

**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 30 SEPTEMBER 2016  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**CONSOLIDATED FINANCIAL STATEMENTS**

ASSETS	Notes	Reviewed Current Period 30 September 2016			Audited Prior Period 31 December 2015		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	<b>V-I-1</b>	<b>2,961,120</b>	<b>18,679,749</b>	<b>21,640,869</b>	<b>2,134,017</b>	<b>19,355,897</b>	<b>21,489,914</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	<b>V-I-2</b>	<b>800,772</b>	<b>189,967</b>	<b>990,739</b>	<b>840,168</b>	<b>155,694</b>	<b>995,862</b>
2.1 Financial assets held for trading purpose		800,772	189,967	990,739	840,168	155,694	995,862
2.1.1 Debt securities issued by the governments		196	9,733	9,929	312	9,566	9,878
2.1.2 Equity securities		5,225	-	5,225	1,832	-	1,832
2.1.3 Derivative financial assets held for trading purpose	V-I-2	682,755	180,234	862,989	739,339	146,128	885,467
2.1.4 Other securities		112,596	-	112,596	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		-	-	-	-	-	-
<b>III. BANKS</b>	<b>V-I-3</b>	<b>951,331</b>	<b>4,932,802</b>	<b>5,884,133</b>	<b>1,185,799</b>	<b>4,990,220</b>	<b>6,176,019</b>
<b>IV. RECEIVABLES FROM INTERBANK MONEY MARKETS</b>		<b>6,561</b>	<b>-</b>	<b>6,561</b>	<b>6,699</b>	<b>-</b>	<b>6,699</b>
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		4,217	-	4,217	3,310	-	3,310
4.3 Receivables from reverse repurchase agreements		2,344	-	2,344	3,389	-	3,389
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>V-I-4</b>	<b>12,658,473</b>	<b>5,227,837</b>	<b>17,886,310</b>	<b>12,100,346</b>	<b>5,235,765</b>	<b>17,336,111</b>
5.1 Equity securities		15	23,307	23,322	15	79,238	79,253
5.2 Debt securities issued by the governments		12,658,458	5,036,522	17,694,980	12,100,331	5,028,990	17,129,321
5.3 Other securities		-	168,008	168,008	-	127,537	127,537
<b>VI. LOANS AND RECEIVABLES</b>	<b>V-I-5</b>	<b>97,820,607</b>	<b>41,807,127</b>	<b>139,627,734</b>	<b>88,452,140</b>	<b>37,507,539</b>	<b>125,959,679</b>
6.1 Performing loans and receivables		96,719,737	41,802,002	138,521,739	87,548,356	37,502,389	125,050,745
6.1.1 Loans provided to the same risk group	V-V-1	6,079	22,415	28,494	1,071	822	1,893
6.1.2 Debt securities issued by the governments		-	-	-	-	-	-
6.1.3 Others		96,713,658	41,779,587	138,493,245	87,547,285	37,501,567	125,048,852
6.2 Loans under follow-up		5,984,083	69,656	6,053,739	5,071,771	66,342	5,138,113
6.3 Specific provisions (-)	V-I-5	4,883,213	64,531	4,947,744	4,167,987	61,192	4,229,179
<b>VII. FACTORING RECEIVABLES</b>		<b>771,909</b>	<b>137,375</b>	<b>909,284</b>	<b>622,754</b>	<b>94,973</b>	<b>717,727</b>
<b>VIII. HELD-TO-MATURITY INVESTMENTS (Net)</b>	<b>V-I-6</b>	<b>7,982,632</b>	<b>104,842</b>	<b>8,087,474</b>	<b>7,546,748</b>	<b>130,981</b>	<b>7,677,729</b>
8.1 Debt securities issued by the governments		7,982,632	-	7,982,632	7,546,748	-	7,546,748
8.2 Other securities		-	104,842	104,842	-	130,981	130,981
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>V-I-7</b>	<b>322,507</b>	<b>3</b>	<b>322,510</b>	<b>295,332</b>	<b>3</b>	<b>295,335</b>
9.1 Associates, consolidated per equity method		272,718	-	272,718	245,549	-	245,549
9.2 Unconsolidated associates		49,789	3	49,792	49,783	3	49,786
9.2.1 Financial associates		37,434	-	37,434	37,434	-	37,434
9.2.2 Non-Financial associates		12,355	3	12,358	12,349	3	12,352
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	<b>V-I-8</b>	<b>286,696</b>	<b>-</b>	<b>286,696</b>	<b>271,017</b>	<b>-</b>	<b>271,017</b>
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		286,696	-	286,696	271,017	-	271,017
<b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>	<b>V-I-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES</b>	<b>V-I-10</b>	<b>328,542</b>	<b>1,071,735</b>	<b>1,400,277</b>	<b>318,359</b>	<b>1,007,466</b>	<b>1,325,825</b>
12.1 Finance lease receivables		415,653	1,194,772	1,610,425	401,084	1,134,987	1,536,071
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		87,111	123,037	210,148	82,725	127,521	210,246
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE</b>	<b>V-I-11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		<b>1,682,160</b>	<b>7,411</b>	<b>1,689,571</b>	<b>1,648,900</b>	<b>5,218</b>	<b>1,654,118</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>		<b>226,038</b>	<b>23</b>	<b>226,061</b>	<b>201,506</b>	<b>31</b>	<b>201,537</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		226,038	23	226,061	201,506	31	201,537
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	<b>V-I-12</b>	<b>289,770</b>	<b>-</b>	<b>289,770</b>	<b>287,726</b>	<b>-</b>	<b>287,726</b>
<b>XVII. TAX ASSETS</b>	<b>V-I-13</b>	<b>171,440</b>	<b>-</b>	<b>171,440</b>	<b>139,972</b>	<b>2,944</b>	<b>142,916</b>
17.1 Current tax assets	V-I-13	292	-	292	787	2,944	3,731
17.2 Deferred tax assets	V-I-13	171,148	-	171,148	139,185	-	139,185
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)</b>	<b>V-I-14</b>	<b>1,123,170</b>	<b>-</b>	<b>1,123,170</b>	<b>994,991</b>	<b>-</b>	<b>994,991</b>
18.1 Assets held for sale		1,123,170	-	1,123,170	994,991	-	994,991
18.2 Assets related to the discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>V-I-15</b>	<b>2,962,391</b>	<b>893,915</b>	<b>3,856,306</b>	<b>2,789,299</b>	<b>1,263,054</b>	<b>4,052,353</b>
<b>TOTAL ASSETS</b>		<b>131,346,119</b>	<b>73,052,786</b>	<b>204,398,905</b>	<b>119,835,773</b>	<b>69,749,785</b>	<b>189,585,558</b>

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

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CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 30 SEPTEMBER 2016  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

LIABILITIES AND EQUITY	Notes	Reviewed Current Period 30 September 2016			Audited Prior Period 31 December 2015		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>V-II-1</b>	<b>86,886,179</b>	<b>34,983,744</b>	<b>121,869,923</b>	<b>76,054,788</b>	<b>35,955,209</b>	<b>112,009,997</b>
1.1 Deposits of the same risk group	V-V-1	1,760,723	110,497	1,871,220	1,209,289	110,608	1,319,897
1.2 Other deposits		85,125,456	34,873,247	119,998,703	74,845,499	35,844,601	110,690,100
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE</b>	<b>V-II-2</b>	<b>188,677</b>	<b>252,284</b>	<b>440,961</b>	<b>153,177</b>	<b>151,175</b>	<b>304,352</b>
<b>III. FUNDS BORROWED</b>	<b>V-II-3</b>	<b>1,133,095</b>	<b>18,369,641</b>	<b>19,502,736</b>	<b>932,351</b>	<b>19,262,696</b>	<b>20,195,047</b>
<b>IV. INTERBANK MONEY MARKET</b>		<b>12,245,512</b>	<b>1,970,415</b>	<b>14,215,927</b>	<b>9,423,761</b>	<b>3,403,437</b>	<b>12,827,198</b>
4.1 Interbank Money Market takings		1,600,367	-	1,600,367	1,150,343	-	1,150,343
4.2 Istanbul Stock Exchange money market takings		196,718	-	196,718	83,157	-	83,157
4.3 Obligations under repurchase agreements		10,448,427	1,970,415	12,418,842	8,190,261	3,403,437	11,593,698
<b>V. SECURITIES ISSUED (Net)</b>	<b>V-II-3</b>	<b>3,398,296</b>	<b>8,721,979</b>	<b>12,120,275</b>	<b>3,257,620</b>	<b>7,389,088</b>	<b>10,646,708</b>
5.1 Bills		3,398,296	-	3,398,296	3,257,620	-	3,257,620
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	8,721,979	8,721,979	-	7,389,088	7,389,088
<b>VI. FUNDS</b>		<b>3,638</b>	<b>-</b>	<b>3,638</b>	<b>4,228</b>	<b>-</b>	<b>4,228</b>
6.1 Funds against borrower's note		-	-	-	-	-	-
6.2 Others		3,638	-	3,638	4,228	-	4,228
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>4,226,147</b>	<b>474,447</b>	<b>4,700,594</b>	<b>3,647,401</b>	<b>750,360</b>	<b>4,397,761</b>
<b>VIII. OTHER EXTERNAL RESOURCES PAYABLE</b>	<b>V-II-4</b>	<b>946,167</b>	<b>1,389,099</b>	<b>2,335,266</b>	<b>662,279</b>	<b>1,783,682</b>	<b>2,445,961</b>
<b>IX. FACTORING PAYABLES</b>		<b>377</b>	<b>8</b>	<b>385</b>	<b>-</b>	<b>5</b>	<b>5</b>
<b>X. LEASE PAYABLES</b>	<b>V-II-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred finance leasing expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE</b>	<b>V-II-6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>V-II-7</b>	<b>5,303,685</b>	<b>42,551</b>	<b>5,346,236</b>	<b>5,025,269</b>	<b>31,277</b>	<b>5,056,546</b>
12.1 General provisions	V-II-7	2,131,149	11,649	2,142,798	1,944,150	13,453	1,957,603
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		705,696	2,104	707,800	700,635	1,544	702,179
12.4 Insurance technical provisions (Net)		2,129,239	10,370	2,139,609	2,082,428	9,127	2,091,555
12.5 Other provisions	V-II-7	337,601	18,428	356,029	298,056	7,153	305,209
<b>XIII. TAX LIABILITIES</b>	<b>V-II-8</b>	<b>484,201</b>	<b>12,480</b>	<b>496,681</b>	<b>531,561</b>	<b>7,888</b>	<b>539,449</b>
13.1 Current tax liabilities		473,360	1,573	474,933	514,681	1,678	516,359
13.2 Deferred tax liabilities	V-I-13	10,841	10,907	21,748	16,880	6,210	23,090
<b>XIV. PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>V-II-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Payables related to the assets held for sale		-	-	-	-	-	-
14.2 Payables related to the discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>V-II-10</b>	<b>-</b>	<b>4,287,138</b>	<b>4,287,138</b>	<b>-</b>	<b>4,155,551</b>	<b>4,155,551</b>
<b>XVI. EQUITY</b>		<b>18,526,793</b>	<b>552,352</b>	<b>19,079,145</b>	<b>16,437,456</b>	<b>565,299</b>	<b>17,002,755</b>
<b>16.1 Paid-in capital</b>	<b>V-II-11</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>
<b>16.2 Capital reserves</b>		<b>1,682,155</b>	<b>200,529</b>	<b>1,882,684</b>	<b>1,390,356</b>	<b>257,405</b>	<b>1,647,761</b>
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	41,188	200,529	241,717	(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		(54,585)	-	(54,585)	(54,370)	-	(54,370)
16.3 Profit reserves		12,020,364	193,167	12,213,531	10,163,563	170,099	10,333,662
16.3.1 Legal reserves		1,425,366	8,351	1,433,717	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		10,150,375	4,594	10,154,969	8,475,454	4,594	8,480,048
16.3.4 Other profit reserves		438,286	180,222	618,508	453,548	157,563	611,111
16.4 Profit or loss		1,858,868	109,635	1,968,503	1,921,411	94,530	2,015,941
16.4.1 Previous years' profit/loss		(98,411)	93,173	(5,238)	(34,277)	101,630	67,353
16.4.2 Current year's profit/loss		1,957,279	16,462	1,973,741	1,955,688	(7,100)	1,948,588
16.5 Non-controlling interest		465,406	49,021	514,427	462,126	43,265	505,391
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>133,342,767</b>	<b>71,056,138</b>	<b>204,398,905</b>	<b>116,129,891</b>	<b>73,455,667</b>	<b>189,585,558</b>

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 30 SEPTEMBER 2016  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

	Notes	Reviewed Current Period 30 September 2016			Audited Prior Period 31 December 2015		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-II+III)</b>		<b>68,958,013</b>	<b>65,751,554</b>	<b>134,709,567</b>	<b>54,303,859</b>	<b>64,173,751</b>	<b>118,477,610</b>
<b>I. GUARANTEES AND SURETIES</b>	<b>V-III-2</b>	<b>24,895,729</b>	<b>10,652,461</b>	<b>35,548,190</b>	<b>22,126,363</b>	<b>10,993,538</b>	<b>33,119,901</b>
1.1 Letters of guarantee	V-III-1	24,745,803	4,847,705	29,593,508	21,980,769	4,816,824	26,797,593
1.1.1 Guarantees subject to State Tender Law		2,818,872	2,214,718	5,033,590	2,542,809	2,199,589	4,742,398
1.1.2 Guarantees given for foreign trade operations		1,047,135	-	1,047,135	1,030,530	-	1,030,530
1.1.3 Other letters of guarantee		20,879,796	2,632,987	23,512,783	18,407,430	2,617,235	21,024,665
1.2 Bank acceptances		49,966	822,345	872,311	86,762	1,389,251	1,476,013
1.2.1 Import letter of acceptance		-	323,642	323,642	1,590	189,471	191,061
1.2.2 Other bank acceptances		49,966	498,703	548,669	85,172	1,199,780	1,284,952
1.3 Letters of credit		12,639	4,959,773	4,972,412	16,306	4,772,403	4,788,709
1.3.1 Documentary letters of credit		12,639	4,959,773	4,972,412	16,306	4,772,403	4,788,709
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,382	2,382	-	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		87,321	3,598	90,919	42,526	2,224	44,750
1.8 Other guarantees		-	12,434	12,434	-	10,522	10,522
1.9 Other sureties		-	4,224	4,224	-	-	-
<b>II. COMMITMENTS</b>		<b>24,625,598</b>	<b>10,760,520</b>	<b>35,386,118</b>	<b>21,560,921</b>	<b>13,287,107</b>	<b>34,848,028</b>
2.1 Irrevocable commitments		21,863,916	1,068,821	22,932,737	19,153,861	3,897,112	23,050,973
2.1.1 Asset purchase commitments	V-III-1	624,671	889,551	1,514,222	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	9,022,432	76,381	9,098,813	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	1,971,457	-	1,971,457	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	8,237,590	-	8,237,590	7,399,361	-	7,399,361
2.1.10 Commitments for credit card and banking operations promotions		362,097	-	362,097	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		1,645,669	102,889	1,748,558	1,157,658	154,228	1,311,886
2.2 Revocable commitments		2,761,682	9,691,699	12,453,381	2,407,060	9,389,995	11,797,055
2.2.1 Revocable loan granting commitments		2,761,682	9,691,699	12,453,381	2,407,060	9,389,995	11,797,055
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>19,436,686</b>	<b>44,338,573</b>	<b>63,775,259</b>	<b>10,616,575</b>	<b>39,893,106</b>	<b>50,509,681</b>
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		19,436,686	44,338,573	63,775,259	10,616,575	39,893,106	50,509,681
3.2.1 Forward foreign currency purchases/sales		463,926	439,419	903,345	211,514	257,246	468,760
3.2.1.1 Forward foreign currency purchases		232,339	219,768	452,107	106,014	128,693	234,707
3.2.2.2 Forward foreign currency sales		231,587	219,651	451,238	105,500	128,553	234,053
3.2.2 Currency and interest rate swaps		17,339,442	35,515,711	52,855,153	9,535,325	31,037,511	40,572,836
3.2.2.1 Currency swaps-purchases		11,181,250	10,416,650	21,597,900	4,474,398	12,245,882	16,720,280
3.2.2.2 Currency swaps-sales		4,958,192	11,573,469	16,531,661	4,160,927	6,377,871	10,538,798
3.2.2.3 Interest rate swaps-purchases		600,000	6,762,796	7,362,796	450,000	6,206,879	6,656,879
3.2.2.4 Interest rate swaps-sales		600,000	6,762,796	7,362,796	450,000	6,206,879	6,656,879
3.2.3 Currency, interest rate and security options		554,056	586,672	1,140,728	258,134	255,396	513,530
3.2.3.1 Currency call options		249,738	313,894	563,632	65,004	185,976	250,980
3.2.3.2 Currency put options		304,318	272,778	577,096	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		1,079,262	7,796,771	8,876,033	611,602	8,342,953	8,954,555
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>1,026,357,520</b>	<b>484,756,986</b>	<b>1,511,114,506</b>	<b>900,903,931</b>	<b>422,152,366</b>	<b>1,323,056,297</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>82,982,049</b>	<b>3,725,414</b>	<b>86,707,463</b>	<b>75,156,434</b>	<b>3,413,733</b>	<b>78,570,167</b>
4.1 Customers' securities held		704,289	-	704,289	682,348	28,306	710,654
4.2 Investment securities held in custody		70,625,336	126,817	70,752,153	63,234,788	118,086	63,352,874
4.3 Checks received for collection		9,037,145	2,319,500	11,356,645	9,151,798	2,345,788	11,497,586
4.4 Commercial notes received for collection		1,471,963	566,746	2,038,709	1,265,535	450,126	1,715,661
4.5 Other assets received for collection		2,152	120	2,272	2,152	116	2,268
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		48,453	64,874	113,327	24,796	66,158	90,954
4.8 Custodians		1,092,711	647,357	1,740,068	795,017	405,153	1,200,170
<b>V. PLEDGED ITEMS</b>		<b>268,694,957</b>	<b>88,434,478</b>	<b>357,129,435</b>	<b>235,457,258</b>	<b>82,272,386</b>	<b>317,729,644</b>
5.1 Securities		470,286	13,875	484,161	435,618	14,171	449,789
5.2 Guarantee notes		771,435	502,440	1,273,875	793,282	429,076	1,222,358
5.3 Commodities		31,126,570	689,440	31,816,010	28,164,121	681,732	28,845,853
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		221,097,788	73,236,788	294,334,576	191,799,623	67,309,165	259,108,788
5.6 Other pledged items		14,705,749	13,839,628	28,545,377	13,661,436	13,683,601	27,345,037
5.7 Pledged items-depository		523,129	152,307	675,436	603,178	154,641	757,819
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>674,680,514</b>	<b>392,597,094</b>	<b>1,067,277,608</b>	<b>590,290,239</b>	<b>336,466,247</b>	<b>926,756,486</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>1,095,315,533</b>	<b>550,508,540</b>	<b>1,645,824,073</b>	<b>955,207,790</b>	<b>486,326,117</b>	<b>1,441,533,907</b>

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2016**  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

		Reviewed Current Period 1 January 2016 30 September 2016	Reviewed Prior Period 1 January 2015 - 30 September 2015	Reviewed Current Period 1 July 2016 - 30 September 2016	Reviewed Prior Period 1 July 2015 - 30 September 2015
	Notes				
<b>I.</b>	<b>INTEREST INCOME</b>	<b>12,409,059</b>	<b>10,128,245</b>	<b>4,372,749</b>	<b>3,509,646</b>
1.1	Interest income from loans	V-IV-1 10,367,772	8,458,289	3,663,504	3,041,084
1.2	Interest income from reserve deposits	81,523	20,223	26,581	12,079
1.3	Interest income from banks	V-IV-1 86,290	58,831	28,505	19,258
1.4	Interest income from money market transactions	461	1,302	145	716
1.5	Interest income from securities portfolio	V-IV-1 1,703,003	1,454,461	596,097	391,982
1.5.1	Trading financial assets	5,778	4,440	1,893	839
1.5.2	Financial assets designated at fair value through profit or loss	-	-	-	-
1.5.3	Available-for-sale financial assets	1,156,000	1,010,895	395,396	289,726
1.5.4	Held-to-maturity investments	541,225	439,126	198,808	101,417
1.6	Finance lease income	82,198	74,664	27,975	27,623
1.7	Other interest income	87,812	60,475	29,942	16,904
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>7,189,427</b>	<b>6,010,503</b>	<b>2,387,139</b>	<b>2,180,128</b>
2.1	Interest expense on deposits	V-IV-2 5,376,104	4,404,248	1,763,784	1,583,678
2.2	Interest expense on funds borrowed	V-IV-2 339,385	270,957	121,596	94,234
2.3	Interest expense on money market transactions	752,749	687,909	263,632	266,409
2.4	Interest expense on securities issued	V-IV-2 486,885	437,124	167,902	160,763
2.5	Other interest expenses	234,304	210,265	70,225	75,044
<b>III.</b>	<b>NET INTEREST INCOME (I – II)</b>	<b>5,219,632</b>	<b>4,117,742</b>	<b>1,985,610</b>	<b>1,329,518</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>	<b>658,184</b>	<b>638,867</b>	<b>251,128</b>	<b>214,227</b>
4.1	Fees and commissions received	1,052,107	996,354	379,483	340,121
4.1.1	Non-cash loans	165,820	130,974	56,738	42,966
4.1.2	Others	886,287	865,380	322,745	297,155
4.2	Fees and commissions paid	393,923	357,487	128,355	125,894
4.2.1	Non-cash loans	1,138	692	393	219
4.2.2	Others	392,785	356,795	127,962	125,675
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>61,142</b>	<b>10,102</b>	<b>3</b>	<b>-</b>
<b>VI.</b>	<b>TRADING INCOME/LOSSES (Net)</b>	<b>225,020</b>	<b>139,199</b>	<b>154,191</b>	<b>20,624</b>
6.1	Trading account income/losses	49,522	58,465	8,508	2,217
6.2	Income/losses from derivative financial instruments	86,870	(13,934)	108,876	(10,254)
6.3	Foreign exchange gains/losses	88,628	94,668	36,807	28,661
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>1,549,637</b>	<b>1,497,356</b>	<b>473,448</b>	<b>524,681</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>	<b>7,713,615</b>	<b>6,403,266</b>	<b>2,864,380</b>	<b>2,089,050</b>
<b>IX.</b>	<b>PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	<b>1,570,866</b>	<b>1,248,428</b>	<b>559,436</b>	<b>241,338</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>3,668,078</b>	<b>3,472,866</b>	<b>1,209,668</b>	<b>1,059,724</b>
<b>XI.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>	<b>2,474,671</b>	<b>1,681,972</b>	<b>1,095,276</b>	<b>787,988</b>
<b>XII.</b>	<b>INCOME RESULTED FROM MERGERS</b>	-	-	-	-
<b>XIII.</b>	<b>INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>	<b>30,260</b>	<b>23,328</b>	<b>9,777</b>	<b>6,556</b>
<b>XIV.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>	-	-	-	-
<b>XV.</b>	<b>INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES</b>	-	-	-	-
	(XI+XII+XIII+XIV)	<b>2,504,931</b>	<b>1,705,300</b>	<b>1,105,053</b>	<b>794,544</b>
<b>XVI.</b>	<b>CONTINUING OPERATIONS PROVISION FOR TAXES</b>	<b>(526,571)</b>	<b>(386,604)</b>	<b>(229,263)</b>	<b>(138,370)</b>
16.1	Current tax charges	V-IV-7 (610,722)	(190,627)	(175,247)	(61,587)
16.2	Deferred tax credits	V-IV-7 84,151	(195,977)	(54,016)	(76,783)
<b>XVII.</b>	<b>NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS</b>	<b>1,978,360</b>	<b>1,318,696</b>	<b>875,790</b>	<b>656,174</b>
	(XV-XVI)				
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>	-	-	-	-
18.1	Income from investment properties	-	-	-	-
18.2	Income from sales of subsidiaries, affiliates and joint-ventures	-	-	-	-
18.3	Other income from discontinued activities	-	-	-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS</b>	-	-	-	-
19.1	Investment property expenses	-	-	-	-
19.2	Losses from sales of subsidiaries, affiliates and joint ventures	-	-	-	-
19.3	Other expenses from discontinued activities	-	-	-	-
<b>XX.</b>	<b>INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES</b>	-	-	-	-
<b>XXI.</b>	<b>DISCONTINUED OPERATIONS PROVISION FOR TAXES</b>	-	-	-	-
21.1	Current tax charge	-	-	-	-
21.2	Deferred tax charge	-	-	-	-
<b>XXII.</b>	<b>NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS</b>	-	-	-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	<b>1,978,360</b>	<b>1,318,696</b>	<b>875,790</b>	<b>656,174</b>
23.1.	Equity holders of the Bank	1,973,741	1,292,378	850,266	534,303
23.2.	Non-controlling interest	V-IV-9 4,619	26,318	25,524	121,871
	Earnings per 100 Share (full TL)	III-XXV 0.7895	0.5170	0.3401	0.2137

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES  
CONSOLIDATED STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2016**

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

	Reviewed Current Period 1 January 2016 30 September 2016	Reviewed Prior Period 1 January 2015 - 30 September 2015	Reviewed Current Period 1 July 2016 - 30 September 2016	Reviewed Prior Period 1 July 2015 - 30 September 2015
<b>GAINS AND LOSSES RECOGNIZED IN EQUITY</b>				
<b>I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES</b>	244,583	(902,799)	(173,396)	(403,807)
<b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>	311	750,834	(108)	750,834
<b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>	-	-	-	-
<b>IV. CURRENCY TRANSLATION DIFFERENCES</b>	14,136	68,667	10,360	47,580
<b>V. GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)</b>	-	-	-	-
<b>VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)</b>	-	-	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS</b>	-	-	-	-
<b>VIII. OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS</b>	(7,945)	3,127	17,021	12,765
<b>IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES</b>	(47,815)	141,044	42,984	41,749
<b>X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)</b>	203,270	60,873	(103,139)	449,121
<b>XI. CURRENT PERIOD'S PROFIT/(LOSS)</b>	<b>1,978,360</b>	<b>1,318,696</b>	<b>875,790</b>	<b>656,174</b>
11.1 Change in fair value of securities (transfers to the statement of income)	32,999	50,982	1,783	97
11.2 Gains/Losses recognized in the statement of income due to reclassification of cash flow hedges	-	-	-	-
11.3 Gains/Losses recognized in the statement of income due to reclassification of net foreign investment hedges	-	-	-	-
11.4 Others	1,945,361	1,267,714	874,007	656,077
<b>XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)</b>	<b>2,181,630</b>	<b>1,379,569</b>	<b>772,651</b>	<b>1,105,295</b>

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2016**

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

Reviewed	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustmen ts to Paid- in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/ (Loss)	Prior Period Net Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Discount. Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
<b>PRIOR PERIOD – 30 September 2015</b>																			
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) Changes during 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
IV.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	(702,976)	-	-	-	-	(702,976)	308	(702,668)
VI.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1.	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2.	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	(638)	-	639,975	-	-	-	639,337	72,828	712,165
VIII.	Revaluation surplus on intangible as	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	-	-	-	61,800	-	-	-	-	-	-	-	61,800	6,867	68,667
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	-	-	-	-	-	-	-	-	-	-	(13,280)	-	-	-	-	(13,280)	-	(13,280)
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	-	-	-	-	-	-	-	(2,482)	-	-	-	-	-	-	-	(2,482)	(1,529)	(4,011)
XIX.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,292,378	-	-	-	-	-	-	1,292,378	26,318	1,318,696
XX.	Profit distribution	-	-	-	-	166,921	-	1,133,915	142,708	-	(1,778,326)	-	234,782	-	-	-	(100,000)	(1,513)	(101,513)
20.1.	Dividends	-	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	(1,513)	(101,513)
20.2.	Transferred to reserves	-	-	-	-	166,921	-	1,133,915	142,708	-	(1,678,326)	-	234,782	-	-	-	-	-	-
20.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the end of the period</b>		<b>2,500,000</b>	<b>-</b>	<b>727,780</b>	<b>-</b>	<b>1,236,166</b>	<b>6,337</b>	<b>8,480,042</b>	<b>574,907</b>	<b>1,292,378</b>	<b>95,028</b>	<b>(194,726)</b>	<b>927,621</b>	<b>3,683</b>	<b>-</b>	<b>-</b>	<b>15,649,216</b>	<b>589,363</b>	<b>16,238,579</b>

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 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 Op.s	Shareholde rs' Equity before Minority Interest	Minority Shareholders ' Equity	Total ' Equity
<b>CURRENT PERIOD – 30 September 2016</b>																			
<b>I.</b>	<b>Balances at the beginning of the period</b>	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
	<b>Changes during the period</b>																		
<b>II.</b>	<b>Mergers</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Associates, Subsidiaries and "Available-for-sale" securities</b>	-	-	-	-	-	-	-	-	-	-	209,224	-	-	-	-	209,224	2,173	211,397
<b>IV.</b>	<b>Hedges for risk management</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Revaluation surplus on tangible assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-	-	(11)	314
<b>VI.</b>	<b>Revaluation surplus on intangible assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Bonus shares of associates, subsidiaries and joint-ventures</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Translation differences</b>	-	-	-	-	-	-	-	11,618	-	-	-	-	-	-	-	-	11,618	2,518
<b>IX.</b>	<b>Changes resulted from disposal of the assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Changes resulted from reclassifications of the assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Effect of change in equities of associates on the Bank's equity</b>	-	-	-	-	-	-	-	-	-	(25,031)	2,482	-	-	-	-	-	(22,549)	(22,549)
<b>XII.</b>	<b>Capital increase</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Share issuance</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Share cancellation profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Capital reserves from inflation adjustments to paid-in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Other</b>	-	-	-	-	-	-	-	(197)	-	441	-	-	-	-	-	-	244	(272)
<b>XVII.</b>	<b>Current period's net profit/loss</b>	-	-	-	-	-	-	-	-	1,973,741	-	-	-	-	-	-	-	1,973,741	4,619
<b>XVIII.</b>	<b>Profit distribution</b>	-	-	-	-	197,551	-	1,674,921	(4,239)	-	(1,996,589)	-	23,443	-	-	-	-	(104,913)	(327)
18.1	Dividends	-	-	-	-	-	-	-	-	-	(104,913)	-	-	-	-	-	-	(104,913)	(327)
18.2	Transferred to reserves	-	-	-	-	197,551	-	1,674,921	(4,239)	-	(1,891,676)	-	23,443	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances at the end of the period</b>	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 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2016**

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

	<b>Reviewed Current Period 30 September 2016</b>	<b>Reviewed Prior Period 30 September 2015</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	<b>3,238,461</b>	<b>1,805,579</b>
1.1.1 Interests received	11,823,291	9,169,003
1.1.2 Interests paid	(7,015,124)	(5,725,817)
1.1.3 Dividends received	10,563	5,483
1.1.4 Fee and commissions received	1,052,107	996,354
1.1.5 Other income	825,228	826,221
1.1.6 Collections from previously written-off loans and other receivables	852,670	627,579
1.1.7 Payments to personnel and service suppliers	(1,404,293)	(1,277,183)
1.1.8 Taxes paid	(748,197)	(476,452)
1.1.9 Others	(2,157,784)	(2,339,609)
<b>1.2 Changes in operating assets and liabilities</b>	<b>(3,832,061)</b>	<b>(2,662,537)</b>
1.2.1 Net (increase) decrease in financial assets held for trading purpose	(17,365)	(16,832)
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	812,899	(5,975,329)
1.2.4 Net (increase) decrease in loans	(15,378,089)	(21,387,297)
1.2.5 Net (increase) decrease in other assets	240,045	(130,783)
1.2.6 Net increase (decrease) in bank deposits	531,631	1,901,034
1.2.7 Net increase (decrease) in other deposits	9,154,870	19,354,564
1.2.8 Net increase (decrease) in funds borrowed	(760,829)	4,543,585
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	1,584,777	(951,479)
<b>I. Net cash flow from banking operations</b>	<b>(593,600)</b>	<b>(856,958)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash flow from investing activities</b>	<b>(212,032)</b>	<b>(1,586,662)</b>
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	(131,215)	(552,559)
2.4 Proceeds from disposal of tangible assets	283,254	452,083
2.5 Cash paid for purchase of available-for-sale financial assets	(4,162,468)	(3,812,646)
2.6 Proceeds from disposal of available-for-sale financial assets	4,015,013	2,739,728
2.7 Cash paid for purchase of held-to-maturity investments	(1,734,464)	(955,213)
2.8 Proceeds from disposal of held-to-maturity investments	1,554,938	576,755
2.9 Others	(37,090)	(34,810)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net cash flow from financing activities</b>	<b>1,444,890</b>	<b>3,852,217</b>
3.1 Cash obtained from funds borrowed and securities issued	8,334,577	9,362,447
3.2 Cash used for repayment of funds borrowed and securities issued	(6,789,360)	(5,408,717)
3.3 Equity instruments issued	-	-
3.4 Dividends paid	(100,327)	(101,513)
3.5 Re-payments for finance leases	-	-
3.6 Others	-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>	<b>34,180</b>	<b>(12,439)</b>
<b>V. Net decrease in cash and cash equivalents</b>	<b>673,438</b>	<b>1,396,158</b>
<b>VI. Cash and cash equivalents at the beginning of the year</b>	<b>9,057,127</b>	<b>9,190,905</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	<b>9,730,565</b>	<b>10,587,063</b>

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