

**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 JUNE 30, 2017**

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

	Notes	Reviewed Current Period June 30, 2017			Audited Prior Period December 31, 2016		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	4,631,788	21,624,513	26,256,301	4,409,164	19,960,151	24,369,315
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	1,591,476	215,117	1,806,593	1,644,899	144,334	1,789,233
2.1 Financial assets held for trading purpose		1,591,476	215,117	1,806,593	1,644,899	144,334	1,789,233
2.1.1 Debt securities issued by the governments		191	5,503	5,694	206	10,647	10,853
2.1.2 Equity securities		5,582	-	5,582	2,095	-	2,095
2.1.3 Derivative financial assets held for trading purpose	V-I-2	1,470,685	209,614	1,680,299	1,473,865	133,687	1,607,552
2.1.4 Other securities		115,018	-	115,018	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	1,920,842	3,102,919	5,023,761	1,195,786	4,079,703	5,275,489
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		5,319	-	5,319	5,232	-	5,232
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		3,046	-	3,046	3,428	-	3,428
4.3 Receivables from reverse repurchase agreements		2,273	-	2,273	1,804	-	1,804
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	13,421,851	6,168,559	19,590,410	12,588,929	6,030,151	18,619,080
5.1 Equity securities		15	33,112	33,127	15	27,595	27,610
5.2 Debt securities issued by the governments		13,421,836	5,767,550	19,189,386	12,588,914	5,719,498	18,308,412
5.3 Other securities		-	367,897	367,897	-	283,058	283,058
VI. LOANS AND RECEIVABLES	V-I-5	120,598,842	49,707,750	170,306,592	100,166,610	49,408,659	149,575,269
6.1 Performing loans and receivables		119,340,395	49,701,979	169,042,374	99,001,801	49,402,693	148,404,494
6.1.1 Loans provided to risk group	V-V-1	115	26,933	27,048	581	36,936	37,517
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Other		119,340,280	49,675,046	169,015,326	99,001,220	49,365,757	148,366,977
6.2 Loans under follow-up		7,239,843	82,348	7,322,191	6,626,073	77,310	6,703,383
6.3 Specific provisions (-)	V-I-5	5,981,396	76,577	6,057,973	5,461,264	71,344	5,532,608
VII. FACTORING RECEIVABLES		1,203,320	159,705	1,363,025	1,171,659	219,055	1,390,714
VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	8,694,901	297,532	8,992,433	8,039,914	140,621	8,180,535
8.1 Debt securities issued by the governments		8,694,901	174,631	8,869,532	8,039,914	-	8,039,914
8.2 Other securities		-	122,901	122,901	-	140,621	140,621
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	358,489	3	358,492	336,229	3	336,232
9.1 Associates, consolidated per equity method		297,676	-	297,676	275,765	-	275,765
9.2 Unconsolidated associates		60,813	3	60,816	60,464	3	60,467
9.2.1 Financial associates		48,460	-	48,460	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	286,695	-	286,695	286,698	-	286,698
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		286,695	-	286,695	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	432,573	1,192,315	1,624,888	364,209	1,182,200	1,546,409
12.1 Finance lease receivables		553,091	1,323,815	1,876,906	465,056	1,323,625	1,788,681
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		120,518	131,500	252,018	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)		1,670,259	9,104	1,679,363	1,693,745	9,358	1,703,103
XV. INTANGIBLE ASSETS (Net)		245,276	293	245,569	230,242	23	230,265
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		245,276	293	245,569	230,242	23	230,265
XVI. INVESTMENT PROPERTIES (Net)	V-I-12	355,542	-	355,542	354,385	-	354,385
XVII. TAX ASSETS	V-I-13	117,231	-	117,231	197,922	-	197,922
17.1 Current tax assets	V-I-13	666	-	666	835	-	835
17.2 Deferred tax assets	V-I-13	116,565	-	116,565	197,087	-	197,087
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,251,776	-	1,251,776	1,228,102	-	1,228,102
18.1 Assets held for sale		1,251,776	-	1,251,776	1,228,102	-	1,228,102
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-15	3,830,663	2,052,347	5,883,010	3,110,515	2,472,502	5,583,017
TOTAL ASSETS		160,616,843	84,530,157	245,147,000	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 JUNE 30, 2017**

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

			Reviewed Current Period June 30, 2017			Audited Prior Period December 31, 2016		
LIABILITIES AND EQUITY		Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	100,341,733	43,570,282	143,912,015	85,815,420	40,443,889	126,259,309
1.1	Deposits of risk group	V-V-1	2,435,572	327,233	2,762,805	1,686,765	116,088	1,802,853
1.2	Other deposits		97,906,161	43,243,049	141,149,210	84,128,655	40,327,801	124,456,456
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	653,793	185,478	839,271	955,019	199,405	1,154,424
III.	FUNDS BORROWED	V-II-3	1,579,565	26,639,214	28,218,779	1,720,814	24,578,616	26,299,430
IV.	INTERBANK MONEY MARKET		11,898,576	2,067,875	13,966,451	11,450,137	1,794,134	13,244,271
4.1	Interbank money market takings		5,066,651	-	5,066,651	2,501,180	-	2,501,180
4.2	Istanbul Stock Exchange money market takings		293,147	-	293,147	277,667	-	277,667
4.3	Obligations under repurchase agreements		6,538,778	2,067,875	8,606,653	8,671,290	1,794,134	10,465,424
V.	SECURITIES ISSUED (Net)	V-II-3	4,113,928	11,635,157	15,749,085	3,373,519	11,309,305	14,682,824
5.1	Bills		4,012,620	-	4,012,620	3,373,519	-	3,373,519
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		101,308	11,635,157	11,736,465	-	11,309,305	11,309,305
VI.	FUNDS		3,266	-	3,266	3,319	-	3,319
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Other		3,266	-	3,266	3,319	-	3,319
VII.	MISCELLANEOUS PAYABLES		5,312,685	984,276	6,296,961	4,622,676	920,879	5,543,555
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	1,254,779	1,405,984	2,660,763	747,599	2,018,132	2,765,731
IX.	FACTORING PAYABLES		965	15	980	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	5,921,319	42,454	5,963,773	5,562,513	43,584	5,606,097
12.1	General provisions	V-II-7	2,301,414	12,822	2,314,236	2,153,773	13,670	2,167,443
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		729,902	2,291	732,193	736,608	1,791	738,399
12.4	Insurance technical provisions (Net)		2,540,548	13,326	2,553,874	2,304,345	14,000	2,318,345
12.5	Other provisions	V-II-7	349,455	14,015	363,470	367,787	14,123	381,910
XIII.	TAX LIABILITIES	V-II-8	592,620	63,370	655,990	477,830	11,957	489,787
13.1	Current tax liabilities		578,418	1,495	579,913	463,916	2,847	466,763
13.2	Deferred tax liabilities	V-I-13	14,202	61,875	76,077	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	-	5,005,848	5,005,848	-	5,014,700	5,014,700
XVI.	EQUITY		21,240,177	633,641	21,873,818	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		1,608,988	173,641	1,782,629	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	(115,570)	173,641	58,071	(181,609)	50,440	(131,169)
16.2.4	Revaluation surplus on tangible assets		1,045,774	-	1,045,774	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		(52,679)	-	(52,679)	(52,825)	-	(52,825)
16.3	Profit reserves		14,553,468	273,524	14,826,992	12,025,037	234,296	12,259,333
16.3.1	Legal reserves		1,700,107	9,553	1,709,660	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		12,398,138	4,598	12,402,736	10,151,977	4,598	10,156,575
16.3.4	Other profit reserves		448,886	259,373	708,259	438,287	221,347	659,634
16.4	Profit or loss		2,041,592	126,936	2,168,528	2,660,885	115,059	2,775,944
16.4.1	Prior years' profit/loss		(141,671)	116,244	(25,427)	(107,147)	93,173	(13,974)
16.4.2	Current period's profit/loss		2,183,263	10,692	2,193,955	2,768,032	21,886	2,789,918
16.5	Non-controlling interest		536,129	59,540	595,669	473,855	53,674	527,529
TOTAL LIABILITIES AND EQUITY			152,913,406	92,233,594	245,147,000	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 JUNE 30, 2017**

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

	Notes	Reviewed Current Period June 30, 2017			Audited Prior Period December 31, 2016		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		72,878,998	78,256,780	151,135,778	71,979,483	76,304,502	148,283,985
I. GUARANTEES AND SURETIES	V-III-2	28,653,853	14,253,939	42,907,792	26,946,124	13,714,227	40,660,351
1.1 Letters of guarantee	V-III-1	28,232,798	5,697,777	33,930,575	26,687,992	5,628,335	32,316,327
1.1.1 Guarantees subject to State Tender Law		3,104,325	2,868,601	5,972,926	3,203,501	2,571,209	5,774,710
1.1.2 Guarantees given for foreign trade operations		1,046,502	-	1,046,502	1,059,516	-	1,059,516
1.1.3 Other letters of guarantee		24,081,971	2,829,176	26,911,147	22,424,975	3,057,126	25,482,101
1.2 Bank acceptances		13,742	985,738	999,480	53,702	1,143,484	1,197,186
1.2.1 Import letter of acceptance		1,006	399,169	400,175	-	395,874	395,874
1.2.2 Other bank acceptances		12,736	586,569	599,305	53,702	747,610	801,312
1.3 Letters of credit		164	7,506,866	7,507,030	1,762	6,911,368	6,913,130
1.3.1 Documentary letters of credit		164	7,506,866	7,507,030	1,762	6,911,368	6,913,130
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,792	2,792	-	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		214,040	12,667	226,707	202,668	7,682	210,350
1.8 Other guarantees		55,013	40,409	95,422	-	16,890	16,890
1.9 Other sureties		138,096	7,690	145,786	-	3,672	3,672
II. COMMITMENTS		29,297,979	18,342,681	47,640,660	27,151,229	12,692,995	39,844,224
2.1 Irrevocable commitments		25,904,291	1,602,877	27,507,168	24,078,084	1,659,432	25,737,516
2.1.1 Asset purchase commitments	V-III-1	961,860	1,094,942	2,056,802	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	10,708,345	23,776	10,732,121	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	2,399,850	-	2,399,850	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	9,824,717	-	9,824,717	8,682,835	-	8,682,835
2.1.10 Commitments for credit card and banking operations promotions		327,975	-	327,975	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		1,681,544	484,159	2,165,703	1,760,787	123,335	1,884,122
2.2 Revocable commitments		3,393,688	16,739,804	20,133,492	3,073,145	11,033,563	14,106,708
2.2.1 Revocable loan granting commitments		3,393,688	16,739,804	20,133,492	3,024,169	11,033,563	14,057,732
2.2.2 Other revocable commitments		-	-	-	48,976	-	48,976
III. DERIVATIVE FINANCIAL INSTRUMENTS		14,927,166	45,660,160	60,587,326	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		14,927,166	45,660,160	60,587,326	17,882,130	49,897,280	67,779,410
3.2.1 Forward foreign currency purchases/sales		728,927	1,060,900	1,789,827	492,117	1,123,868	1,615,985
3.2.1.1 Forward foreign currency purchases		364,752	530,486	895,238	247,789	560,368	808,157
3.2.2.2 Forward foreign currency sales		364,175	530,414	894,589	244,328	563,500	807,828
3.2.2 Currency and interest rate swaps		12,883,553	33,548,282	46,431,835	16,341,272	37,911,234	54,252,506
3.2.2.1 Currency swaps-purchases		4,020,750	13,140,799	17,161,549	8,566,437	11,982,601	20,549,038
3.2.2.2 Currency swaps-sales		6,812,803	5,482,826	12,295,629	6,324,835	10,311,809	16,636,644
3.2.2.3 Interest rate swaps-purchases		1,025,000	7,462,328	8,487,328	725,000	7,808,412	8,533,412
3.2.2.4 Interest rate swaps-sales		1,025,000	7,462,329	8,487,329	725,000	7,808,412	8,533,412
3.2.3 Currency, interest rate and security options		303,740	375,484	679,224	142,676	730,632	873,308
3.2.3.1 Currency call options		130,962	203,426	334,388	121,124	306,804	427,928
3.2.3.2 Currency put options		172,778	172,058	344,836	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		1,010,946	10,675,494	11,686,440	906,065	10,131,546	11,037,611
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		1,181,993,103	680,046,522	1,862,039,625	1,045,090,768	580,650,674	1,625,741,442
IV. ITEMS HELD IN CUSTODY		61,892,242	4,729,624	66,621,866	56,357,991	4,476,062	60,834,053
4.1 Customers' securities held		898,701	-	898,701	796,204	-	796,204
4.2 Investment securities held in custody		48,336,736	112,562	48,449,298	43,543,703	147,806	43,691,509
4.3 Checks received for collection		9,414,790	2,445,628	11,860,418	9,441,126	2,589,510	12,030,636
4.4 Commercial notes received for collection		1,844,901	772,855	2,617,756	1,535,349	751,302	2,286,651
4.5 Other assets received for collection		2,152	140	2,292	2,152	141	2,293
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		409,358	407,220	816,578	49,414	87,056	136,470
4.8 Custodians		985,604	991,219	1,976,823	990,043	900,247	1,890,290
V. PLEDGED ITEMS		308,457,329	111,463,817	419,921,146	280,719,507	104,200,492	384,919,999
5.1 Securities		531,360	11,350	542,710	495,623	16,366	511,989
5.2 Guarantee notes		685,534	515,746	1,201,280	767,642	544,996	1,312,638
5.3 Commodities		32,342,065	637,836	32,979,901	31,750,967	775,907	32,526,874
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		240,496,842	91,964,100	332,460,942	230,190,866	86,340,346	316,531,212
5.6 Other pledged items		33,838,340	18,192,540	52,030,880	16,964,074	16,365,309	33,329,383
5.7 Pledged items-depository		563,188	142,245	705,433	550,335	157,568	707,903
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		811,643,532	563,853,081	1,375,496,613	708,013,270	471,974,120	1,179,987,390
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		1,254,872,101	758,303,302	2,013,175,403	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 SIX-MONTH PERIOD ENDED JUNE 30, 2017**

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

	Notes	Limited Review Current Period January 1, 2017-June 30, 2017	Limited Review Prior Period January 1, 2016-June 30, 2016	Limited Review Current Period April 1, 2017-June 30, 2017	Limited Review Prior Period April 1, 2016-June 30, 2016
I. INTEREST INCOME		10,267,024	8,036,310	5,297,237	4,016,816
1.1 Interest income from loans	V-IV-1	8,309,572	6,704,268	4,369,110	3,440,886
1.2 Interest income from reserve deposits		94,097	54,942	50,695	26,349
1.3 Interest income from banks	V-IV-1	86,708	57,785	49,746	29,153
1.4 Interest income from money market transactions		22,455	316	8,443	175
1.5 Interest income from securities portfolio	V-IV-1	1,599,148	1,106,906	742,683	466,545
1.5.1 Trading financial assets		8,435	3,885	4,218	1,361
1.5.2 Financial assets designated at fair value through profit or loss		-	-	-	-
1.5.3 Available-for-sale financial assets		964,553	760,604	456,939	333,746
1.5.4 Held-to-maturity investments		626,160	342,417	281,526	131,438
1.6 Finance lease income		64,712	54,223	32,875	26,760
1.7 Other interest income		90,332	57,870	43,685	26,948
II. INTEREST EXPENSE		5,607,399	4,802,288	3,090,515	2,404,232
2.1 Interest expense on deposits	V-IV-2	3,952,000	3,612,320	2,215,757	1,803,151
2.2 Interest expense on funds borrowed	V-IV-2	379,222	217,789	200,470	115,840
2.3 Interest expense on money market transactions		633,909	489,117	358,447	251,587
2.4 Interest expense on securities issued	V-IV-2	445,715	318,983	228,705	161,433
2.5 Other interest expenses		196,553	164,079	87,136	72,221
III. NET INTEREST INCOME (I – II)		4,659,625	3,234,022	2,206,722	1,612,584
IV. NET FEES AND COMMISSIONS INCOME		557,754	407,056	290,266	193,720
4.1 Fees and commissions received		862,078	672,624	452,175	338,270
4.1.1 Non-cash loans		140,113	109,082	72,205	56,305
4.1.2 Others		721,965	563,542	379,970	281,965
4.2 Fees and commissions paid		304,324	265,568	161,909	144,550
4.2.1 Non-cash loans		2,120	745	1,172	409
4.2.2 Others		302,204	264,823	160,737	144,141
V. DIVIDEND INCOME		46,631	61,139	3,577	22,876
VI. TRADING INCOME/LOSSES (Net)	V-IV-3	128,263	70,829	(876)	59,814
6.1 Trading account income/losses		43,835	41,014	20,359	31,514
6.2 Income/losses from derivative financial instruments		(28,257)	(22,006)	(69,462)	(7,405)
6.3 Foreign exchange gains/losses		112,685	51,821	48,227	35,705
VII. OTHER OPERATING INCOME	V-IV-4	1,424,719	1,076,189	685,894	585,633
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6,816,992	4,849,235	3,185,583	2,474,627
PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	1,384,408	1,011,430	624,766	496,785
X. OTHER OPERATING EXPENSES (-)	V-IV-6	2,691,803	2,458,410	1,373,917	1,224,183
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		2,740,781	1,379,395	1,186,900	753,659
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		25,648	20,483	13,539	8,814
XIII. GAIN/LOSS ON NET MONETARY POSITION INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)		2,766,429	1,399,878	1,200,439	762,473
XV. CONTINUING OPERATIONS PROVISION FOR TAXES		(554,668)	(297,308)	(255,821)	(175,150)
16.1 Current tax charges	V-IV-7	(467,339)	(435,475)	(249,530)	(328,774)
16.2 Deferred tax credits	V-IV-7	(87,329)	138,167	(6,291)	153,624
NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)		2,211,761	1,102,570	944,618	587,323
XVII. 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		-	-	-	-
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)		-	-	-	-
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. DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVI+XXII)		2,211,761	1,102,570	944,618	587,323
23.1. Equity holders of the Bank		2,193,955	1,123,475	938,881	602,333
23.2. Non-controlling interest(-)		17,806	(20,905)	5737	(15,010)
Earnings per 100 Share (full TL)	III-XXV	0.8776	0.4494	0.3756	0.2409

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 SIX-MONTH PERIOD ENDED JUNE 30, 2017**

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

	Limited Review Current Period January 1, 2017- June 30, 2017	Limited Review Prior Period January 1, 2016- June 30, 2016
GAINS AND LOSSES RECOGNIZED IN EQUITY		
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	233,766	417,979
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	(1,927)	419
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	28,578	3,776
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	(87,592)	(24,966)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(45,742)	(90,799)
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	127,083	306,409
XI. CURRENT PERIOD'S PROFIT/(LOSS)	2,211,761	1,102,570
11.1 Change in fair value of securities (transfers to the statement of income)	3,467	31,216
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	2,208,294	1,071,354
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	2,338,844	1,408,979

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 SIX-MONTH PERIOD ENDED JUNE 30, 2017**

(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 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
RIOR PERIOD – June 30, 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	-	-	-	-	-	-	-	-	-	-	321,774	-	-	-	-	321,774	1,511	323,285
VI.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	433	-	(11)	-	-	-	422	325	747
VIII.	Revaluation surplus on intangible as	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	-	-	-	3,398	-	-	-	-	-	-	-	3,398	378	3,776
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	-	-	-	-	-	-	-	-	-	(25,031)	4,444	-	-	-	-	(20,587)	-	(20,587)
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	-	-	-	-	-	-	-	(125)	-	(694)	-	-	-	-	-	(819)	7	(812)
XIX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,123,475	-	-	-	-	-	-	1,123,475	(20,905)	1,102,570
XX.	Profit distribution	-	-	-	-	197,142	-	1,683,921	(4,239)	-	(2,007,488)	-	23,443	-	-	-	(107,221)	(327)	(107,548)
20.1	Dividends	-	-	-	-	-	-	-	-	-	(107,221)	-	-	-	-	-	(107,221)	(327)	(107,548)
20.2	Transferred to reserves	-	-	-	-	197,142	-	1,683,921	(4,239)	-	(1,900,267)	-	23,443	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,433,308	6,337	10,163,969	555,775	1,123,475	(16,839)	356,229	964,089	3,683	-	-	17,817,806	486,380	18,304,186

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 SIX-MONTH PERIOD ENDED JUNE 30, 2017**

(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 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
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
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	184,844	-	-	-	-	184,844	-	184,844
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	(31,350)	-	(1,031)	-	-	-	(32,381)	30,710	(1,671)
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	28,578	-	-	-	-	-	-	-	28,578	-	28,578
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	(37,096)	4,396	-	-	-	-	(32,700)	-	(32,700)
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	145	-	(1,907)	-	164	-	-	-	(1,598)	(762)	(2,360)
XVII.		-	-	-	-	-	-	-	-	2,193,955	-	-	-	-	-	-	2,193,955	17,806	2,211,761
XVIII.		-	-	-	-	272,873	-	2,246,161	20,048	-	(2,731,018)	-	49,444	-	-	-	(142,492)	20,386	(122,106)
18.1	VI-1	-	-	-	-	-	-	-	-	-	(120,000)	-	-	-	-	-	(120,000)	(2,106)	(122,106)
18.2	VI-1	-	-	-	-	272,873	-	2,246,161	20,048	-	(2,611,018)	-	49,444	-	-	-	(22,492)	22,492	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		2,500,000	-	727,780	-	1,709,660	6,337	12,402,736	655,580	2,193,955	(25,427)	58,071	1,045,774	3,683	-	-	21,278,149	595,669	21,873,818

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 SIX-MONTH PERIOD ENDED 30 JUNE 2017

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

	Notes	Reviewed Current Period June 30, 2017	Reviewed Prior Period June 30, 2016
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		3,711,889	2,092,675
1.1.1 Interests received		9,368,438	7,758,751
1.1.2 Interests paid		(5,307,573)	(4,706,102)
1.1.3 Dividends received		10,188	10,563
1.1.4 Fee and commissions received		862,078	672,624
1.1.5 Other income		648,098	615,563
1.1.6 Collections from previously written-off loans and other receivables		647,002	517,775
1.1.7 Payments to personnel and service suppliers		(1,014,146)	(914,659)
1.1.8 Taxes paid		(456,355)	(396,593)
1.1.9 Other		(1,045,841)	(1,465,247)
1.2 Changes in operating assets and liabilities		(3,891,170)	(2,075,527)
1.2.1 Net (increase) decrease in financial assets held for trading purpose		59,259	16,252
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		(1,513,307)	(2,389,693)
1.2.4 Net (increase) decrease in loans		(21,278,076)	(7,335,297)
1.2.5 Net (increase) decrease in other assets		(414,113)	194,194
1.2.6 Net increase (decrease) in bank deposits		(117,702)	1,149,105
1.2.7 Net increase (decrease) in other deposits		17,190,646	2,630,074
1.2.8 Net increase (decrease) in funds borrowed		1,930,812	(121,484)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		251,311	3,781,322
I. Net cash flow from banking operations		(179,281)	17,148
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(634,290)	78,772
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		(166,350)	(121,379)
2.4 Proceeds from disposal of tangible assets		259,620	212,808
2.5 Cash paid for purchase of available-for-sale financial assets		(3,099,684)	(2,351,542)
2.6 Proceeds from disposal of available-for-sale financial assets		2,780,355	2,301,021
2.7 Cash paid for purchase of held-to-maturity investments		(1,499,542)	(1,042,305)
2.8 Proceeds from disposal of held-to-maturity investments		1,123,419	1,105,605
2.9 Other		(32,108)	(25,436)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		983,659	1,134,086
3.1 Cash obtained from funds borrowed and securities issued		5,554,002	5,230,715
3.2 Cash used for repayment of funds borrowed and securities issued		(4,448,237)	(3,996,302)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(122,106)	(100,327)
3.5 Repayments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents		(59,808)	15,483
V. Net (decrease) / increase in cash and cash equivalents		110,280	1,245,489
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		12,531,684	10,302,616

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