

**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 2017**

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

			Reviewed			Audited		
			Current Period 30 June 2017	TL	FC	Total	Prior Period 31 December 2016	TL
I.	CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	4,631,700	21,612,927	26,244,627	4,409,130	19,956,167	24,365,297
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	1,470,892	197,651	1,668,543	1,478,068	133,112	1,611,180
2.1	Financial assets held for trading purpose		1,470,892	197,651	1,668,543	1,478,068	133,112	1,611,180
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	1,470,685	197,651	1,668,336	1,477,867	133,112	1,610,979
2.1.4	Other securities		207	-	207	201	-	201
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	715,185	2,682,431	3,397,616	37,570	3,852,752	3,890,322
IV.	RECEIVABLES FROM INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	13,421,851	5,269,269	18,691,120	12,588,929	5,230,128	17,819,057
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	5,236,157	18,657,993	12,588,914	5,202,533	17,791,447
5.3	Other securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	V-I-5	120,586,013	47,736,908	168,322,921	100,121,757	47,590,618	147,712,375
6.1	Performing loans and receivables		119,391,227	47,736,908	167,128,135	99,028,374	47,590,618	146,618,992
6.1.1	Loans provided to risk group	V-V-1	62,644	228,477	291,121	36,595	295,669	332,264
6.1.2	Debt securities issued by the governments		-	-	-	-	-	-
6.1.3	Others		119,328,583	47,508,431	166,837,014	98,991,779	47,294,949	146,286,728
6.2	Loans under follow-up		7,030,342	-	7,030,342	6,413,503	-	6,413,503
6.3	Specific provisions (-)		5,835,556	-	5,835,556	5,320,120	-	5,320,120
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
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	341,920	-	341,920	299,478	-	299,478
9.1	Associates, consolidated per equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		341,920	-	341,920	299,478	-	299,478
9.2.1	Financial associates		330,520	-	330,520	288,078	-	288,078
9.2.2	Non-Financial associates		11,400	-	11,400	11,400	-	11,400
X.	INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	1,555,785	469,689	2,025,474	1,363,012	434,112	1,797,124
10.1	Unconsolidated financial subsidiaries		1,286,889	469,689	1,756,578	1,094,116	434,112	1,528,228
10.2	Unconsolidated non-financial subsidiaries		268,896	-	268,896	268,896	-	268,896
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)		1,377,075	7,475	1,384,550	1,401,949	7,926	1,409,875
XV.	INTANGIBLE ASSETS (Net)		206,583	-	206,583	193,866	-	193,866
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		206,583	-	206,583	193,866	-	193,866
XVI.	INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
XVII.	TAX ASSETS		-	-	-	83,109	-	83,109
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets	V-I-13	-	-	-	83,109	-	83,109
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,251,541	-	1,251,541	1,227,867	-	1,227,867
18.1	Assets held for sale		1,251,541	-	1,251,541	1,227,867	-	1,227,867
18.2	Assets related to the discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	V-I-15	2,172,100	1,923,833	4,095,933	1,685,657	2,264,163	3,949,820
TOTAL ASSETS			156,425,546	80,197,715	236,623,261	132,930,306	79,609,599	212,539,905

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

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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 2017**

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

			Reviewed Current Period 30 June 2017			Audited Prior Period 31 December 2016		
LIABILITIES AND EQUITY		Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	100,786,247	40,554,852	141,341,099	86,113,201	37,725,176	123,838,377
1.1	Deposits of the risk group	V-V-1	2,880,086	484,950	3,365,036	1,984,546	212,599	2,197,145
1.2	Other deposits		97,906,161	40,069,902	137,976,063	84,128,655	37,512,577	121,641,232
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	653,804	185,478	839,282	954,633	189,070	1,143,703
III.	FUNDS BORROWED	V-II-3	643,939	25,491,097	26,135,036	671,898	23,521,872	24,193,770
IV.	INTERBANK MONEY MARKET		11,605,429	2,067,875	13,673,304	11,172,470	1,722,864	12,895,334
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		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		6,538,778	2,067,875	8,606,653	8,671,290	1,722,864	10,394,154
V.	SECURITIES ISSUED (Net)	V-II-3	3,754,054	11,757,482	15,511,536	3,268,595	11,439,150	14,707,745
5.1	Bills		3,754,054	-	3,754,054	3,268,595	-	3,268,595
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	11,757,482	11,757,482	-	11,439,150	11,439,150
VI.	FUNDS		3,266	-	3,266	3,319	-	3,319
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		3,266	-	3,266	3,319	-	3,319
VII.	MISCELLANEOUS PAYABLES		5,054,232	921,560	5,975,792	4,381,317	781,677	5,162,994
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	1,173,863	1,376,323	2,550,186	677,086	1,999,105	2,676,191
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	3,331,949	16,998	3,348,947	3,205,470	18,622	3,224,092
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		701,279	-	701,279	710,171	-	710,171
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions	V-II-7	329,256	4,176	333,432	341,526	4,952	346,478
XIII.	TAX LIABILITIES	V-II-8	553,398	52,884	606,282	422,131	2,325	424,456
13.1	Current tax liabilities		550,637	1,495	552,132	422,131	2,325	424,456
13.2	Deferred tax liabilities	V-I-13	2,761	51,389	54,150	-	-	-
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	-	5,023,405	5,023,405	-	5,031,213	5,031,213
XVI.	EQUITY		21,282,045	333,081	21,615,126	19,035,854	202,857	19,238,711
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves		2,364,590	333,081	2,697,671	2,070,365	202,857	2,273,222
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	740,981	333,081	1,074,062	495,171	202,857	698,028
16.2.4	Revaluation surplus on tangible assets		878,310	-	878,310	829,895	-	829,895
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		(47,841)	-	(47,841)	(47,841)	-	(47,841)
16.3	Profit reserves		14,296,045	-	14,296,045	11,762,447	-	11,762,447
16.3.1	Legal reserves		1,635,332	-	1,635,332	1,367,022	-	1,367,022
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		12,210,313	-	12,210,313	9,964,966	-	9,964,966
16.3.4	Other profit reserves		450,400	-	450,400	430,459	-	430,459
16.4	Profit or loss		2,121,410	-	2,121,410	2,703,042	-	2,703,042
16.4.1	Prior years' profit/loss		-	-	-	-	-	-
16.4.2	Current period's profit/loss		2,121,410	-	2,121,410	2,703,042	-	2,703,042
TOTAL LIABILITIES AND EQUITY			148,842,226	87,781,035	236,623,261	129,905,974	82,633,931	212,539,905

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 2017**

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

	Notes	Reviewed Current Period 30 June 2017			Audited Prior Period 31 December 2016		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES							
(I+II+III)		71,801,537	76,888,619	148,690,156	71,071,210	75,396,231	146,467,441
I. GUARANTEES AND SURETIES	V-III-2-4	28,246,704	14,234,171	42,480,875	26,743,456	13,704,968	40,448,424
1.1 Letters of guarantee		28,232,798	5,696,070	33,928,868	26,687,992	5,626,758	32,314,750
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	2,827,469	26,909,440	22,424,975	3,055,549	25,480,524
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 Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Marketable securities underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	40,409	40,409	-	16,890	16,890
1.9 Other sureties		-	2,296	2,296	-	3,672	3,672
II. COMMITMENTS		28,627,187	17,834,746	46,461,933	26,475,216	12,535,618	39,010,834
2.1 Irrevocable commitments		25,233,499	1,094,942	26,328,441	23,451,047	1,502,055	24,953,102
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	-	10,708,345	9,817,555	-	9,817,555
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		1,010,752	-	1,010,752	1,133,750	-	1,133,750
2.2 Revocable commitments		3,393,688	16,739,804	20,133,492	3,024,169	11,033,563	14,057,732
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		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		14,927,646	44,819,702	59,747,348	17,852,538	49,155,645	67,008,183
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		14,927,646	44,819,702	59,747,348	17,852,538	49,155,645	67,008,183
3.2.1 Forward foreign currency purchases/sales		728,927	1,060,900	1,789,827	489,310	1,120,684	1,609,994
3.2.2.1 Forward foreign currency purchases		364,752	530,486	895,238	244,982	560,368	805,350
3.2.2.2 Forward foreign currency sales		364,175	530,414	894,589	244,328	560,316	804,644
3.2.2 Currency and interest rate swaps		12,884,033	32,707,824	45,591,857	16,314,487	37,172,783	53,487,270
3.2.2.1 Currency swaps-purchases		4,021,230	12,714,366	16,735,596	8,539,652	11,631,406	20,171,058
3.2.2.2 Currency swaps-sales		6,812,803	5,068,801	11,881,604	6,324,835	9,924,553	16,249,388
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 Others		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)		1,178,458,071	679,292,197	1,857,750,268	1,043,040,320	580,201,858	1,623,242,178
IV. ITEMS HELD IN CUSTODY		58,425,269	3,975,299	62,400,568	54,374,804	4,027,246	58,402,050
4.1 Customers' securities held		-	-	-	-	-	-
4.2 Investment securities held in custody		47,434,500	112,562	47,547,062	43,319,878	147,806	43,467,684
4.3 Checks received for collection		9,043,629	2,376,032	11,419,661	9,130,796	2,502,025	11,632,821
4.4 Commercial notes received for collection		969,532	409,512	1,379,044	941,776	410,946	1,352,722
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		309	85,834	86,143	309	66,081	66,390
4.8 Custodians		975,147	991,219	1,966,366	979,893	900,247	1,880,140
V. PLEDGED ITEMS		308,389,270	111,463,817	419,853,087	280,652,246	104,200,492	384,852,738
5.1 Securities		530,991	11,350	542,341	495,249	16,366	511,615
5.2 Guarantee notes		684,578	515,746	1,200,324	767,038	544,996	1,312,034
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		240,434,684	91,964,100	332,398,784	230,129,196	86,340,346	316,469,542
5.6 Other pledged items		33,833,764	18,192,540	52,026,304	16,959,461	16,365,309	33,324,770
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)		1,250,259,608	756,180,816	2,006,440,424	1,114,111,530	655,598,089	1,769,709,619

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 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	Limited Review Current Period April 1, 2017- June 30, 2017	Limited Review Prior Period April 1, 2016- June 30, 2016
I. INTEREST INCOME		9,997,370	7,837,113	5,156,835	3,920,936
1.1 Interest income from loans	V-IV-1	8,283,971	6,672,471	4,356,520	3,425,824
1.2 Interest income from reserve deposits		94,097	54,942	50,695	26,349
1.3 Interest income from banks	V-IV-1	16,271	12,574	8,559	7,046
1.4 Interest income from money market transactions		22,187	-	8,287	-
1.5 Interest income from securities portfolio	V-IV-1	1,578,559	1,095,472	732,454	461,449
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		952,399	753,055	450,928	330,011
1.5.4 Held-to-maturity investments		626,160	342,417	281,526	131,438
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		2,285	1,654	320	268
II. INTEREST EXPENSE		5,499,230	4,738,921	3,035,452	2,373,721
2.1 Interest expense on deposits	V-IV-2	3,953,202	3,623,801	2,217,929	1,809,275
2.2 Interest expense on funds borrowed	V-IV-2	304,056	159,277	161,819	85,105
2.3 Interest expense on money market transactions		619,523	484,489	349,464	248,816
2.4 Interest expense on securities issued	V-IV-2	436,380	313,006	221,088	158,661
2.5 Other interest expenses		186,069	158,348	85,152	71,864
III. NET INTEREST INCOME (I – II)		4,498,140	3,098,192	2,121,383	1,547,215
IV. NET FEES AND COMMISSIONS INCOME		602,788	455,760	311,912	228,729
4.1 Fees and commissions received		909,371	723,135	474,923	373,398
4.1.1 Non-cash loans		140,561	109,393	72,438	56,418
4.1.2 Others		768,810	613,742	402,485	316,980
4.2 Fees and commissions paid		306,583	267,375	163,011	144,669
4.2.1 Non-cash loans		76	19	11	10
4.2.2 Others		306,507	267,356	163,000	144,659
V. DIVIDEND INCOME		63,565	82,722	20,552	44,465
VI. TRADING INCOME/LOSSES (Net)	V-IV-3	118,629	72,819	1,295	53,674
6.1 Trading account income/losses	V-IV-3	41,881	40,482	19,654	31,115
6.2 Income/losses from derivative financial instruments	V-IV-3	(33,994)	(25,116)	(69,761)	(8,182)
6.3 Foreign exchange gains/losses	V-IV-3	110,742	57,453	51,402	30,741
VII. OTHER OPERATING INCOME	V-IV-4	820,302	577,672	380,802	332,269
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6,103,424	4,287,165	2,835,944	2,206,352
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	1,351,938	990,029	618,503	480,882
X. OTHER OPERATING EXPENSES (-)	V-IV-6	2,094,222	1,906,326	1,077,767	974,270
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		2,657,264	1,390,810	1,139,674	751,200
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES					
XV. (XI+XII+XIII+XIV)	V-IV-7	2,657,264	1,390,810	1,139,674	751,200
XVI. CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-8	(535,854)	(287,223)	(243,016)	(164,276)
16.1 Current tax charges		(453,026)	(423,471)	(239,974)	(320,823)
16.2 Deferred tax credits		(82,828)	136,248	(3,042)	156,547
XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)	V-IV-9	2,121,410	1,103,587	896,658	586,924
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-9	2,121,410	1,103,587	896,658	586,924
Profit/Loss per 100 shares (full TL)		0.8486	0.4414	0.3587	0.2348

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 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		
VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED		
I. IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	224,384	385,795
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	(1,082)	(247)
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	-	-
GAINS/(LOSSES) FROM CASH FLOW HEDGES		
V. (Effective Portion of Fair Value Changes)	-	-
GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES		
VI. (Effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS	-	-
VIII OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	206,143	(54,381)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(54,440)	(74,358)
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	375,005	256,809
XI. CURRENT PERIOD'S PROFIT/(LOSS)	2,121,410	1,103,587
11.1 Change in fair value of securities (transfers to the statement of income)	3,465	31,058
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	2,117,945	1,072,529
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	2,496,415	1,360,396

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 CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 Cancellati Premium	Share on 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 Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD – June 30, 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
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	-	1,174,010	-	8,329,529	380,198	-	1,930,109	830,413	830,149	69,222	-	-	16,767,548	-	16,767,548
IV.	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	256,611	-	-	-	-	256,611	-	256,611
VII.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	433	-	(235)	-	-	-	198	-	198
IX.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Effect of change in equities of associates on the Bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,103,587	-	-	-	-	-	-	1,103,587	-	1,103,587
20.1	Profit distribution	-	-	-	-	193,012	-	1,635,437	-	-	(1,930,109)	-	1,660	-	-	(100,000)	-	(100,000)	
20.2	Dividends	-	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
20.3	Transferred to reserves	-	-	-	-	193,012	-	1,635,437	-	-	(1,830,109)	-	1,660	-	-	-	-	-	(100,000)
20.3	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 CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 Cancell ation Profits	Legal Reserves	Status Reserve s	Extraordinar y Reserves	Other Reserves	Current Period Net Profit/ (Loss)	Prior Period Net Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of	Shareholde rs' Equity before Minority Interest	Minority Interest	Total Shareholders ' Equity
CURRENT PERIOD – 30 June 2017																			
I.	Balances at the beginning of the period	2,500,000	-	723,918	-	1,367,022	-	9,964,966	382,618	-	2,703,042	698,028	829,895	69,222	-	-	19,238,711	-	19,238,711
II.	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	376,034	-	-	-	-	376,034	-	376,034
IV.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	(1,029)	-	-	-	(1,029)	-	(1,029)
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	-	-	-	-	-	-	-	-	2,121,410	-	-	-	-	-	-	-	-	2,121,410
XVIII.	Profit distribution	-	-	-	-	268,310	-	2,245,347	19,941	-	(2,703,042)	-	49,444	-	-	-	(120,000)	-	(120,000)
18.1	Dividends	VI-1	-	-	-	-	-	-	-	-	(120,000)	-	-	-	-	-	(120,000)	-	(120,000)
18.2	Transferred to reserves	VI-1	-	-	-	268,310	-	2,245,347	19,941	-	(2,583,042)	-	49,444	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period	2,500,000	-	723,918	-	1,635,332	-	12,210,313	402,559	2,121,410	-	1,074,062	878,310	69,222	-	-	21,615,126	-	21,615,126

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 2017**

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

	Reviewed Current Period 30 June 2017	Reviewed Prior Period 30 June 2016
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	3,284,982	1,925,182
1.1.1 Interests received	9,110,055	7,577,195
1.1.2 Interests paid	(5,203,936)	(4,651,788)
1.1.3 Dividends received	19,408	14,819
1.1.4 Fee and commissions received	909,371	723,135
1.1.5 Other income	32,243	114,581
1.1.6 Collections from previously written-off loans and other receivables	633,988	500,208
1.1.7 Payments to personnel and service suppliers	(914,150)	(833,554)
1.1.8 Taxes paid	(443,357)	(391,476)
1.1.9 Others	(858,640)	(1,127,938)
1.2 Changes in operating assets and liabilities	(3,381,163)	(2,168,713)
1.2.1 Net (increase) decrease in financial assets held for trading purpose	(6)	-
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	(1,247,048)	(2,397,513)
1.2.4 Net (increase) decrease in loans	(21,086,249)	(7,568,305)
1.2.5 Net (increase) decrease in other assets	(260,695)	138,999
1.2.6 Net increase (decrease) in bank deposits	(113,329)	1,150,286
1.2.7 Net increase (decrease) in other deposits	17,053,318	2,893,615
1.2.8 Net increase (decrease) in funds borrowed	1,930,812	(149,587)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	342,034	3,763,792
I. Net cash flow from banking operations	(96,181)	(243,531)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(565,466)	92,718
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	(158,455)	(85,126)
2.4 Proceeds from disposal of tangible assets	258,007	211,561
2.5 Cash paid for purchase of available-for-sale financial assets	(2,982,315)	(2,347,440)
2.6 Proceeds from disposal of available-for-sale financial assets	2,719,155	2,276,157
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 Others	(25,735)	(25,734)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities	728,677	1,161,284
3.1 Cash obtained from funds borrowed and securities issued	5,801,164	5,374,441
3.2 Cash used for repayment of funds borrowed and securities issued	(4,952,487)	(4,113,157)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	(120,000)	(100,000)
3.5 Repayments for finance leases	-	-
3.6 Others	-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	71,711	35,580
V. Net increase in cash and cash equivalents	138,741	1,046,051
VI. Cash and cash equivalents at the beginning of the period	11,108,769	8,200,424
VII. Cash and cash equivalents at the end of the period	11,247,510	9,246,475

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