

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE
TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2018**

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

		Audited Current Period December 31, 2018		
ASSETS	Notes	TL	FC	Total
I. FINANCIAL ASSETS (Net)		50,284,464	44,372,534	94,656,998
1.1 Cash and cash equivalents	V-I-1	6,036,689	33,165,715	39,202,404
1.1.1 Cash and balances with Central Bank	V-I-1	5,466,368	27,025,089	32,491,457
1.1.2 Banks	V-I-3	563,482	6,140,626	6,704,108
1.1.3 Receivables from Money Markets		6,839	-	6,839
1.2 Financial assets at fair value through profit or loss		147,706	76,799	224,505
1.2.1 Government debt securities		3,131	7,033	10,164
1.2.2 Equity securities		2,914	69,766	72,680
1.2.3 Other financial assets		141,661	-	141,661
1.3 Financial assets at fair value through other comprehensive income	V-I-4	7,727,407	3,145,027	10,872,434
1.3.1 Government debt securities		7,662,348	2,161,026	9,823,374
1.3.2 Equity securities		-	3,451	3,451
1.3.3 Other financial assets		65,059	980,550	1,045,609
1.4 Financial assets measured at amortised cost	V-I-6	32,377,288	7,603,222	39,980,510
1.4.1 Government debt securities		32,326,808	7,413,026	39,739,834
1.4.2 Other financial assets		50,480	190,196	240,676
1.5 Derivative financial assets	V-I-2	4,031,081	382,302	4,413,383
1.5.1 Derivative financial assets at fair value through profit or loss	V-I-2	4,031,081	382,302	4,413,383
1.5.2 Derivative financial assets at fair value through other comprehensive income		-	-	-
1.6 Non-performing financial assets		-	-	-
1.7 Allowance for expected credit losses (-)	V-I-18	35,707	531	36,238
II. LOANS (Net)	V-I-5	142,756,386	85,893,815	228,650,201
2.1 Loans		139,797,214	83,536,354	223,333,568
2.1.1 Loans measured at amortised cost		139,797,214	83,536,354	223,333,568
2.1.2 Loans at fair value through profit or loss		-	-	-
2.1.3 Loans at fair value through other comprehensive income		-	-	-
2.2 Receivables from leasing transactions	V-I-10	528,938	2,252,664	2,781,602
2.2.1 Finance lease receivables		692,191	2,512,093	3,204,284
2.2.2 Operational lease receivables		-	-	-
2.2.3 Unearned income (-)		163,253	259,429	422,682
2.3 Factoring receivables		2,537,604	97,705	2,635,309
2.3.1 Factoring receivables measured at amortised cost		2,537,604	97,705	2,635,309
2.3.2 Factoring receivables at fair value through profit or loss		-	-	-
2.3.3 Factoring receivables at fair value through other comprehensive income		-	-	-
2.4 Non-performing loans		10,968,253	161,055	11,129,308
2.5 Allowance for expected credit losses (-)		11,075,623	153,963	11,229,586
2.5.1 12-Month expected credit losses (Stage 1)		1,606,631	29,611	1,636,242
2.5.2 Significant increase in credit risk (Stage 2)		1,325,552	1,028	1,326,580
2.5.3 Credit-Impaired (Stage 3)		8,143,440	123,324	8,266,764
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"	V-I-16	1,568,113	-	1,568,113
3.1 Held for sale		1,568,113	-	1,568,113
3.2 Held from discontinued operations		-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		1,125,286	3	1,125,289
4.1 Investments in associates (Net)	V-I-7	805,406	3	805,409
4.1.1 Associates accounted by using equity method		363,641	-	363,641
4.1.2 Non-consolidated associates		441,765	3	441,768
4.2 Investments in subsidiaries (Net)	V-I-8	319,880	-	319,880
4.2.1 Non-consolidated financial subsidiaries		-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		319,880	-	319,880
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	V-I-9	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-
V. TANGIBLE ASSETS (Net)	V-I-12	2,832,630	11,876	2,844,506
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	V-I-13	286,176	335	286,511
6.1 Goodwill		14,631	-	14,631
6.2 Other		271,545	335	271,880
VII. INVESTMENT PROPERTIES (Net)	V-I-14	607,400	-	607,400
VIII. CURRENT TAX ASSETS	V-I-15	2	-	2
IX. DEFERRED TAX ASSETS	V-I-15	188,968	-	188,968
X. OTHER ASSETS	V-I-17	6,088,512	8,621,960	14,710,472
TOTAL ASSETS		205,737,937	138,900,523	344,638,460

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CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2017**

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

		Audited Prior Period December 31, 2017			
ASSETS		Notes	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	4,021,442	24,634,804	28,656,246
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		1,926,000	150,223	2,076,223
2.1	Financial assets held for trading purpose		1,926,000	150,223	2,076,223
2.1.1	Debt securities issued by the governments		203	5,855	6,058
2.1.2	Equity securities		939	-	939
2.1.3	Derivative financial assets held for trading purpose	V-I-2	1,801,883	144,368	1,946,251
2.1.4	Other securities		122,975	-	122,975
2.2	Financial assets designated at fair value through profit or loss		-	-	-
2.2.1	Debt securities issued by the governments		-	-	-
2.2.2	Equity securities		-	-	-
2.2.3	Loans		-	-	-
2.2.4	Other securities		-	-	-
III.	BANKS	V-I-3	1,176,896	12,146,903	13,323,799
IV.	RECEIVABLES FROM INTERBANK MONEY MARKETS		1,659,062	-	1,659,062
4.1	Interbank money market placements		1,652,102	-	1,652,102
4.2	Istanbul Stock Exchange money market placements		3,474	-	3,474
4.3	Receivables from reverse repurchase agreements		3,486	-	3,486
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	12,412,036	2,158,348	14,570,384
5.1	Equity securities		15	43,355	43,370
5.2	Debt securities issued by the governments		12,412,021	1,709,676	14,121,697
5.3	Other securities		-	405,317	405,317
VI.	LOANS AND RECEIVABLES	V-I-5	131,255,058	55,293,726	186,548,784
6.1	Performing loans and receivables	V-I-5	130,177,791	55,264,739	185,442,530
6.1.1	Loans provided to risk group		17,077	1,051	18,128
6.1.2	Debt securities issued by the governments		-	-	-
6.1.3	Other		130,160,714	55,263,688	185,424,402
6.2	Loans under follow-up		7,819,393	123,793	7,943,186
6.3	Specific provisions (-)		6,742,126	94,806	6,836,932
VII.	FACTORING RECEIVABLES		1,922,548	269,754	2,192,302
VIII.	HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	12,235,406	4,530,665	16,766,071
8.1	Debt securities issued by the governments		12,235,406	4,286,627	16,522,033
8.2	Other securities		-	244,038	244,038
IX.	INVESTMENTS IN ASSOCIATES (Net)	V-I-7	384,451	3	384,454
9.1	Associates, consolidated per equity method		323,654	-	323,654
9.2	Unconsolidated associates		60,797	3	60,800
9.2.1	Financial associates		48,444	-	48,444
9.2.2	Non-Financial associates		12,353	3	12,356
X.	INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	279,647	-	279,647
10.1	Unconsolidated financial subsidiaries		-	-	-
10.2	Unconsolidated non-financial subsidiaries		279,647	-	279,647
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	474,045	1,406,155	1,880,200
12.1	Finance lease receivables		611,982	1,565,781	2,177,763
12.2	Operational lease receivables		-	-	-
12.3	Other		-	-	-
12.4	Unearned income (-)		137,937	159,626	297,563
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE		-	-	-
13.1	Fair value hedges		-	-	-
13.2	Cash flow hedges		-	-	-
13.3	Hedges of net investment in foreign operations		-	-	-
XIV.	TANGIBLE ASSETS (Net)	V-I-12	1,722,037	9,372	1,731,409
XV.	INTANGIBLE ASSETS (Net)	V-I-13	255,160	302	255,462
15.1	Goodwill		-	-	-
15.2	Other intangibles		255,160	302	255,462
XVI.	INVESTMENT PROPERTIES (Net)	V-I-12	423,498	-	423,498
XVII.	TAX ASSETS	V-I-15	63,612	-	63,612
17.1	Current tax assets	V-I-15	1,016	-	1,016
17.2	Deferred tax assets	V-I-15	62,596	-	62,596
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-16	1,312,728	-	1,312,728
18.1	Assets held for sale		1,312,728	-	1,312,728
18.2	Assets related to the discontinued operations		-	-	-
XIX.	OTHER ASSETS	V-I-17	4,891,487	3,843,638	8,735,125
TOTAL ASSETS			176,415,113	104,443,893	280,859,006

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CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2018**

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

		Audited Current Period December 31, 2018		
LIABILITIES AND EQUITY	Notes	TL	FC	Total
I. DEPOSITS	V-II-1	108,319,277	74,156,432	182,475,709
II. FUNDS BORROWED	V-II-3	2,639,581	42,793,276	45,432,857
III. MONEY MARKET FUNDS		26,863,700	2,260,172	29,123,872
IV. MARKETABLE SECURITIES (Net)	V-II-3	8,111,583	14,660,908	22,772,491
4.1 Bills		4,319,247	-	4,319,247
4.2 Asset backed securities		62,960	-	62,960
4.3. Bonds		3,729,376	14,660,908	18,390,284
V. FUNDS		3,054	-	3,054
5.1 Borrower funds		-	-	-
5.2 Other		3,054	-	3,054
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	2,121,617	430,631	2,552,248
7.1 Derivative financial liabilities at fair value through profit or loss		2,121,617	430,631	2,552,248
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-
VIII. FACTORING PAYABLES		903	-	903
IX. LEASE PAYABLES	V-II-5	-	-	-
9.1 Finance lease payables		-	-	-
9.2 Operating lease payables		-	-	-
9.3 Other		-	-	-
9.4 Deferred finance lease expenses (-)		-	-	-
X. PROVISIONS	V-II-7	5,783,951	44,704	5,828,655
10.1 Provision for restructuring		-	-	-
10.2 Reserves for employee benefits		1,084,477	3,641	1,088,118
10.3 Insurance technical reserves (Net)		3,428,842	18,220	3,447,062
10.4 Other provisions		1,270,632	22,843	1,293,475
XI. CURRENT TAX LIABILITIES	V-II-8	855,863	1,301	857,164
XII. DEFERRED TAX LIABILITIES		31,040	681	31,721
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	V-II-9	1,546	-	1,546
13.1 Held for sale		1,546	-	1,546
13.2 Related to discontinued operations		-	-	-
XIV. SUBORDINATED DEBT	V-II-10	5,668,121	7,353,902	13,022,023
14.1 Loans		-	-	-
14.2 Other debt instruments		5,668,121	7,353,902	13,022,023
XV. OTHER LIABILITIES	V-II-4	7,926,529	5,503,935	13,430,464
XVI. SHAREHOLDERS' EQUITY	V-II-11	28,533,753	572,000	29,105,753
16.1 Paid-in capital	V-II-11	2,500,000	-	2,500,000
16.2 Capital reserves		815,709	-	815,709
16.2.1 Equity share premiums		724,276	-	724,276
16.2.2 Share cancellation profits		-	-	-
16.2.3 Other capital reserves		91,433	-	91,433
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		1,617,926	578	1,618,504
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(126,314)	8,545	(117,769)
16.5 Profit reserves		18,123,916	327,015	18,450,931
16.5.1 Legal reserves		2,079,765	10,669	2,090,434
16.5.2 Statutory reserves		6,337	-	6,337
16.5.3 Extraordinary reserves		15,689,472	5,389	15,694,861
16.5.4 Other profit reserves		348,342	310,957	659,299
16.6 Profit or loss		4,953,281	143,423	5,096,704
16.6.1 Prior years' profits or losses		440,987	111,439	552,426
16.6.2 Current period net profit or loss		4,512,294	31,984	4,544,278
16.7 Minority interests		649,235	92,439	741,674
TOTAL LIABILITIES AND EQUITY		196,860,518	147,777,942	344,638,460

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CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2017**

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

				Audited Prior Period December 31, 2017	
LIABILITIES AND EQUITY		Notes	TL	FC	Total
I.	DEPOSITS	V-II-1	102,796,242	55,191,624	157,987,866
1.1	Deposits of risk group		2,079,489	146,601	2,226,090
1.2	Other deposits		100,716,753	55,045,023	155,761,776
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	1,011,508	169,034	1,180,542
III.	FUNDS BORROWED	V-II-3	2,257,541	29,130,247	31,387,788
IV.	INTERBANK MONEY MARKET		18,936,344	3,752,731	22,689,075
4.1	Interbank money market takings		11,662,376	1,631,693	13,294,069
4.2	Istanbul Stock Exchange money market takings		237,318	-	237,318
4.3	Obligations under repurchase agreements		7,036,650	2,121,038	9,157,688
V.	SECURITIES ISSUED (Net)	V-II-3	6,967,544	12,903,215	19,870,759
5.1	Bills		3,996,077	-	3,996,077
5.2	Asset backed securities		-	-	-
5.3	Bonds		2,971,467	12,903,215	15,874,682
VI.	FUNDS		3,206	-	3,206
6.1	Funds against borrower's note		-	-	-
6.2	Other		3,206	-	3,206
VII.	MISCELLANEOUS PAYABLES		6,343,340	989,690	7,333,030
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	V-II-4	947,498	3,029,795	3,977,293
IX.	FACTORING PAYABLES		221	216	437
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		-	-	-
11.1	Fair value hedges		-	-	-
11.2	Cash flow hedges		-	-	-
11.3	Hedges of net investment in foreign operations		-	-	-
XII.	PROVISIONS	V-II-7	6,084,250	42,791	6,127,041
12.1	General provisions		1,872,826	12,667	1,885,493
12.2	Restructuring reserves		-	-	-
12.3	Reserve for employee benefits		852,775	2,763	855,538
12.4	Insurance technical provisions (Net)		2,631,507	14,011	2,645,518
12.5	Other provisions		727,142	13,350	740,492
XIII.	TAX LIABILITIES		703,795	58,072	761,867
13.1	Current tax liabilities	V-II-8	686,133	670	686,803
13.2	Deferred tax liabilities		17,662	57,402	75,064
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	528,188	5,388,949	5,917,137
XVI.	EQUITY	V-II-11	22,991,149	631,816	23,622,965
16.1	Paid-in capital	V-II-11	2,500,000	-	2,500,000
16.2	Capital reserves		1,582,247	177,252	1,759,499
16.2.1	Share premium		724,269	-	724,269
16.2.2	Share cancellation profits		-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	(240,378)	177,252	(63,126)
16.2.4	Revaluation surplus on tangible assets		1,046,956	-	1,046,956
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		3,913	-	3,913
16.2.8	Hedging reserves (effective portion)		-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-
16.2.10	Other capital reserves		47,487	-	47,487
16.3	Profit reserves		14,550,334	254,763	14,805,097
16.3.1	Legal reserves		1,700,302	9,553	1,709,855
16.3.2	Status reserves		6,337	-	6,337
16.3.3	Extraordinary reserves		12,432,750	5,389	12,438,139
16.3.4	Other profit reserves		410,945	239,821	650,766
16.4	Profit or loss		3,753,445	127,821	3,881,266
16.4.1	Prior years' profit/loss		(154,298)	103,132	(51,166)
16.4.2	Current period's profit/loss		3,907,743	24,689	3,932,432
16.5	Non-controlling interest		605,123	71,980	677,103
TOTAL LIABILITIES AND EQUITY			169,570,826	111,288,180	280,859,006

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CONSOLIDATED OFF-BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2018**

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

		Audited Current Period December 31, 2018		
	Notes	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		96,501,074	145,967,734	242,468,808
I. GUARANTEES AND SURETIES	V-III-2-4	37,626,296	28,402,701	66,028,997
1.1. Letters of guarantee		36,896,905	15,055,991	51,952,896
1.1.1. Guarantees subject to State Tender Law		3,807,039	5,902,336	9,709,375
1.1.2. Guarantees given for foreign trade operations		1,314,771	-	1,314,771
1.1.3. Other letters of guarantee		31,775,095	9,153,655	40,928,750
1.2. Bank acceptances		24,005	2,948,104	2,972,109
1.2.1. Import letter of acceptance		-	586,987	586,987
1.2.2. Other bank acceptances		24,005	2,361,117	2,385,122
1.3. Letters of credit		51,010	10,148,777	10,199,787
1.3.1. Documentary letters of credit		51,010	10,148,777	10,199,787
1.3.2. Other letters of credit		-	-	-
1.4. Pre-financing given as guarantee		-	4,199	4,199
1.5. Endorsements		-	-	-
1.5.1. Endorsements to the Central Bank of Republic of Turkey		-	-	-
1.5.2. Other endorsements		-	-	-
1.6. Purchase guarantees for Securities issued		-	-	-
1.7. Factoring guarantees		243,674	127,759	371,433
1.8. Other guarantees		58,309	38,904	97,213
1.9. Other warranties		352,393	78,967	431,360
II. COMMITMENTS		38,193,153	27,237,668	65,430,821
2.1. Irrevocable commitments	V-III-1	33,843,142	2,634,285	36,477,427
2.1.1. Asset purchase and sales commitments	V-III-1	1,501,627	2,252,627	3,754,254
2.1.2. Deposit purchase and sales commitments		-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		2,250	-	2,250
2.1.4. Loan granting commitments	V-III-1	14,103,024	2,325	14,105,349
2.1.5. Securities issuance brokerage commitments		-	2,325	2,325
2.1.6. Commitments for reserve deposit requirements		-	-	-
2.1.7. Commitments for checks payments	V-III-1	1,979,217	-	1,979,217
2.1.8. Tax and fund liabilities from export commitments		-	-	-
2.1.9. Commitments for credit card expenditure limits	V-III-1	13,549,649	-	13,549,649
2.1.10. Commitments for credit cards and banking services promotions		571,282	-	571,282
2.1.11. Receivables from short sale commitments of marketable securities		-	-	-
2.1.12. Payables for short sale commitments of marketable securities		-	-	-
2.1.12. Other irrevocable commitments		2,136,093	377,008	2,513,101
2.2. Revocable commitments		4,350,011	24,603,383	28,953,394
2.2.1. Revocable loan granting commitments		4,350,011	24,603,383	28,953,394
2.2.2. Other revocable commitments		-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		20,681,625	90,327,365	111,008,990
3.1. Derivative financial instruments held for hedging		-	-	-
3.1.1. Fair value hedges		-	-	-
3.1.2. Cash flow hedges		-	-	-
3.1.3. Hedges for investments made in foreign countries		-	-	-
3.2. Trading transactions		20,681,625	90,327,365	111,008,990
3.2.1. Forward foreign currency purchase and sale transactions		1,201,285	1,543,434	2,744,719
3.2.1.1. Forward foreign currency purchase transactions		602,318	771,805	1,374,123
3.2.2.2. Forward foreign currency sales		598,967	771,629	1,370,596
3.2.2. Currency and interest rate swaps		13,620,376	74,478,250	88,098,626
3.2.2.1. Currency swap purchase transactions		2,515,004	20,334,407	22,849,411
3.2.2.2. Currency swap sale transactions		7,805,372	10,611,535	18,416,907
3.2.2.3. Interest rate swap purchase transactions		1,650,000	21,766,154	23,416,154
3.2.2.4. Interest rate swap sale transactions		1,650,000	21,766,154	23,416,154
3.2.3. Currency, interest rate and security options		697,904	1,784,623	2,482,527
3.2.3.1. Currency purchase options		349,778	865,498	1,215,276
3.2.3.2. Currency sale options		348,126	919,125	1,267,251
3.2.3.3. Interest rate purchase options		-	-	-
3.2.3.4. Interest rate sale options		-	-	-
3.2.3.5. Security purchase options		-	-	-
3.2.3.6. Security sale options		-	-	-
3.2.4. Currency futures		-	-	-
3.2.4.1. Currency purchases futures		-	-	-
3.2.4.2. Currency sales futures		-	-	-
3.2.5. Interest rate futures		-	-	-
3.2.5.1. Interest rate purchases futures		-	-	-
3.2.5.2. Interest rate sales futures		-	-	-
3.2.6. Other		5,162,060	12,521,058	17,683,118
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		1,560,609,530	1,221,238,103	2,781,847,633
IV. ITEMS HELD IN CUSTODY		54,906,337	7,564,236	62,470,573
4.1. Assets under management		1,907,458	-	1,907,458
4.2. Securities held in custody		37,070,534	395,353	37,465,887
4.3. Checks received for collection		9,579,919	1,224,880	10,804,799
4.4. Commercial notes received for collection		4,883,607	1,301,631	6,185,238
4.5. Other assets received for collection		2,152	211	2,363
4.6. Securities received for public offering		-	-	-
4.7. Other items under custody		114,532	3,066,202	3,180,734
4.8. Custodians		1,348,135	1,575,959	2,924,094
V. PLEDGED ITEMS		428,113,720	204,235,157	632,348,877
5.1. Marketable securities		355,159	9,824	364,983
5.2. Guarantee notes		684,888	1,135,681	1,820,569
5.3. Commodity		32,405,583	1,711,768	34,117,351
5.4. Warrant		-	-	-
5.5. Immovables		341,011,234	163,744,146	504,755,380
5.6. Other pledged items		52,811,517	37,364,638	90,176,155
5.7. Depositories receiving pledged items		845,339	269,100	1,114,439
VI. ACCEPTED GUARANTEES AND WARRANTS		1,077,589,473	1,009,438,710	2,087,028,183
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		1,657,110,604	1,367,205,837	3,024,316,441

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED OFF-BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2017**

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

		Audited		
		Prior Period December 31, 2017		
	Notes	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		80,999,013	81,421,461	162,420,474
I. GUARANTEES AND SURETIES	V-III-2-4	32,656,344	18,667,358	51,323,702
1.1 Letters of guarantee		32,035,061	8,135,927	40,170,988
1.1.1 Guarantees subject to State Tender Law		3,163,898	4,099,756	7,263,654
1.1.2 Guarantees given for foreign trade operations		1,053,872	-	1,053,872
1.1.3 Other letters of guarantee		27,817,291	4,036,171	31,853,462
1.2 Bank acceptances		44,700	1,510,854	1,555,554
1.2.1 Import letter of acceptance		671	519,399	520,070
1.2.2 Other bank acceptances		44,029	991,455	1,035,484
1.3 Letters of credit		30,161	8,963,991	8,994,152
1.3.1 Documentary letters of credit		30,161	8,963,991	8,994,152
1.3.2 Other letters of credit		-	-	-
1.4 Guaranteed pre-financings		-	3,006	3,006
1.5 Endorsements		-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-
1.5.2 Other endorsements		-	-	-
1.6 Marketable securities underwriting commitments		-	-	-
1.7 Factoring related guarantees		225,380	7,528	232,908
1.8 Other guarantees		81,074	43,996	125,070
1.9 Other sureties		239,968	2,056	242,024
II. COMMITMENTS		31,872,658	17,873,251	49,745,909
2.1 Irrevocable commitments	V-III-1	28,813,083	1,547,642	30,360,725
2.1.1 Asset purchase commitments	V-III-1	793,979	961,190	1,755,169
2.1.2 Deposit purchase and sales commitments		-	-	-
2.1.3 Share capital commitments to associates and subsidiaries		-	-	-
2.1.4 Loan granting commitments	V-III-1	11,843,577	74,556	11,918,133
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	2,542,741	-	2,542,741
2.1.8 Tax and fund obligations on export commitments		-	-	-
2.1.9 Commitments for credit card limits	V-III-1	10,534,862	-	10,534,862
2.1.10 Commitments for credit card and banking operations promotions		761,674	-	761,674
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		2,336,250	511,896	2,848,146
2.2 Revocable commitments		3,059,575	16,325,609	19,385,184
2.2.1 Revocable loan granting commitments		3,059,575	16,325,609	19,385,184
2.2.2 Other revocable commitments		-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		16,470,011	44,880,852	61,350,863
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		16,470,011	44,880,852	61,350,863
3.2.1 Forward foreign currency purchases/sales		1,152,837	1,617,661	2,770,498
3.2.1.1 Forward foreign currency purchases		576,772	808,889	1,385,661
3.2.2.2 Forward foreign currency sales		576,065	808,772	1,384,837
3.2.2 Currency and interest rate swaps		9,715,102	31,666,680	41,381,782
3.2.2.1 Currency swaps-purchases		3,085,946	11,883,240	14,969,186
3.2.2.2 Currency swaps-sales		4,289,156	5,162,344	9,451,500
3.2.2.3 Interest rate swaps-purchases		1,170,000	7,310,548	8,480,548
3.2.2.4 Interest rate swaps-sales		1,170,000	7,310,548	8,480,548
3.2.3 Currency, interest rate and security options		426,094	431,542	857,636
3.2.3.1 Currency call options		412,706	13,400	426,106
3.2.3.2 Currency put options		13,388	418,142	431,530
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		5,175,978	11,164,969	16,340,947
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		1,287,928,890	807,052,180	2,094,981,070
IV. ITEMS HELD IN CUSTODY		59,316,964	5,617,699	64,934,663
4.1 Customers' securities held		923,511	-	923,511
4.2 Investment securities held in custody		43,471,833	135,880	43,607,713
4.3 Checks received for collection		10,617,821	2,607,299	13,225,120
4.4 Commercial notes received for collection		2,959,313	993,297	3,952,610
4.5 Other assets received for collection		2,152	151	2,303
4.6 Assets received through public offering		-	-	-
4.7 Other items under custody		140,536	743,875	884,411
4.8 Custodians		1,201,798	1,137,197	2,338,995
V. PLEDGED ITEMS		315,488,892	132,707,352	448,196,244
5.1 Securities		740,033	5,090	745,123
5.2 Guarantee notes		708,473	524,748	1,233,221
5.3 Commodities		33,014,517	759,683	33,774,200
5.4 Warranties		-	-	-
5.5 Real estates		240,571,560	108,037,406	348,608,966
5.6 Other pledged items		39,693,039	23,254,495	62,947,534
5.7 Pledged items-depository		761,270	125,930	887,200
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		913,123,034	668,727,129	1,581,850,163
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		1,368,927,903	888,473,641	2,257,401,544

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

		Notes	Audited Current Period January 1, 2018- December 31, 2018
I.	INTEREST INCOME		34,957,243
1.1	Interest on loans	V-IV-1	27,902,523
1.2	Interest received from reserve deposits		389,604
1.3	Interest received from banks	V-IV-1	329,852
1.4	Interest received from money market transactions		20,725
1.5	Interest received from marketable securities portfolio	V-IV-1	6,090,312
1.5.1	Financial assets at fair value through profit or loss		15,143
1.5.2	Financial assets at fair value through other comprehensive income		1,051,007
1.5.3	Financial assets measured at amortised cost		5,024,162
1.6	Finance lease income		200,059
1.7	Other interest income		24,168
II.	INTEREST EXPENSES		23,529,737
2.1	Interest on deposits	V-IV-2	15,537,418
2.2	Interest on funds borrowed	V-IV-2	1,599,774
2.3	Interest on money market transactions		3,557,193
2.4	Interest on securities issued	V-IV-2	2,094,967
2.5	Other interest expenses		740,385
III.	NET INTEREST INCOME/EXPENSE (I - II)		11,427,506
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		2,151,048
4.1	Fees and commissions received		3,114,751
4.1.1	Non-cash loans		479,388
4.1.2	Other		2,635,363
4.2	Fees and commissions paid		963,703
4.2.1	Non-cash loans		5,854
4.2.2	Other		957,849
V.	PERSONNEL EXPENSES (-)		2,452,360
VI.	DIVIDEND INCOME	V-IV-3	50,011
VII.	TRADING PROFIT/LOSS (Net)	V-IV-4	822,830
7.1	Profit/losses from capital market transactions	V-IV-4	158,123
7.2	Profit/losses from derivative financial transactions	V-IV-4	271,057
7.3	Foreign exchange profit/losses	V-IV-4	393,650
VIII.	OTHER OPERATING INCOME	V-IV-5	3,945,443
IX.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII+VIII)		15,944,478
X.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-6	5,043,269
XI.	OTHER OPERATING EXPENSES (-)	V-IV-7	5,268,012
XII.	NET OPERATING PROFIT/LOSS (IX-X-XI)		5,633,197
XIII.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-
XIV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		56,576
XV.	NET MONETARY POSITION GAIN/LOSS		-
XVI.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-8	5,689,773
XVII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-11	(1,085,295)
17.1	Current tax provision	V-IV-11	(840,854)
17.2	Expense effect of deferred tax (+)	V-IV-11	(1,436,804)
17.3	Income effect of deferred tax (-)	V-IV-11	1,192,363
XIII.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVI±XVII)	V-IV-12	4,604,478
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-
19.1	Income from assets held for sale		-
19.2	Profit from sale of associates, subsidiaries and joint ventures		-
19.3	Other income from discontinued operations		-
XX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-
20.1	Expenses on assets held for sale		-
20.2	Losses from sale of associates, subsidiaries and joint ventures		-
20.3	Other expenses from discontinued operations		-
XXI.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XIX-XX)		-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-
22.1	Current tax provision		-
22.2	Expense effect of deferred tax (+)		-
22.3	Income effect of deferred tax (-)		-
XXIII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-
XXIV.	NET PROFIT/LOSSES (XVIII+XXIII)	V-IV-12	4,604,478
24.1.	Profit/Loss per share		4,544,278
24.2.	Non-controlling interest(-)		60,200
	Earnings per 100 Share (full TL)	III-XXIV	1.8177

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

		Notes	Audited Prior Period January 1, 2017- December 31, 2017
I.	INTEREST INCOME	V-IV-1	22,045,179
1.1	Interest income from loans	V-IV-1	18,315,576
1.2	Interest income from reserve deposits		221,541
1.3	Interest income from banks	V-IV-1	210,696
1.4	Interest income from money market transactions		35,753
1.5	Interest income from securities portfolio	V-IV-1	2,914,538
1.5.1	Trading financial assets		19,051
1.5.2	Financial assets designated at fair value through profit or loss		-
1.5.3	Available-for-sale financial assets		1,735,213
1.5.4	Held-to-maturity investments		1,160,274
1.6	Finance lease income		138,960
1.7	Other interest income		208,115
II.	INTEREST EXPENSE	V-IV-2	13,073,305
2.1	Interest expense on deposits	V-IV-2	9,200,620
2.2	Interest expense on funds borrowed	V-IV-2	841,072
2.3	Interest expense on money market transactions		1,553,389
2.4	Interest expense on securities issued	V-IV-2	1,059,739
2.5	Other interest expenses		418,485
III.	NET INTEREST INCOME (I – II)		8,971,874
IV.	NET FEES AND COMMISSIONS INCOME		1,235,550
4.1	Fees and commissions received		1,896,758
4.1.1	Non-cash loans		300,942
4.1.2	Others		1,595,816
4.2	Fees and commissions paid		661,208
4.2.1	Non-cash loans		4,190
4.2.2	Others		657,018
V.	DIVIDEND INCOME	V-IV-3	47,481
VI.	TRADING INCOME/LOSSES (Net)	V-IV-4	194,447
6.1	Trading account income/losses	V-IV-4	48,446
6.2	Income/losses from derivative financial instruments	V-IV-4	(15,681)
6.3	Foreign exchange gains/losses	V-IV-4	161,682
VII.	OTHER OPERATING INCOME	V-IV-5	3,085,245
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		13,534,597
IX.	PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-6	2,842,558
X.	OTHER OPERATING EXPENSES (-)	V-IV-7	5,734,147
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)		4,957,892
XII.	INCOME RESULTED FROM MERGERS		-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		51,481
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)	V-IV-8	5,009,373
XVI.	CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-11	(992,027)
16.1	Current tax charges	V-IV-11	(831,655)
16.2	Deferred tax credits	V-IV-11	(160,372)
XVII.	NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV±XVI)	V-IV-12	4,017,346
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(XVIII-XIX)		-
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(XX±XXI)		-
XXIII.	NET PROFIT/LOSS (XVI+XXII)	V-IV-12	4,017,346
23.1.	Equity holders of the Bank		3,932,432
23.2.	Non-controlling interest(-)		84,914
	Earnings per 100 Share (full TL)	III-XXIV	1.5730

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Audited Current Period January 1, 2018- December 31, 2018
I.	PROFIT / (LOSS)	4,604,478
II.	OTHER COMPREHENSIVE INCOME	392,890
2.1.	Other comprehensive income that will not be reclassified to profit or loss	546,726
2.1.1.	Gains (Losses) on Revaluation of Property, Plant and Equipment	226,695
2.1.2.	Gains (losses) on revaluation of Intangible Assets	-
2.1.3.	Gains (losses) on remeasurements of defined benefit plans	(13,278)
2.1.4.	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	408,438
2.1.5.	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(75,129)
2.2.	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(153,836)
2.2.1.	Exchange Differences on Translation	102,292
2.2.2.	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(185,557)
2.2.3.	Income (Loss) Related with Cash Flow Hedges	-
2.2.4.	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	(102,292)
2.2.5.	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-
2.2.6.	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	31,721
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	4,997,368

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

GAINS AND LOSSES RECOGNIZED IN EQUITY		Audited Prior Period January 1, 2017- December 31, 2017
I.	VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION	86,257
	DIFFERENCES OF MARKETABLE SECURITIES	
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	333
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-
IV.	CURRENCY TRANSLATION DIFFERENCES	(27,252)
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	88,820
IX.	DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(21,448)
X.	NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	126,710
XI.	CURRENT PERIOD'S PROFIT/(LOSS)	4,017,346
11.1	Change in fair value of securities (transfers to the statement of income)	(34,098)
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	4,051,444
XII.	TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)	4,144,056

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

STATEMENT OF CHANGES IN SHAREHOLDERS						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Audited	Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total SE without minority share	Minority interest	Total
Current Period December 31, 2018																	
I. Prior Period End Balance		2,500,000	724,269	-	80,404	1,046,956	(29,004)	56,141	-	(121,160)	-	14,805,097	3,881,265	-	22,943,968	677,103	23,621,071
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	161,636	-	-	506,602	-	668,238	-	668,238
2.1. Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	161,636	-	-	506,602	-	668,238	-	668,238
III. Adjusted Beginning Balance (I+II)		2,500,000	724,269	-	80,404	1,046,956	(29,004)	56,141	-	40,476	-	14,805,097	4,387,867	-	23,612,206	677,103	24,289,309
3.1. Total Comprehensive Income		-	-	-	-	171,176	(12,353)	383,241	102,292	(158,245)	(102,292)	-	-	4,544,278	4,928,097	69,271	4,997,368
3.2. Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3. Capital Increase by Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.4. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.5. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.6. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.7. Increase/Decrease by Other Changes		-	7	-	11,029	-	-	2,347	-	-	-	136	(189,743)	-	(176,224)	(4,700)	(180,924)
IV. Profit Distribution		-	-	-	-	-	-	-	-	-	-	3,645,698	(3,645,698)	-	-	-	-
4.1. Dividends paid	V-V-5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2. Transfers to Reserves	V-V-5	-	-	-	-	-	-	-	-	-	-	3,645,698	(3,645,698)	-	-	-	-
4.3. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		2,500,000	724,276	-	91,433	1,218,132	(41,357)	441,729	102,292	(117,769)	(102,292)	18,450,931	552,426	4,544,278	28,364,079	741,674	29,105,753

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

- Property & Equipment Revaluation Increase/Decrease
- Defined Benefit Pension Plan Remeasurement Gain/Loss
- Other (Accumulated Amount of the Shares Stated as Other Comprehensive Income Not Reclassified Through Profit or Loss and Components Not Reclassified as Other Profit or Loss of the Investments Valued by Equity Method)
- Translation Differences from Foreign Currency Transactions
- Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income
- Other (Cash Flow Hedge Income/Loss, Accumulated Amount of the Shares Stated as Other Comprehensive Income Reclassified Through Profit or Loss and Components Reclassified as Other Profit or Loss of the Investments Valued by Equity Method).

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

				Capital Reserves from Inflation	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	Revaluation Surp. On Assets Held for Sale and Assets of Discout. Op.s.	Shareholders' Equity before Minority Shares	Non- controlling Interest	Total Shareholders' Equity
Audited	Notes	Paid in Capital	Adjustments to Paid in Capital																
I.	Prior Period – December 31, 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
	Changes during the period																		
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation differences of the marketable securities	V-V-1	-	-	-	-	-	-	-	-	-	64,587	-	-	-	-	64,587	-	64,587
IV.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash flow hedges	V-V-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	(873)	-	-	-	(873)	7,065	6,192
VI.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	230	-	230	-	230
VIII.	Translation differences	V-V-3	-	-	-	-	-	-	(27,252)	-	-	-	-	-	-	-	(27,252)	-	(27,252)
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)	3,456	1,188	-	-	-	(32,452)	-	(32,452)
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		-	(3,511)	-	(584)	-	(1,128)	98,648	-	(37,192)	-	-	-	-	-	56,233	59,172	115,405
XVII.	Current period's net profit/loss		-	-	-	-	-	-	-	3,932,432	-	-	-	-	-	-	3,932,432	84,914	4,017,346
XVIII.	Profit distribution		-	-	-	273,652	-	2,282,692	20,048	-	(2,752,822)	-	49,444	-	-	-	(126,986)	(1,577)	(128,563)
18.1	Dividends		-	-	-	-	-	-	-	-	(120,000)	-	-	-	-	-	(120,000)	(8,563)	(128,563)
18.2	Transferred to reserves		-	-	-	273,652	-	2,282,692	20,048	-	(2,632,822)	-	49,444	-	-	-	(6,986)	6,986	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period	2,500, 000	-	724,269	-	1,709,855	6,337	12,438,139	698,253	3,932,432	(51,166)	(63,126)	1,046,956	3,913	-	-	22,945,862	677,103	23,622,965

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**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
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

	Notes	Audited Current Period December 31, 2018
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities		6,659,487
1.1.1 Interests received		29,483,430
1.1.2 Interests paid		(22,509,234)
1.1.3 Dividends received		13,223
1.1.4 Fee and commissions received		3,172,283
1.1.5 Other income		1,398,330
1.1.6 Collections from previously written-off loans and other receivables		3,407,258
1.1.7 Cash payments to personnel and service suppliers		(2,781,487)
1.1.8 Taxes paid		(1,352,171)
1.1.9 Other	V-VI-1	(4,172,145)
1.2 Changes in operating assets and liabilities		161,052
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(83,876)
1.2.2 Net increase (decrease) in due from banks		(3,598,120)
1.2.3 Net increase (decrease) in loans		(39,226,440)
1.2.4 Net increase (decrease) in other assets		(1,678,850)
1.2.5 Net increase (decrease) in bank deposits		(2,728,596)
1.2.6 Net increase (decrease) in other deposits		25,977,717
1.2.7 Net increase (decrease) in financial liabilities at fair value through profit or loss		-
1.2.8 Net increase (decrease) in funds borrowed		13,762,167
1.2.9 Net increase (decrease) in matured payables		-
1.2.10 Net increase (decrease) in other liabilities	V-VI-1	7,737,050
I. Net cash flow provided from banking operations		6,820,539
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities		(16,429,345)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(20,876)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures	V-VI-3	886
2.3 Cash paid for the purchase of tangible and intangible asset		(3,051,062)
2.4 Cash obtained from the sale of tangible and intangible asset		1,847,176
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(9,386,200)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		4,509,924
2.7 Cash paid for the purchase of financial assets at amortized cost		(11,162,210)
2.8 Cash obtained from sale of financial assets at amortized cost		841,350
2.9 Other	V-VI-1	(8,333)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities		9,803,419
3.1 Cash obtained from funds borrowed and securities issued		20,123,866
3.2 Cash outflow from funds borrowed and securities issued		(10,195,447)
3.3 Equity instruments issued		-
3.4 Dividends paid		(125,000)
3.5 Payments for finance lease liabilities		-
3.6 Other		-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	V-VI-1	256,824
V. Net increase/decrease in cash and cash equivalents		451,437
VI. Cash and cash equivalents at beginning of the period	V-VI-4	20,110,705
VII. Cash and cash equivalents at end of the period	V-VI-4	20,562,142

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

	Notes	Audited Prior Period December 31, 2017
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities		6,846,022
1.1.1 Interests received		20,390,595
1.1.2 Interests paid		(12,569,147)
1.1.3 Dividends received		17,865
1.1.4 Fee and commissions received		1,896,758
1.1.5 Other income		1,503,221
1.1.6 Collections from previously written-off loans and other receivables		1,378,167
1.1.7 Payments to personnel and service suppliers		(2,239,442)
1.1.8 Taxes paid		(813,686)
1.1.9 Other	V-VI-1	(2,718,309)
1.2 Changes in operating assets and liabilities		(502,403)
1.2.1 Net (increase) decrease in financial assets held for trading purpose		52,705
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		(4,638,887)
1.2.4 Net (increase) decrease in loans		(39,057,735)
1.2.5 Net (increase) decrease in other assets		(3,821,724)
1.2.6 Net increase (decrease) in bank deposits		4,631,612
1.2.7 Net increase (decrease) in other deposits		26,388,303
1.2.8 Net increase (decrease) in funds borrowed		4,868,590
1.2.9 Net increase (decrease) in matured payables		-
1.2.10 Net increase (decrease) in other liabilities	V-VI-1	11,074,733
I. Net cash flow from banking operations		6,343,619
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities		(2,727,581)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures	V-VI-3	232
2.3 Purchases of tangible assets		(171,566)
2.4 Proceeds from disposal of tangible assets		574,326
2.5 Cash paid for purchase of available-for-sale financial assets		(7,485,592)
2.6 Proceeds from disposal of available-for-sale financial assets		4,650,615
2.7 Cash paid for purchase of held-to-maturity investments		(2,423,358)
2.8 Proceeds from disposal of held-to-maturity investments		2,186,864
2.9 Other	V-VI-1	(59,102)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities		5,862,857
3.1 Cash obtained from funds borrowed and securities issued		16,823,204
3.2 Cash used for repayment of funds borrowed and securities issued		(10,831,784)
3.3 Equity instruments issued		-
3.4 Dividends paid		(128,563)
3.5 Repayments for finance leases		-
3.6 Other		-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	V-VI-1	(137,492)
V. Net increase in cash and cash equivalents		9,341,403
VI. Cash and cash equivalents at the beginning of the period	V-VI-4	12,421,404
VII. Cash and cash equivalents at the end of the period	V-VI-4	21,762,807

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

	Notes	Current Period December 31, 2018
I. DISTRIBUTION OF CURRENT YEAR PROFIT(**)		
1.1 CURRENT YEAR'S PROFIT		5,153,927
1.2 TAXES AND LEGAL DUTIES PAYABLE		(999,605)
1.2.1 Corporate tax (income tax)	V-IV-11	(745,141)
1.2.2 Withholding tax		-
1.2.3 Other taxes and duties (**)	V-IV-11	(254,464)
A. NET PROFIT FOR THE YEAR		4,154,322
1.3 DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES	V-IV-11	-
B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME		4,154,322
1.4 ACCUMULATED LOSSES		-
1.5 FIRST LEGAL RESERVES	V-V-5	-
1.6 OTHER STATUTORY RESERVES	V-V-5	-
C. NET PROFIT AVAILABLE FOR DISTRIBUTION(*)		-
1.7 FIRST DIVIDEND TO SHAREHOLDERS		-
1.7.1 To owners of ordinary shares		-
1.7.2 To owners of privileged shares		-
1.7.3 To owners of redeemed shares		-
1.7.4 To profit sharing bonds		-
1.7.5 To holders of profit and loss sharing certificates		-
1.8 DIVIDENDS TO PERSONNEL		-
1.9 DIVIDENDS TO BOARD OF DIRECTORS		-
1.10 SECOND DIVIDEND TO SHAREHOLDERS		-
1.10.1 To owners of ordinary shares		-
1.10.2 To owners of privileged shares		-
1.10.3 To owners of redeemed shares		-
1.10.4 To profit sharing bonds		-
1.10.5 To holders of profit and loss sharing certificates		-
1.11 SECOND LEGAL RESERVES		-
1.12 STATUS RESERVES		-
1.13 EXTRAORDINARY RESERVES	V-V-5	-
1.14 OTHER RESERVES		-
1.15 SPECIAL FUNDS	V-V-5	-
II. DISTRIBUTION FROM RESERVES		-
2.1 DISTRIBUTION OF RESERVES		-
2.2 SECOND LEGAL RESERVES		-
2.3 DIVIDENDS TO SHAREHOLDERS		-
2.3.1 To owners of ordinary shares		-
2.3.2 To owners of privileged shares		-
2.3.3 To owners of redeemed shares		-
2.3.4 To profit sharing bonds		-
2.3.5 To holders of profit and loss sharing certificates		-
2.4 DIVIDENDS TO PERSONNEL		-
2.5 DIVIDENDS TO BOARD OF DIRECTORS		-
III. EARNINGS PER SHARE		-
3.1 TO OWNERS OF ORDINARY SHARES (Earning per 100 shares)		1.6617
3.2 TO OWNERS OF ORDINARY SHARES (%)		166.17
3.3 TO OWNERS OF PRIVILEGED SHARES		-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)		-
IV. DIVIDEND PER SHARE		-
4.1 TO OWNERS OF ORDINARY SHARES		-
4.2 TO OWNERS OF ORDINARY SHARES (%)		-
4.3 TO OWNERS OF PRIVILEGED SHARES		-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)		-

(*) As of the report date, distributable net profit of the period is not shown as any decision regarding the 2018 profit distribution is not taken.

(**) The amount shown in other taxes and legal liabilities is deferred income/expense tax, and deferred tax income is not subject to profit distribution.

(***) The profit distribution is based on the non-consolidated financial statements of the Parent Bank.

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

	Notes	Prior Period December 31, 2017
I. DISTRIBUTION OF CURRENT YEAR PROFIT^(**)		
1.1 CURRENT YEAR'S PROFIT		4,675,132
1.2 TAXES AND LEGAL DUTIES PAYABLE		(951,749)
1.2.1 Corporate tax (income tax)	V-IV-11	(792,677)
1.2.2 Withholding tax		-
1.2.3 Other taxes and duties (*)	V-IV-11	(159,072)
A. NET PROFIT FOR THE YEAR		3,723,383
1.3 DEFERRED TAX INCOME TRANSFERRED TO OTHER RESERVES	V-IV-11	-
B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME		3,723,383
1.4 ACCUMULATED LOSSES		-
1.5 FIRST LEGAL RESERVES	V-V-5	186,169
1.6 OTHER STATUTORY RESERVES	V-V-5	186,169
C. NET PROFIT AVAILABLE FOR DISTRIBUTION		3,351,045
1.7 FIRST DIVIDEND TO SHAREHOLDERS		125,000
1.7.1 To owners of ordinary shares		125,000
1.7.2 To owners of privileged shares		-
1.7.3 To owners of redeemed shares		-
1.7.4 To profit sharing bonds		-
1.7.5 To holders of profit and loss sharing certificates		-
1.8 DIVIDENDS TO PERSONNEL		-
1.9 DIVIDENDS TO BOARD OF DIRECTORS		-
1.10 SECOND DIVIDEND TO SHAREHOLDERS		-
1.10.1 To owners of ordinary shares		-
1.10.2 To owners of privileged shares		-
1.10.3 To owners of redeemed shares		-
1.10.4 To profit sharing bonds		-
1.10.5 To holders of profit and loss sharing certificates		-
1.11 SECOND LEGAL RESERVES		-
1.12 STATUS RESERVES		-
1.13 EXTRAORDINARY RESERVES	V-V-5	3,196,380
1.14 OTHER RESERVES		-
1.15 SPECIAL FUNDS	V-V-5	29,665
II. DISTRIBUTION FROM RESERVES		-
2.1 DISTRIBUTION OF RESERVES		-
2.2 SECOND LEGAL RESERVES		-
2.3 DIVIDENDS TO SHAREHOLDERS		-
2.3.1 To owners of ordinary shares		-
2.3.2 To owners of privileged shares		-
2.3.3 To owners of redeemed shares		-
2.3.4 To profit sharing bonds		-
2.3.5 To holders of profit and loss sharing certificates		-
2.4 DIVIDENDS TO PERSONNEL		-
2.5 DIVIDENDS TO BOARD OF DIRECTORS		-
III. EARNINGS PER SHARE		-
3.1 TO OWNERS OF ORDINARY SHARES (Earning per 100 shares)		1.4894
3.2 TO OWNERS OF ORDINARY SHARES (%)		148.94
3.3 TO OWNERS OF PRIVILEGED SHARES		-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)		-
IV. DIVIDEND PER SHARE		-
4.1 TO OWNERS OF ORDINARY SHARES		-
4.2 TO OWNERS OF ORDINARY SHARES (%)		-
4.3 TO OWNERS OF PRIVILEGED SHARES		-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)		-

(*) The amount shown in other taxes and legal liabilities is deferred income/expense tax, and deferred tax income is not subject to profit distribution.

(**) The profit distribution is based on the non-consolidated financial statements of the Parent Bank.

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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