviewed Current Period March 31, 2017	Reviewed Prior Period March 31, 2016
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	2,447,810	750,094
1.1.1	Interests received	4,368,695	3,784,383
1.1.2	Interests paid	(2,240,294)	(2,181,757)
1.1.3	Dividends received	12,828	4,398
1.1.4	Fee and commissions received	409,903	334,354
1.1.5	Other income	309,535	267,252
1.1.6	Collections from previously written-off loans and other receivables	298,122	240,719
1.1.7	Payments to personnel and service suppliers	(499,491)	(450,133)
1.1.8	Taxes paid	(196,372)	(261,517)
1.1.9	Other	(15,116)	(987,605)
1.2	Changes in operating assets and liabilities	(1,867,096)	3,913,152
1.2.1	Net (increase) decrease in financial assets held for trading purpose	17,933	59,295
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	209,491	(1,096,375)
1.2.4	Net (increase) decrease in loans	(6,594,079)	(2,332,142)
1.2.5	Net (increase) decrease in other assets	(220,022)	431,094
1.2.6	Net increase (decrease) in bank deposits	1,679,523	1,238,294
1.2.7	Net increase (decrease) in other deposits	4,498,378	3,947,975
1.2.8	Net increase (decrease) in funds borrowed	2,288,242	(60,329)
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	(3,746,562)	1,725,340
I.	Net cash flow from banking operations	580,714	4,663,246
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities	(425,853)	(748,903)
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	Cash paid for purchase of tangible assets	(28,427)	(60,639)
2.4	Proceeds from disposal of tangible assets	105,420	82,845
2.5	Cash paid for purchase of available-for-sale financial assets	(2,234,372)	(1,681,378)
2.6	Proceeds from disposal of available-for-sale financial assets	1,956,822	654,103
2.7	Cash paid for purchase of held-to-maturity investments	(1,203,427)	(406,138)
2.8	Proceeds from disposal of held-to-maturity investments	996,919	677,558
2.9	Other	(18,788)	(15,254)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash flow from financing activities	946,985	(1,217,080)
3.1	Cash obtained from funds borrowed and securities issued	2,692,631	292,322
3.2	Cash used for repayment of funds borrowed and securities issued	(1,745,646)	(1,509,402)
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Repayments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rates on cash and cash equivalents	18,976	50,196
V.	Net (decrease) / increase in cash and cash equivalents	1,120,822	2,747,459
VI.	Cash and cash equivalents at the beginning of the period	12,421,404	9,057,127
VII.	Cash and cash equivalents at the end of the period	13,542,226	11,804,586

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