

**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 SEPTEMBER 30, 2017**

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

	Notes	Reviewed Current Period September 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	3,830,709	22,420,904	26,251,613	4,409,164	19,960,151	24,369,315
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	1,536,365	281,051	1,817,416	1,644,899	144,334	1,789,233
2.1 Financial assets held for trading purpose		1,536,365	281,051	1,817,416	1,644,899	144,334	1,789,233
2.1.1 Debt securities issued by the governments		293	5,481	5,774	206	10,647	10,853
2.1.2 Equity securities		8,843	-	8,843	2,095	-	2,095
2.1.3 Derivative financial assets held for trading purpose	V-I-2	1,372,856	275,570	1,648,426	1,473,865	133,687	1,607,552
2.1.4 Other securities		154,373	-	154,373	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	1,188,783	6,202,916	7,391,699	1,195,786	4,079,703	5,275,489
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		1,527	-	1,527	5,232	-	5,232
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		1,515	-	1,515	3,428	-	3,428
4.3 Receivables from reverse repurchase agreements		12	-	12	1,804	-	1,804
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	14,754,785	5,761,853	20,516,638	12,588,929	6,030,151	18,619,080
5.1 Equity securities		15	37,714	37,729	15	27,595	27,610
5.2 Debt securities issued by the governments		14,754,770	5,343,829	20,098,599	12,588,914	5,719,498	18,308,412
5.3 Other securities		-	380,310	380,310	-	283,058	283,058
VI. LOANS AND RECEIVABLES	V-I-5	126,278,563	50,911,545	177,190,108	100,166,610	49,408,659	149,575,269
6.1 Performing loans and receivables		125,277,092	50,881,391	176,158,483	99,001,801	49,402,693	148,404,494
6.1.1 Loans provided to risk group	V-V-1	220	11,483	11,703	-	36,936	37,517
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Other		125,276,872	50,869,908	176,146,780	99,001,220	49,365,757	148,366,977
6.2 Loans under follow-up		7,367,139	117,563	7,484,702	6,626,073	77,310	6,703,383
6.3 Specific provisions (-)	V-I-5	6,365,668	87,409	6,453,077	5,461,264	71,344	5,532,608
VII. FACTORING RECEIVABLES		1,326,493	177,979	1,504,472	1,171,659	219,055	1,390,714
VIII. HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	8,704,557	286,399	8,990,956	8,039,914	140,621	8,180,535
8.1 Debt securities issued by the governments		8,704,557	179,467	8,884,024	8,039,914	-	8,039,914
8.2 Other securities		-	106,932	106,932	-	140,621	140,621
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	372,654	3	372,657	336,229	3	336,232
9.1 Associates, consolidated per equity method		311,841	-	311,841	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	285,993	-	285,993	286,698	-	286,698
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		285,993	-	285,993	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	456,868	1,242,407	1,699,275	364,209	1,182,200	1,546,409
12.1 Finance lease receivables		590,464	1,377,261	1,967,725	465,056	1,323,625	1,788,681
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		133,596	134,854	268,450	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)		1,666,943	9,184	1,676,127	1,693,745	9,358	1,703,103
XV. INTANGIBLE ASSETS (Net)		253,558	297	253,855	230,242	23	230,265
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		253,558	297	253,855	230,242	23	230,265
XVI. INVESTMENT PROPERTIES (Net)	V-I-12	381,138	-	381,138	354,385	-	354,385
XVII. TAX ASSETS	V-I-13	112,701	-	112,701	197,922	-	197,922
17.1 Current tax assets	V-I-13	928	-	928	835	-	835
17.2 Deferred tax assets	V-I-13	111,773	-	111,773	197,087	-	197,087
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,267,091	-	1,267,091	1,228,102	-	1,228,102
18.1 Assets held for sale		1,267,091	-	1,267,091	1,228,102	-	1,228,102
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-15	4,097,351	2,113,877	6,211,228	3,110,515	2,472,502	5,583,017
TOTAL ASSETS		166,516,079	89,408,415	255,924,494	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 SEPTEMBER 30, 2017**

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

			Reviewed Current Period September 30, 2017			Audited Prior Period December 31, 2016		
LIABILITIES AND EQUITY		Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	101,377,495	47,213,422	148,590,917	85,815,420	40,443,889	126,259,309
1.1	Deposits of risk group	V-V-1	2,187,240	225,282	2,412,522	1,686,765	116,088	1,802,853
1.2	Other deposits		99,190,255	46,988,140	146,178,395	84,128,655	40,327,801	124,456,456
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	733,913	179,426	913,339	955,019	199,405	1,154,424
III.	FUNDS BORROWED	V-II-3	1,669,261	28,013,798	29,683,059	1,720,814	24,578,616	26,299,430
IV.	INTERBANK MONEY MARKET		14,533,189	1,892,752	16,425,941	11,450,137	1,794,134	13,244,271
4.1	Interbank money market takings		7,770,139	-	7,770,139	2,501,180	-	2,501,180
4.2	Istanbul Stock Exchange money market takings		231,962	-	231,962	277,667	-	277,667
4.3	Obligations under repurchase agreements		6,531,088	1,892,752	8,423,840	8,671,290	1,794,134	10,465,424
V.	SECURITIES ISSUED (Net)	V-II-3	4,208,152	12,316,974	16,525,126	3,373,519	11,309,305	14,682,824
5.1	Bills		4,116,407	-	4,116,407	3,373,519	-	3,373,519
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		91,745	12,316,974	12,408,719	-	11,309,305	11,309,305
VI.	FUNDS		3,284	-	3,284	3,319	-	3,319
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Other		3,284	-	3,284	3,319	-	3,319
VII.	MISCELLANEOUS PAYABLES		5,980,178	797,423	6,777,601	4,622,676	920,879	5,543,555
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	751,926	1,547,657	2,299,583	747,599	2,018,132	2,765,731
IX.	FACTORING PAYABLES		135	3	138	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	5,746,582	41,840	5,788,422	5,562,513	43,584	5,606,097
12.1	General provisions	V-II-7	2,323,657	11,774	2,335,431	2,153,773	13,670	2,167,443
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		779,269	2,533	781,802	736,608	1,791	738,399
12.4	Insurance technical provisions (Net)		2,436,668	12,031	2,448,699	2,304,345	14,000	2,318,345
12.5	Other provisions	V-II-7	206,988	15,502	222,490	367,787	14,123	381,910
XIII.	TAX LIABILITIES	V-II-8	516,981	71,500	588,481	477,830	11,957	489,787
13.1	Current tax liabilities		462,038	1,799	463,837	463,916	2,847	466,763
13.2	Deferred tax liabilities	V-I-13	54,943	69,701	124,644	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	527,616	5,100,706	5,628,322	-	5,014,700	5,014,700
XVI.	EQUITY		22,007,452	692,829	22,700,281	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		1,560,171	200,535	1,760,706	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	(162,703)	200,535	37,832	(181,609)	50,440	(131,169)
16.2.4	Revaluation surplus on tangible assets		1,044,656	-	1,044,656	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		3,614	-	3,614	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		(53,176)	-	(53,176)	(52,825)	-	(52,825)
16.3	Profit reserves		14,577,654	297,028	14,874,682	12,025,037	234,296	12,259,333
16.3.1	Legal reserves		1,700,912	9,553	1,710,465	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		12,434,644	4,598	12,439,242	10,151,977	4,598	10,156,575
16.3.4	Other profit reserves		435,761	282,877	718,638	438,287	221,347	659,634
16.4	Profit or loss		2,779,600	131,657	2,911,257	2,660,885	115,059	2,775,944
16.4.1	Prior years' profit/loss		(179,626)	116,244	(63,382)	(107,147)	93,173	(13,974)
16.4.2	Current period's profit/loss		2,959,226	15,413	2,974,639	2,768,032	21,886	2,789,918
16.5	Non-controlling interest		590,027	63,609	653,636	473,855	53,674	527,529
TOTAL LIABILITIES AND EQUITY			158,056,164	97,868,330	255,924,494	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 SEPTEMBER 30, 2017**

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

	Notes	Reviewed Current Period September 30, 2017			Audited Prior Period December 31, 2016		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		73,808,488	79,254,674	153,063,162	71,979,483	76,304,502	148,283,985
I. GUARANTEES AND SURETIES	V-III-2	30,336,031	15,643,289	45,979,320	26,946,124	13,714,227	40,660,351
1.1 Letters of guarantee	V-III-1	29,707,500	6,216,751	35,924,251	26,687,992	5,628,335	32,316,327
1.1.1 Guarantees subject to State Tender Law		3,174,903	3,189,679	6,364,582	3,203,501	2,571,209	5,774,710
1.1.2 Guarantees given for foreign trade operations		1,050,776	-	1,050,776	1,059,516	-	1,059,516
1.1.3 Other letters of guarantee		25,481,821	3,027,072	28,508,893	22,424,975	3,057,126	25,482,101
1.2 Bank acceptances		48,693	1,192,109	1,240,802	53,702	1,143,484	1,197,186
1.2.1 Import letter of acceptance		2,168	393,890	396,058	-	395,874	395,874
1.2.2 Other bank acceptances		46,525	798,219	844,744	53,702	747,610	801,312
1.3 Letters of credit		18,885	8,178,339	8,197,224	1,762	6,911,368	6,913,130
1.3.1 Documentary letters of credit		18,885	8,178,339	8,197,224	1,762	6,911,368	6,913,130
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,833	2,833	-	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		329,452	9,854	339,306	202,668	7,682	210,350
1.8 Other guarantees		58,993	41,465	100,458	-	16,890	16,890
1.9 Other sureties		172,508	1,938	174,446	-	3,672	3,672
II. COMMITMENTS		29,714,280	17,529,720	47,244,000	27,151,229	12,692,995	39,844,224
2.1 Irrevocable commitments		26,619,129	1,656,423	28,275,552	24,078,084	1,659,432	25,737,516
2.1.1 Asset purchase commitments	V-III-1	450,041	1,162,344	1,612,385	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	11,052,514	3,676	11,056,190	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	2,445,227	-	2,445,227	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	9,879,025	-	9,879,025	8,682,835	-	8,682,835
2.1.10 Commitments for credit card and banking operations promotions		860,264	-	860,264	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		1,932,058	490,403	2,422,461	1,760,787	123,335	1,884,122
2.2 Revocable commitments		3,095,151	15,873,297	18,968,448	3,073,145	11,033,563	14,106,708
2.2.1 Revocable loan granting commitments		3,095,151	15,873,297	18,968,448	3,024,169	11,033,563	14,057,732
2.2.2 Other revocable commitments		-	-	-	48,976	-	48,976
III. DERIVATIVE FINANCIAL INSTRUMENTS		13,758,177	46,081,665	59,839,842	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		13,758,177	46,081,665	59,839,842	17,882,130	49,897,280	67,779,410
3.2.1 Forward foreign currency purchases/sales		1,082,153	1,454,904	2,537,057	492,117	1,123,868	1,615,985
3.2.1.1 Forward foreign currency purchases		541,342	727,489	1,268,831	247,789	560,368	808,157
3.2.2.2 Forward foreign currency sales		540,811	727,415	1,268,226	244,328	563,500	807,828
3.2.2 Currency and interest rate swaps		11,347,381	32,907,130	44,254,511	16,341,272	37,911,234	54,252,506
3.2.2.1 Currency swaps-purchases		3,014,988	13,290,113	16,305,101	8,566,437	11,982,601	20,549,038
3.2.2.2 Currency swaps-sales		6,382,393	4,478,543	10,860,936	6,324,835	10,311,809	16,636,644
3.2.2.3 Interest rate swaps-purchases		975,000	7,569,237	8,544,237	725,000	7,808,412	8,533,412
3.2.2.4 Interest rate swaps-sales		975,000	7,569,237	8,544,237	725,000	7,808,412	8,533,412
3.2.3 Currency, interest rate and security options		537,144	632,610	1,169,754	142,676	730,632	873,308
3.2.3.1 Currency call options		163,850	417,140	580,990	121,124	306,804	427,928
3.2.3.2 Currency put options		373,294	215,470	588,764	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		791,499	11,087,021	11,878,520	906,065	10,131,546	11,037,611
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		1,215,280,110	719,526,539	1,934,806,649	1,045,090,768	580,650,674	1,625,741,442
IV. ITEMS HELD IN CUSTODY		59,666,569	4,993,854	64,660,423	56,357,991	4,476,062	60,834,053
4.1 Customers' securities held		916,167	-	916,167	796,204	-	796,204
4.2 Investment securities held in custody		45,634,119	161,866	45,795,985	43,543,703	147,806	43,691,509
4.3 Checks received for collection		9,506,931	2,411,708	11,918,639	9,441,126	2,589,510	12,030,636
4.4 Commercial notes received for collection		1,922,270	828,580	2,750,850	1,535,349	751,302	2,286,651
4.5 Other assets received for collection		2,152	143	2,295	2,152	141	2,293
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		584,108	533,880	1,117,988	49,414	87,056	136,470
4.8 Custodians		1,100,822	1,057,677	2,158,499	990,043	900,247	1,890,290
V. PLEDGED ITEMS		309,845,621	118,162,428	428,008,049	280,719,507	104,200,492	384,919,999
5.1 Securities		593,887	11,285	605,172	495,623	16,366	511,989
5.2 Guarantee notes		684,502	460,733	1,145,235	767,642	544,996	1,312,638
5.3 Commodities		32,664,531	648,820	33,313,351	31,750,967	775,907	32,526,874
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		237,736,978	96,365,595	334,102,573	230,190,866	86,340,346	316,531,212
5.6 Other pledged items		37,578,557	20,549,791	58,128,348	16,964,074	16,365,309	33,329,383
5.7 Pledged items-depository		587,166	126,204	713,370	550,335	157,568	707,903
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		845,767,920	596,370,257	1,442,138,177	708,013,270	471,974,120	1,179,987,390
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		1,289,088,598	798,781,213	2,087,869,811	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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

	Notes	Limited Review Current Period January 1, 2017- September 30, 2017	Limited Review Prior Period January 1, 2016- September 30, 2016	Limited Review Current Period July 1, 2017- September 30, 2017	Limited Review Prior Period July 1, 2016- September 30, 2016
I. INTEREST INCOME		15,713,842	12,409,059	5,446,818	4,372,749
1.1 Interest income from loans	V-IV-1	13,079,654	10,367,772	4,770,082	3,663,504
1.2 Interest income from reserve deposits		155,913	81,523	61,816	26,581
1.3 Interest income from banks	V-IV-1	148,016	86,290	61,308	28,505
1.4 Interest income from money market transactions		27,007	461	4,552	145
1.5 Interest income from securities portfolio	V-IV-1	2,060,244	1,703,003	461,096	596,097
1.5.1 Trading financial assets		14,542	5,778	6,107	1,893
1.5.2 Financial assets designated at fair value through profit or loss		-	-	-	-
1.5.3 Available-for-sale financial assets		1,295,072	1,156,000	330,519	395,396
1.5.4 Held-to-maturity investments		750,630	541,225	124,470	198,808
1.6 Finance lease income		100,643	82,198	35,931	27,975
1.7 Other interest income		142,365	87,812	52,033	29,942
II. INTEREST EXPENSE		9,153,670	7,189,427	3,546,271	2,387,139
2.1 Interest expense on deposits	V-IV-2	6,536,078	5,376,104	2,584,078	1,763,784
2.2 Interest expense on funds borrowed	V-IV-2	591,942	339,385	212,720	121,596
2.3 Interest expense on money market transactions		1,031,649	752,749	397,740	263,632
2.4 Interest expense on securities issued	V-IV-2	709,272	486,885	263,557	167,902
2.5 Other interest expenses		284,729	234,304	88,176	70,225
III. NET INTEREST INCOME (I – II)		6,560,172	5,219,632	1,900,547	1,985,610
IV. NET FEES AND COMMISSIONS INCOME		891,966	658,184	334,212	251,128
4.1 Fees and commissions received		1,368,668	1,052,107	506,590	379,483
4.1.1 Non-cash loans		215,926	165,820	75,813	56,738
4.1.2 Others		1,152,742	886,287	430,777	322,745
4.2 Fees and commissions paid		476,702	393,923	172,378	128,355
4.2.1 Non-cash loans		2,775	1,138	655	393
4.2.2 Others		473,927	392,785	171,723	127,962
V. DIVIDEND INCOME		47,421	61,142	790	3
VI. TRADING INCOME/LOSSES (Net)	V-IV-3	136,652	225,020	8,389	154,191
6.1 Trading account income/losses		58,328	49,522	14,493	8,508
6.2 Income/losses from derivative financial instruments		(62,980)	86,870	(34,723)	108,876
6.3 Foreign exchange gains/losses		141,304	88,628	28,619	36,807
VII. OTHER OPERATING INCOME	V-IV-4	2,101,662	1,549,637	676,943	473,448
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		9,737,873	7,713,615	2,920,881	2,864,380
PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-5	1,963,326	1,570,866	578,918	559,436
X. OTHER OPERATING EXPENSES (-)	V-IV-6	4,032,859	3,668,078	1,341,056	1,209,668
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,741,688	2,474,671	1,000,907	1,095,276
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		39,923	30,260	14,275	9,777
XIII. GAIN/LOSS ON NET MONETARY POSITION INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)		3,781,611	2,504,931	1,015,182	1,105,053
XV. CONTINUING OPERATIONS PROVISION FOR TAXES		(734,561)	(526,571)	(179,893)	(229,263)
16.1 Current tax charges	V-IV-7	(589,607)	(610,722)	(122,268)	(175,247)
16.2 Deferred tax credits	V-IV-7	(144,954)	84,151	(57,625)	(54,016)
NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)		3,047,050	1,978,360	835,289	875,790
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		-	-	-	-
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)		3,047,050	1,978,360	835,289	875,790
23.1. Equity holders of the Bank		2,974,639	1,973,741	780,684	850,266
23.2. Non-controlling interest(-)	V-IV-9	72,411	4,619	54,605	25,524
Earnings per 100 Share (full TL)	III-XXV	1.1899	0.7895	0.3123	0.3401

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017**

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

	Limited Review Current Period January 1, 2017- September 30, 2017	Limited Review Prior Period January 1, 2016- September 30, 2016
GAINS AND LOSSES RECOGNIZED IN EQUITY		
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	210,828	244,583
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	(33,048)	311
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	38,956	14,136
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	7,368	(7,945)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(40,059)	(47,815)
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	184,045	203,270
XI. CURRENT PERIOD'S PROFIT/(LOSS)	3,047,050	1,978,360
11.1 Change in fair value of securities (transfers to the statement of income)	757	32,999
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	3,046,293	1,945,361
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	3,231,095	2,181,630

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 NINE-MONTH PERIOD ENDED SEPTEMBER 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 Cancellations 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 Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Discount. Ops	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD – September 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	-	-	-	-	-	-	-	-	-	-	209,224	-	-	-	-	209,224	2,173	211,397
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	-	-	-	-	-	-	-	11,618	-	-	-	-	-	-	-	11,618	2,518	14,136
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)	-	2,482	-	-	-	-	(22,549)	-	(22,549)
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	-	-	-	-	-	-	-	(197)	-	441	-	-	-	-	-	244	(272)	(28)
XIX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,973,741	-	-	-	-	-	-	1,973,741	4,619	1,978,360
XX.	Profit distribution	-	-	-	-	197,551	-	1,674,921	(4,239)	-	(1,996,589)	-	23,443	-	-	-	(104,913)	(327)	(105,240)
20.1	Dividends	-	-	-	-	-	-	-	-	-	(104,913)	-	-	-	-	-	(104,913)	(327)	(105,240)
20.2	Transferred to reserves	-	-	-	-	197,551	-	1,674,921	(4,239)	-	(1,891,676)	-	23,443	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,433,717	6,337	10,154,969	563,923	1,973,741	(5,238)	241,717	964,089	3,683	-	-	18,564,718	514,427	19,079,145

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 NINE-MONTH PERIOD ENDED SEPTEMBER 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.	Current Period – September 30, 2017 Balances at the beginning of the period	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.	Changes during the period																		
III.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Valuation differences of the marketable securities	-	-	-	-	-	-	-	-	-	-	164,457	-	-	-	-	164,457	1,415	165,872
4.1	Hedging reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	(31,349)	-	(2,127)	-	-	-	(33,476)	511	(32,965)
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	(69)	-	-	(69)	-	(69)
VIII.	Translation differences	-	-	-	-	-	-	-	38,956	-	-	-	-	-	-	-	38,956	-	38,956
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 Group's equity	-	-	-	-	-	-	-	-	-	(37,096)	4,544	-	-	-	-	(32,552)	(615)	(33,167)
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	-	-	-	-	(31)	-	-	(351)	-	(1,629)	-	142	-	-	-	(1,869)	47,287	45,418
XVII.	Current period's net profit/loss	-	-	-	-	-	-	-	-	2,974,639	-	-	-	-	-	-	2,974,639	72,411	3,047,050
XVIII.	Profit distribution	-	-	-	-	273,709	-	2,282,667	20,048	-	(2,769,252)	-	49,444	-	-	-	(143,384)	5,098	(138,286)
18.1	Dividends	-	-	-	-	-	-	-	-	-	(120,000)	-	-	-	-	-	(120,000)	(18,286)	(138,286)
18.2	Transferred to reserves	-	-	-	-	273,709	-	2,282,667	20,048	-	(2,649,252)	-	49,444	-	-	-	(23,384)	23,384	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period	2,500,000	-	727,780	-	1,710,465	6,337	12,439,242	665,462	2,974,639	(63,382)	37,832	1,044,656	3,614	-	-	22,046,645	653,636	22,700,281

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 NINTH-MONTH PERIOD ENDED 30 SEPTEMBER 2017

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

	Notes	Reviewed Current Period September 30, 2017	Reviewed Prior Period September 30, 2016
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		4,919,667	3,238,461
1.1.1 Interests received		14,545,668	11,823,291
1.1.2 Interests paid		(8,635,534)	(7,015,124)
1.1.3 Dividends received		17,805	10,563
1.1.4 Fee and commissions received		1,368,668	1,052,107
1.1.5 Other income		983,609	825,228
1.1.6 Collections from previously written-off loans and other receivables		971,914	852,670
1.1.7 Payments to personnel and service suppliers		(1,615,771)	(1,404,293)
1.1.8 Taxes paid		(686,199)	(748,197)
1.1.9 Other		(2,030,493)	(2,157,784)
1.2 Changes in operating assets and liabilities		(4,225,523)	(3,832,061)
1.2.1 Net (increase) decrease in financial assets held for trading purpose		14,623	(17,365)
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(2,523,001)	812,899
1.2.4 Net (increase) decrease in loans		(28,656,490)	(15,378,089)
1.2.5 Net (increase) decrease in other assets		(651,892)	240,045
1.2.6 Net increase (decrease) in bank deposits		1,484,118	531,631
1.2.7 Net increase (decrease) in other deposits		20,121,337	9,154,870
1.2.8 Net increase (decrease) in funds borrowed		3,283,354	(760,829)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		2,702,428	1,584,777
I. Net cash flow from banking operations		694,144	(593,600)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(1,466,561)	(212,032)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures		232	-
2.3 Cash paid for purchase of tangible assets		(200,390)	(131,215)
2.4 Proceeds from disposal of tangible assets		400,076	283,254
2.5 Cash paid for purchase of available-for-sale financial assets		(5,696,303)	(4,162,468)
2.6 Proceeds from disposal of available-for-sale financial assets		4,425,315	4,015,013
2.7 Cash paid for purchase of held-to-maturity investments		(1,602,467)	(1,734,464)
2.8 Proceeds from disposal of held-to-maturity investments		1,256,354	1,554,938
2.9 Other		(49,378)	(37,090)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		2,215,330	1,444,890
3.1 Cash obtained from funds borrowed and securities issued		9,158,817	8,334,577
3.2 Cash used for repayment of funds borrowed and securities issued		(6,805,201)	(6,789,360)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(138,286)	(100,327)
3.5 Repayments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents		26,665	34,180
V. Net (decrease) / increase in cash and cash equivalents		1,469,578	673,438
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		13,890,982	9,730,565

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