



**CONVENIENCE TRANSLATION INTO ENGLISH
OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL
REPORT ORIGINALLY ISSUED IN TURKISH**

To the Board of Directors of Türk Ekonomi Bankası A.Ş.

Auditor's Report on the Board of Directors' Annual Report within the Scope of Independent Audit Standards

We have audited the annual report of Türk Ekonomi Bankası A.Ş. (the "Bank") and its consolidated subsidiaries for the period ended 31 December 2016.

Board of Directors' responsibility for the Annual Report

The Bank management is responsible for the fair preparation of the annual report and its consistency with the unconsolidated and consolidated financial statements ("financial statements") which are issued in accordance with the "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No. 26333 dated 1 November 2006 and Article 514 of Turkish Commercial Code ("TCC") No. 6102 and "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, other regulations on accounting records of Banks published by BRSA, circulars and interpretations published by BRSA, and Turkish Accounting Standards for the matters not regulated by the aforementioned legislations and for such internal control as management determines is necessary to enable the preparation of the annual report.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on whether the financial information in this annual report is consistent with the Bank's financial statements and reflects the truth, based on our independent audit of the Bank's annual report within the scope of "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015 and article 397 of the TCC.

Our independent audit was conducted in accordance with Independent Auditing Standards that are part of Turkish Standards on Auditing published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is fairly presented and consistent with the financial statements.

An independent audit requires applying audit procedures to obtain audit evidence on the historical financial information. The procedures selected depend on the professional judgement of the independent auditor.

We believe that the independent audit evidences we have obtained during our independent audit, are sufficient and appropriate to provide a basis for our opinion.



Opinion

Based on our opinion, the financial information in the annual report of the Board of Directors of Türk Ekonomi Bankası A.Ş. is consistent with the audited financial statements and presented fairly, in all material respects.

Other Responsibilities Arising from Regulatory Requirements

Pursuant to subparagraph 3 of Article 402 of the TCC No. 6102, within the context of ISA 570 "Going Concern", we have not encountered any significant issue which we are required to be reported with regard to the inability of Türk Ekonomi Bankası A.Ş. to continue its operations for the foreseeable future.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read "Engin Çubukçu", is written over a faint, light blue grid background.

Engin Çubukçu, SMMM
Partner

Istanbul, 1 March 2017