

**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 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2016
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS	Notes	Reviewed Current Period 31 March 2016			Audited Prior Period 31 December 2015		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	2,737,699	21,195,202	23,932,901	2,134,017	19,355,897	21,489,914
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	809,311	388,982	1,198,293	840,168	155,694	995,862
2.1 Financial assets held for trading purpose		809,311	388,982	1,198,293	840,168	155,694	995,862
2.1.1 Debt securities issued by the governments		304	9,354	9,658	312	9,566	9,878
2.1.2 Equity securities		1,878	-	1,878	1,832	-	1,832
2.1.3 Derivative financial assets held for trading purpose	V-I-2	767,567	379,628	1,147,195	739,339	146,128	885,467
2.1.4 Other securities		39,562	-	39,562	98,685	-	98,685
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	788,689	6,792,217	7,580,906	1,185,799	4,990,220	6,176,019
IV. RECEIVABLES FROM INTERBANK MONEY MARKETS		6,872	-	6,872	6,699	-	6,699
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		3,337	-	3,337	3,310	-	3,310
4.3 Receivables from reverse repurchase agreements		3,535	-	3,535	3,389	-	3,389
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	13,558,509	5,167,794	18,726,303	12,100,346	5,235,765	17,336,111
5.1 Equity securities		15	80,457	80,472	15	79,238	79,253
5.2 Debt securities issued by the governments		13,558,494	4,973,583	18,532,077	12,100,331	5,028,990	17,129,321
5.3 Other securities		-	113,754	113,754	-	127,537	127,537
VI. LOANS AND RECEIVABLES	V-I-5	90,210,788	37,462,880	127,673,668	88,452,140	37,507,539	125,959,679
6.1 Performing loans and receivables		89,348,118	37,457,864	126,805,982	87,548,356	37,502,389	125,050,745
6.1.1 Loans provided to the same risk group	V-V-1	8,816	1,220	10,036	1,071	822	1,893
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		89,339,302	37,456,644	126,795,946	87,547,285	37,501,567	125,048,852
6.2 Loans under follow-up		5,308,604	66,687	5,375,291	5,071,771	66,342	5,138,113
6.3 Specific provisions (-)	V-I-5	4,445,934	61,671	4,507,605	4,167,987	61,192	4,229,179
VII. FACTORING RECEIVABLES		740,890	92,604	833,494	622,754	94,973	717,727
VIII. HELD-TO-MATURITY INVESTMENTS (Net)	V-I-6	7,351,873	141,031	7,492,904	7,546,748	130,981	7,677,729
8.1 Debt securities issued by the governments		7,351,873	-	7,351,873	7,546,748	-	7,546,748
8.2 Other securities		-	141,031	141,031	-	130,981	130,981
IX. INVESTMENTS IN ASSOCIATES (Net)	V-I-7	303,486	3	303,489	295,332	3	295,335
9.1 Associates, consolidated per equity method		253,699	-	253,699	245,549	-	245,549
9.2 Unconsolidated associates		49,787	3	49,790	49,783	3	49,786
9.2.1 Financial associates		37,433	-	37,433	37,434	-	37,434
9.2.2 Non-Financial associates		12,354	3	12,357	12,349	3	12,352
X. INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	271,017	-	271,017	271,017	-	271,017
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		271,017	-	271,017	271,017	-	271,017
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	303,369	991,350	1,294,719	318,359	1,007,466	1,325,825
12.1 Finance lease receivables		383,223	1,114,987	1,498,210	401,084	1,134,987	1,536,071
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		79,854	123,637	203,491	82,725	127,521	210,246
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)		1,666,302	7,420	1,673,722	1,648,900	5,218	1,654,118
XV. INTANGIBLE ASSETS (Net)		212,799	32	212,831	201,506	31	201,537
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		212,799	32	212,831	201,506	31	201,537
XVI. INVESTMENT PROPERTIES (Net)	V-I-12	288,506	-	288,506	287,726	-	287,726
XVII. TAX ASSETS	V-I-13	118,810	2,990	121,800	139,972	2,944	142,916
17.1 Current tax assets		313	2,990	3,303	787	2,944	3,731
17.2 Deferred tax assets	V-I-13	118,497	-	118,497	139,185	-	139,185
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	1,025,394	-	1,025,394	994,991	-	994,991
18.1 Assets held for sale		1,025,394	-	1,025,394	994,991	-	994,991
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	V-I-15	2,922,169	742,262	3,664,431	2,789,299	1,263,054	4,052,353
TOTAL ASSETS		123,316,483	72,984,767	196,301,250	119,835,773	69,749,785	189,585,558

The accompanying notes are 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 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2016
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

LIABILITIES AND EQUITY	Notes	Reviewed Current Period 31 March 2016			Audited Prior Period 31 December 2015		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	79,207,880	38,186,436	117,394,316	76,054,788	35,955,209	112,009,997
1.1 Deposits of the same risk group	V-V-1	1,792,251	61,172	1,853,423	1,209,289	110,608	1,319,897
1.2 Other deposits		77,415,629	38,125,264	115,540,893	74,845,499	35,844,601	110,690,100
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	201,532	224,886	426,418	153,177	151,175	304,352
III. FUNDS BORROWED	V-II-3	1,022,000	19,111,609	20,133,609	932,351	19,262,696	20,195,047
IV. INTERBANK MONEY MARKET		12,710,873	1,932,614	14,643,487	9,423,761	3,403,437	12,827,198
4.1 Interbank Money Market takings		1,000,292	-	1,000,292	1,150,343	-	1,150,343
4.2 Istanbul Stock Exchange money market takings		87,621	-	87,621	83,157	-	83,157
4.3 Obligations under repurchase agreements		11,622,960	1,932,614	13,555,574	8,190,261	3,403,437	11,593,698
V. SECURITIES ISSUED (Net)	V-II-3	3,133,866	6,514,320	9,648,186	3,257,620	7,389,088	10,646,708
5.1 Bills		3,133,866	-	3,133,866	3,257,620	-	3,257,620
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	6,514,320	6,514,320	-	7,389,088	7,389,088
VI. FUNDS		3,994	-	3,994	4,228	-	4,228
6.1 Funds against borrower's note		-	-	-	-	-	-
6.2 Others		3,994	-	3,994	4,228	-	4,228
VII. MISCELLANEOUS PAYABLES		3,814,943	722,918	4,537,861	3,647,401	750,360	4,397,761
VIII. OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	668,238	1,717,506	2,385,744	662,279	1,783,682	2,445,961
IX. FACTORING PAYABLES		90	5	95	-	5	5
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	4,962,431	37,813	5,000,244	5,025,269	31,277	5,056,546
12.1 General provisions	V-II-7	1,974,372	13,054	1,987,426	1,944,150	13,453	1,957,603
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		576,528	1,849	578,377	700,635	1,544	702,179
12.4 Insurance technical provisions (Net)		2,093,395	10,235	2,103,630	2,082,428	9,127	2,091,555
12.5 Other provisions	V-II-7	318,136	12,675	330,811	298,056	7,153	305,209
XIII. TAX LIABILITIES	V-II-8	436,328	62,521	498,849	531,561	7,888	539,449
13.1 Current tax liabilities		429,986	1,987	431,973	514,681	1,678	516,359
13.2 Deferred tax liabilities	V-I-13	6,342	60,534	66,876	16,880	6,210	23,090
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	-	4,038,800	4,038,800	-	4,155,551	4,155,551
XVI. EQUITY		16,950,292	639,355	17,589,647	16,437,456	565,299	17,002,755
16.1 Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital reserves		1,548,958	315,811	1,864,769	1,390,356	257,405	1,647,761
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	(92,444)	315,811	223,367	(227,394)	257,405	30,011
16.2.4 Revaluation surplus on tangible assets		964,089	-	964,089	940,657	-	940,657
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		(54,150)	-	(54,150)	(54,370)	-	(54,370)
16.3 Profit reserves		11,995,814	175,644	12,171,458	10,163,563	170,099	10,333,662
16.3.1 Legal reserves		1,423,033	7,942	1,430,975	1,228,224	7,942	1,236,166
16.3.2 Status reserves		6,337	-	6,337	6,337	-	6,337
16.3.3 Extraordinary reserves		10,112,890	4,594	10,117,484	8,475,454	4,594	8,480,048
16.3.4 Other profit reserves		453,554	163,108	616,662	453,548	157,563	611,111
16.4 Profit or loss		449,773	102,089	551,862	1,921,411	94,530	2,015,941
16.4.1 Previous years' profit/loss		(62,862)	93,582	30,720	(34,277)	101,630	67,353
16.4.2 Current year's profit/loss		512,635	8,507	521,142	1,955,688	(7,100)	1,948,588
16.5 Non-controlling interest		455,747	45,811	501,558	462,126	43,265	505,391
TOTAL LIABILITIES AND EQUITY		123,112,467	73,188,783	196,301,250	116,129,891	73,455,667	189,585,558

The accompanying notes are 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 31 MARCH 2016
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

	Notes	Reviewed Current Period 31 March 2016			Audited Prior Period 31 December 2015		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		61,304,046	71,313,618	132,617,664	54,303,859	64,173,751	118,477,610
I. GUARANTEES AND SURETIES	V-III-2	22,251,777	10,530,914	32,782,691	22,126,363	10,993,538	33,119,901
1.1 Letters of guarantee	V-III-1	22,095,351	4,729,318	26,824,669	21,980,769	4,816,824	26,797,593
1.1.1 Guarantees subject to State Tender Law		2,446,147	2,266,522	4,712,669	2,542,809	2,199,589	4,742,398
1.1.2 Guarantees given for foreign trade operations		1,028,744	-	1,028,744	1,030,530	-	1,030,530
1.1.3 Other letters of guarantee		18,620,460	2,462,796	21,083,256	18,407,430	2,617,235	21,024,665
1.2 Bank acceptances		86,049	804,124	890,173	86,762	1,389,251	1,476,013
1.2.1 Import letter of acceptance		-	214,923	214,923	1,590	189,471	191,061
1.2.2 Other bank acceptances		86,049	589,201	675,250	85,172	1,199,780	1,284,952
1.3 Letters of credit		3,178	4,979,380	4,982,558	16,306	4,772,403	4,788,709
1.3.1 Documentary letters of credit		3,178	4,979,380	4,982,558	16,306	4,772,403	4,788,709
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,243	2,243	-	2,314	2,314
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Marketable securities underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		67,199	5,684	72,883	42,526	2,224	44,750
1.8 Other guarantees		-	10,165	10,165	-	10,522	10,522
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		22,670,372	14,636,934	37,307,306	21,560,921	13,287,107	34,848,028
2.1 Irrevocable commitments		20,270,029	5,845,147	26,115,176	19,153,861	3,897,112	23,050,973
2.1.1 Asset purchase commitments	V-III-1	459,940	5,689,610	6,149,550	112,420	3,730,953	3,843,373
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitments to associates and subsidiaries	V-III-1	-	-	-	-	-	-
2.1.4 Loan granting commitments	V-III-1	8,374,726	12,806	8,387,532	8,482,816	11,931	8,494,747
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	1,991,904	-	1,991,904	1,805,569	-	1,805,569
2.1.8 Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card limits	V-III-1	7,862,328	-	7,862,328	7,399,361	-	7,399,361
2.1.10 Commitments for credit card and banking operations promotions		232,856	-	232,856	196,037	-	196,037
2.1.11 Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12 Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		1,348,275	142,731	1,491,006	1,157,658	154,228	1,311,886
2.2 Revocable commitments		2,400,343	8,791,787	11,192,130	2,407,060	9,389,995	11,797,055
2.2.1 Revocable loan granting commitments		2,400,343	8,791,787	11,192,130	2,407,060	9,389,995	11,797,055
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		16,381,897	46,145,770	62,527,667	10,616,575	39,893,106	50,509,681
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		16,381,897	46,145,770	62,527,667	10,616,575	39,893,106	50,509,681
3.2.1 Forward foreign currency purchases/sales		469,368	433,832	903,200	211,514	257,246	468,760
3.2.1.1 Forward foreign currency purchases		235,109	216,972	452,081	106,014	128,693	234,707
3.2.2.2 Forward foreign currency sales		234,259	216,860	451,119	105,500	128,553	234,053
3.2.2 Currency and interest rate swaps		14,583,483	36,182,101	50,765,584	9,535,325	31,037,511	40,572,836
3.2.2.1 Currency swaps-purchases		8,570,990	13,799,016	22,370,006	4,474,398	12,245,882	16,720,280
3.2.2.2 Currency swaps-sales		5,012,493	10,353,257	15,365,750	4,160,927	6,377,871	10,538,798
3.2.2.3 Interest rate swaps-purchases		500,000	6,014,914	6,514,914	450,000	6,206,879	6,656,879
3.2.2.4 Interest rate swaps-sales		500,000	6,014,914	6,514,914	450,000	6,206,879	6,656,879
3.2.3 Currency, interest rate and security options		360,678	381,482	742,160	258,134	255,396	513,530
3.2.3.1 Currency call options		113,194	249,306	362,500	65,004	185,976	250,980
3.2.3.2 Currency put options		247,484	132,176	379,660	193,130	69,420	262,550
3.2.3.3 Interest rate call options		-	-	-	-	-	-
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Security call options		-	-	-	-	-	-
3.2.3.6 Security put options		-	-	-	-	-	-
3.2.4 Currency futures		-	-	-	-	-	-
3.2.4.1 Currency futures-purchases		-	-	-	-	-	-
3.2.4.2 Currency futures-sales		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sales		-	-	-	-	-	-
3.2.6 Others		968,368	9,148,355	10,116,723	611,602	8,342,953	8,954,555
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		945,509,788	418,536,975	1,364,046,763	900,903,931	422,152,366	1,323,056,297
IV. ITEMS HELD IN CUSTODY		76,122,775	3,515,225	79,638,000	75,156,434	3,413,733	78,570,167
4.1 Customers' securities held		660,561	-	660,561	682,348	28,306	710,654
4.2 Investment securities held in custody		64,056,522	119,921	64,176,443	63,234,788	118,086	63,352,874
4.3 Checks received for collection		9,095,925	2,394,095	11,490,020	9,151,798	2,345,788	11,497,586
4.4 Commercial notes received for collection		1,487,006	561,436	2,048,442	1,265,535	450,126	1,715,661
4.5 Other assets received for collection		2,152	113	2,265	2,152	116	2,268
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		26,532	61,422	87,954	24,796	66,158	90,954
4.8 Custodians		794,077	378,238	1,172,315	795,017	405,153	1,200,170
V. PLEDGED ITEMS		248,577,595	78,352,861	326,930,456	235,457,258	82,272,386	317,729,644
5.1 Securities		1,087,078	13,047	1,100,125	435,618	14,171	449,789
5.2 Guarantee notes		761,461	399,275	1,160,736	793,282	429,076	1,222,358
5.3 Commodities		29,539,960	674,365	30,214,325	28,164,121	681,732	28,845,853
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		202,952,180	64,018,920	266,971,100	191,799,623	67,309,165	259,108,788
5.6 Other pledged items		13,621,583	13,094,456	26,716,039	13,661,436	13,683,601	27,345,037
5.7 Pledged items-depository		615,333	152,798	768,131	603,178	154,641	757,819
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		620,809,418	336,668,889	957,478,307	590,290,239	336,466,247	926,756,486
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		1,006,813,834	489,850,593	1,496,664,427	955,207,790	486,326,117	1,441,533,907

The accompanying notes are 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 INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

	Notes	Reviewed Current Period 1 January 2016 31 March 2016	Reviewed Prior Period 1 January 2015 - 31 March 2015
I.	INTEREST INCOME	4,019,494	3,112,291
1.1	Interest income from loans	V-IV-1 3,263,382	2,617,128
1.2	Interest income from reserve deposits	28,593	2,186
1.3	Interest income from banks	V-IV-1 28,632	18,013
1.4	Interest income from money market transactions	141	166
1.5	Interest income from securities portfolio	V-IV-1 640,361	429,413
1.5.1	Trading financial assets	2,524	2,082
1.5.2	Financial assets designated at fair value through profit or loss	-	-
1.5.3	Available-for-sale financial assets	426,858	308,640
1.5.4	Held-to-maturity investments	210,979	118,691
1.6	Finance lease income	27,463	22,686
1.7	Other interest income	30,922	22,699
II.	INTEREST EXPENSE	2,398,056	1,817,591
2.1	Interest expense on deposits	V-IV-2 1,809,169	1,345,325
2.2	Interest expense on funds borrowed	V-IV-2 101,949	91,680
2.3	Interest expense on money market transactions	237,530	178,053
2.4	Interest expense on securities issued	V-IV-2 157,550	133,764
2.5	Other interest expenses	91,858	68,769
III.	NET INTEREST INCOME (I – II)	1,621,438	1,294,700
IV.	NET FEES AND COMMISSIONS INCOME	213,336	217,406
4.1	Fees and commissions received	334,354	321,500
4.1.1	Non-cash loans	52,777	42,784
4.1.2	Others	281,577	278,716
4.2	Fees and commissions paid	121,018	104,094
4.2.1	Non-cash loans	336	243
4.2.2	Others	120,682	103,851
V.	DIVIDEND INCOME	38,263	9,996
VI.	TRADING INCOME/LOSSES (Net)	11,015	77,935
6.1	Trading account income/losses	V-IV-3 9,500	50,928
6.2	Income/losses from derivative financial instruments	V-IV-3 (14,601)	(26,956)
6.3	Foreign exchange gains/losses	V-IV-3 16,116	53,963
VII.	OTHER OPERATING INCOME	490,556	485,090
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)	2,374,608	2,085,127
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	514,645	457,735
X.	OTHER OPERATING EXPENSES (-)	1,234,227	1,279,613
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)	625,736	347,779
XII.	INCOME RESULTED FROM MERGERS	-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING	11,669	8,733
XIV.	GAIN/LOSS ON NET MONETARY POSITION	-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)	637,405	356,512
XVI.	CONTINUING OPERATIONS PROVISION FOR TAXES	(122,158)	(122,698)
16.1	Current tax charges	V-IV-7 (106,701)	(75,753)
16.2	Deferred tax credits	V-IV-7 (15,457)	(46,945)
XVII.	NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)	515,247	233,814
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 AFTER TAXES FROM DISCONTINUED OPERATIONS	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	515,247	233,814
23.1.	Equity holders of the Bank	521,142	333,385
23.2.	Non-controlling interest	V-IV-9 (5,895)	(99,571)
	Earnings per 100 Share (full TL)	III-XXV 0.2061	0.0935

The accompanying notes are 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 GAINS AND LOSSES RECOGNIZED IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016**

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

	Reviewed Current Period 1 January 2016 – 31 March 2016	Reviewed Prior Period 1 January 2015– 31 March 2015
GAINS AND LOSSES RECOGNIZED IN EQUITY		
I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	240,814	(164,161)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	309	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. CURRENCY TRANSLATION DIFFERENCES	6,084	(3,816)
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	(28,710)	(8,729)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(46,852)	34,007
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	171,645	(142,699)
XI. CURRENT PERIOD’S PROFIT/(LOSS)	515,247	233,814
11.1 Change in fair value of securities (transfers to the statement of income)	5,393	47,063
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	509,854	186,751
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	686,892	91,115

The accompanying notes are 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 CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016**

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

REVIEWED	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustm ents to Paid-in Capital	Share Premium	Share Cancell ation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/ (Loss)	Prior Period Net Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Discount. Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD – 31 March 2015																			
I.	Balances at the beginning of the period	2,500,000	-	727,780	-	1,069,245	6,337	7,346,127	372,881	-	1,873,992	521,530	52,864	3,683	-	-	14,474,439	486,084	14,960,523
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	-	1,069,245	6,337	7,346,127	372,881	-	1,873,992	521,530	52,864	3,683	-	-	14,474,439	486,084	14,960,523
Changes during the period																			
IV.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	(133,065)	-	-	-	-	(133,065)	(1,926)	(134,991)
VI.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	-	-	-	(3,434)	-	-	-	-	-	-	-	(3,434)	(382)	(3,816)
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	-	-	-	-	-	-	-	-	-	-	(3,799)	-	-	-	-	(3,799)	-	(3,799)
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	-	-	-	-	-	-	-	(2,184)	-	-	-	-	-	-	-	(2,184)	2,091	(93)
XIX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	333,385	-	-	-	-	-	-	333,385	(99,571)	233,814
XX.	Profit distribution	-	-	-	-	166,352	-	1,126,483	142,981	-	(1,772,587)	-	236,771	-	-	-	(100,000)	(2,716)	(102,716)
20.1	Dividends	VI-1	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	(2,716)	(102,716)
20.2	Transferred to reserves	VI-1	-	-	-	166,352	-	1,126,483	142,981	-	(1,672,587)	-	236,771	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,235,597	6,337	8,472,610	510,244	333,385	101,405	384,666	289,635	3,683	-	-	14,565,342	383,580	14,948,922

The accompanying notes are 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 CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016**

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

REVIEWED	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellat ion Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/ (Loss)	Prior Period Net Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of	Shareholders ' Equity before Minority Interest	Minority Shareholders' Interest	Total Shareholders' Equity
CURRENT PERIOD – 31 March 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.	Changes during the period																		
III.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	191,639	-	-	-	-	191,639	1,022	192,661
IV.1	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.2	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-	-	(11)	325	314
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences	-	-	-	-	-	-	-	5,545	-	-	-	-	-	-	-	5,545	539	6,084
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	-	-	-	-	-	-	-	-	-	(29,533)	1,717	-	-	-	-	(27,816)	-	(27,816)
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	-	-	-	-	-	-	-	226	-	-	-	-	-	-	-	-	226	176
XVII.	Current period's net profit/loss	-	-	-	-	-	-	-	-	521,142	-	-	-	-	-	-	521,142	(5,895)	515,247
XVIII.	Profit distribution	-	-	-	-	194,809	-	1,637,436	-	-	(1,955,688)	-	23,443	-	-	-	(100,000)	-	(100,000)
18.1	Dividends	VI-1	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
18.2	Transferred to reserves	VI-1	-	-	-	194,809	-	1,637,436	-	-	(1,855,688)	-	23,443	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,430,975	6,337	10,117,484	562,512	521,142	30,720	223,367	964,089	3,683	-	-	17,088,089	501,558	17,589,647

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL
SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016**

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

	Reviewed Current Period 31 March 2016	Reviewed Prior Period 31 March 2015
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	750,094	418,829
1.1.1 Interests received	3,784,383	2,885,063
1.1.2 Interests paid	(2,181,757)	(1,613,558)
1.1.3 Dividends received	4,398	5,483
1.1.4 Fee and commissions received	334,354	321,500
1.1.5 Other income	267,252	230,367
1.1.6 Collections from previously written-off loans and other receivables	240,719	183,718
1.1.7 Payments to personnel and service suppliers	(450,133)	(405,971)
1.1.8 Taxes paid	(261,517)	(292,054)
1.1.9 Others	(987,605)	(895,719)
1.2 Changes in operating assets and liabilities	3,913,152	(2,659,225)
1.2.1 Net (increase) decrease in financial assets held for trading purpose	59,295	24,774
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	(1,096,375)	(1,840,496)
1.2.4 Net (increase) decrease in loans	(2,332,142)	(8,917,607)
1.2.5 Net (increase) decrease in other assets	431,094	(104,435)
1.2.6 Net increase (decrease) in bank deposits	1,238,294	27,894
1.2.7 Net increase (decrease) in other deposits	3,947,975	8,051,262
1.2.8 Net increase (decrease) in funds borrowed	(60,329)	460,990
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	1,725,340	(361,607)
I. Net cash flow from banking operations	4,663,246	(2,240,396)
B. CASH FLOWS FROM INVESTING ACTIVITIES	-	-
II. Net cash flow from investing activities	(748,903)	(852,883)
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	(60,639)	(25,524)
2.4 Proceeds from disposal of tangible assets	82,845	20,060
2.5 Cash paid for purchase of available-for-sale financial assets	(1,681,378)	(1,936,253)
2.6 Proceeds from disposal of available-for-sale financial assets	654,103	1,096,574
2.7 Cash paid for purchase of held-to-maturity investments	(406,138)	(101,179)
2.8 Proceeds from disposal of held-to-maturity investments	677,558	107,478
2.9 Others	(15,254)	(14,039)
C. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
III. Net cash flow from financing activities	(1,217,080)	1,806,867
3.1 Cash obtained from funds borrowed and securities issued	292,322	3,562,696
3.2 Cash used for repayment of funds borrowed and securities issued	(1,509,402)	(1,653,113)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	-	(102,716)
3.5 Re-payments for finance leases	-	-
3.6 Others	-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	50,196	145,783
V. Net decrease in cash and cash equivalents	2,747,459	(1,140,629)
VI. Cash and cash equivalents at the beginning of the year	9,057,127	9,190,905
VII. Cash and cash equivalents at the end of the period	11,804,586	8,050,276

The accompanying notes are an integral part of these consolidated financial statements.