

**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, 2019**

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

ASSETS	Notes	Audited Current Period December 31, 2019			Audited Prior Period December 31, 2018		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		23,839,465	51,504,253	75,343,718	17,935,560	36,769,530	54,705,090
1.1 Cash and cash equivalents	V-I-1	2,399,213	40,329,046	42,728,259	6,029,366	33,165,402	39,194,768
1.1.1 Cash and balances at Central Bank	V-I-1	2,387,874	34,116,718	36,504,592	5,466,368	27,025,089	32,491,457
1.1.2 Banks	V-I-3	6,120	6,212,378	6,218,498	563,482	6,140,626	6,704,108
1.1.3 Receivables from Money Markets		14,535	-	14,535	6,839	-	6,839
1.1.4 Allowance for expected credit losses (-)	V-I-18	9,316	50	9,366	7,323	313	7,636
1.2 Financial assets at fair value through profit or loss	V-I-2	178,298	2,129,634	2,307,932	147,706	76,799	224,505
1.2.1 Public debt securities		198	2,017,593	2,017,791	3,131	7,033	10,164
1.2.2 Equity instruments		173,286	112,041	285,327	2,914	69,766	72,680
1.2.3 Other financial assets		4,814	-	4,814	141,661	-	141,661
1.3 Financial assets at fair value through other comprehensive income	V-I-4	17,673,354	8,126,945	25,800,299	7,727,407	3,145,027	10,872,434
1.3.1 Public debt securities		17,089,209	7,011,397	24,100,606	7,662,348	2,161,026	9,823,374
1.3.2 Equity instruments		14,131	3,924	18,055	-	3,451	3,451
1.3.3 Other financial assets		570,014	1,111,624	1,681,638	65,059	980,550	1,045,609
1.4 Derivative financial assets	V-I-2	3,588,600	918,628	4,507,228	4,031,081	382,302	4,413,383
1.4.1 Derivative financial assets at fair value through profit or loss		3,588,600	918,628	4,507,228	4,031,081	382,302	4,413,383
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST		224,392,334	106,479,466	330,871,800	175,129,227	93,496,819	268,626,046
2.1 Loans	V-I-5	202,068,252	92,213,963	294,282,215	150,765,467	83,697,409	234,462,876
2.2 Receivables from leasing transactions	V-I-10	696,678	2,077,438	2,774,116	528,938	2,252,664	2,781,602
2.3 Factoring receivables		2,504,062	369,208	2,873,270	2,537,604	97,705	2,635,309
2.4 Financial assets measured at amortised cost	V-I-6	35,004,414	12,010,219	47,014,633	32,377,288	7,603,222	39,980,510
2.4.1 Public debt securities		34,945,546	11,700,580	46,646,126	32,326,808	7,413,026	39,739,834
2.4.2 Other financial assets		58,868	309,639	368,507	50,480	190,196	240,676
2.5 Allowance for expected credit losses (-)		15,881,072	191,362	16,072,434	11,080,070	154,181	11,234,251
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	V-I-16	7,240,607	456,388	7,696,995	1,568,113	-	1,568,113
3.1 Held for sale purpose		7,240,607	456,388	7,696,995	1,568,113	-	1,568,113
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		1,481,250	3	1,481,253	1,125,286	3	1,125,289
4.1 Investments in associates (Net)	V-I-7	1,138,780	3	1,138,783	805,406	3	805,409
4.1.1 Associates accounted by using equity method		447,762	-	447,762	363,641	-	363,641
4.1.2 Non-consolidated associates		691,018	3	691,021	441,765	3	441,768
4.2 Investments in subsidiaries (Net)	V-I-8	342,470	-	342,470	319,880	-	319,880
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		342,470	-	342,470	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. PROPERTY AND EQUIPMENT (Net)	V-I-12	3,029,550	11,417	3,040,967	2,832,630	11,876	2,844,506
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	V-I-13	237,755	304	238,059	286,176	335	286,511
6.1 Goodwill		14,631	-	14,631	14,631	-	14,631
6.2 Other		223,124	304	223,428	271,545	335	271,880
VII. INVESTMENT PROPERTIES (Net)	V-I-14	608,990	-	608,990	607,400	-	607,400
VIII. CURRENT TAX ASSETS	V-I-15	-	-	-	2	-	2
IX. DEFERRED TAX ASSETS	V-I-15	801,616	-	801,616	188,968	-	188,968
X. OTHER ASSETS	V-I-17	5,328,857	7,628,874	12,957,731	6,064,575	8,621,960	14,686,535
TOTAL ASSETS		266,960,424	166,080,705	433,041,129	205,737,937	138,900,523	344,638,460

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 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2019**

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

LIABILITIES AND EQUITY	Notes	Audited Current Period December 31, 2019			Audited Prior Period December 31, 2018		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	142,276,343	111,854,405	254,130,748	108,319,277	74,156,432	182,475,709
II. BORROWINGS	V-II-3	2,286,766	42,776,918	45,063,684	2,639,581	42,793,276	45,432,857
III. MONEY MARKET FUNDS		19,825,274	5,598,794	25,424,068	26,863,700	2,260,172	29,123,872
IV. MARKETABLE SECURITIES (Net)	V-II-3	11,792,577	17,455,479	29,248,056	8,111,583	14,660,908	22,772,491
4.1 Bills		6,494,825	-	6,494,825	4,319,247	-	4,319,247
4.2 Asset backed securities		-	-	-	62,960	-	62,960
4.3 Bonds		5,297,752	17,455,479	22,753,231	3,729,376	14,660,908	18,390,284
V. FUNDS		3,053	-	3,053	3,054	-	3,054
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,053	-	3,053	3,054	-	3,054
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	2,226,099	1,085,898	3,311,997	2,121,617	430,631	2,552,248
7.1 Derivative financial liabilities at fair value through profit or loss		2,226,099	1,085,898	3,311,997	2,121,617	430,631	2,552,248
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		1,823	549	2,372	903	-	903
IX. LEASE PAYABLES	V-II-5	935,839	99	935,938	-	-	-
X. PROVISIONS	V-II-7	2,219,860	39,067	2,258,927	5,783,951	44,704	5,828,655
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		1,153,968	3,997	1,157,965	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		1,065,892	35,070	1,100,962	1,270,632	22,843	1,293,475
XI. CURRENT TAX LIABILITIES	V-II-8	1,138,988	3,003	1,141,991	855,863	1,301	857,164
XII. DEFERRED TAX LIABILITIES	V-II-8	1,232	30,758	31,990	31,040	681	31,721
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	V-II-9	5,018,668	353,532	5,372,200	1,546	-	1,546
13.1 Held for sale		5,018,668	353,532	5,372,200	1,546	-	1,546
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-10	6,394,877	12,850,576	19,245,453	5,668,121	7,353,902	13,022,023
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		6,394,877	12,850,576	19,245,453	5,668,121	7,353,902	13,022,023
XV. OTHER LIABILITIES	V-II-4	9,705,538	3,612,824	13,318,362	7,926,529	5,503,935	13,430,464
XVI. SHAREHOLDERS' EQUITY	V-II-11	32,573,508	978,782	33,552,290	28,533,753	572,000	29,105,753
16.1 Paid-in capital	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital reserves		839,941	-	839,941	815,709	-	815,709
16.2.1 Equity share premiums		723,962	-	723,962	724,276	-	724,276
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		115,979	-	115,979	91,433	-	91,433
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		1,659,676	-	1,659,676	1,617,926	578	1,618,504
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		561,289	682,614	1,243,903	(126,314)	213,595	87,281
16.5 Profit reserves		23,057,072	200,064	23,257,136	18,226,208	19,673	18,245,881
16.5.1 Legal reserves		2,538,782	10,669	2,549,451	2,079,765	10,669	2,090,434
16.5.2 Statutory reserves		6,337	-	6,337	6,337	-	6,337
16.5.3 Extraordinary reserves		20,061,308	185,780	20,247,088	15,689,472	5,389	15,694,861
16.5.4 Other profit reserves		450,645	3,615	454,260	450,634	3,615	454,249
16.6 Profit or loss		3,134,638	45,862	3,180,500	4,850,989	245,715	5,096,704
16.6.1 Prior years' profits or losses		(148,390)	(40,469)	(188,859)	440,987	111,439	552,426
16.6.2 Current period net profit or loss		3,283,028	86,331	3,369,359	4,410,002	134,276	4,544,278
16.7 Minority interests		820,892	50,242	871,134	649,235	92,439	741,674
TOTAL LIABILITIES AND EQUITY		236,400,445	196,640,684	433,041,129	196,860,518	147,777,942	344,638,460

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

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IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED OFF-BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2019**

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

	Notes	Audited Current Period December 31, 2019			Audited Prior Period December 31, 2018		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		130,858,298	206,289,254	337,147,552	96,501,074	145,965,409	242,466,483
I. GUARANTEES AND SURETIES	V-III-2	38,069,926	40,210,391	78,280,317	37,626,296	28,402,701	66,028,997
1.1. Letters of guarantee	V-III-1	37,379,041	21,625,025	59,004,066	36,896,905	15,055,991	51,952,896
1.1.1. Guarantees subject to State Tender Law		2,904,236	7,080,944	9,985,180	3,807,039	5,902,336	9,709,375
1.1.2. Guarantees given for foreign trade operations		1,322,033	-	1,322,033	1,314,771	-	1,314,771
1.1.3. Other letters of guarantee		33,152,772	14,544,081	47,696,853	31,775,095	9,153,655	40,928,750
1.2. Bank acceptances		7,842	4,574,992	4,582,834	24,005	2,948,104	2,972,109
1.2.1. Import letter of acceptance		-	220,683	220,683	-	586,987	586,987
1.2.2. Other bank acceptances		7,842	4,354,309	4,362,151	24,005	2,361,117	2,385,122
1.3. Letters of credit	V-III-4	141,830	13,590,815	13,732,645	51,010	10,148,777	10,199,787
1.3.1. Documentary letters of credit		141,830	13,590,815	13,732,645	51,010	10,148,777	10,199,787
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Pre-financing given as guarantee		-	4,736	4,736	-	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		324,144	142,897	467,041	243,674	127,759	371,433
1.8. Other guarantees		51,444	49,964	101,408	58,309	38,904	97,213
1.9. Other warranties		165,625	221,962	387,587	352,393	78,967	431,360
II. COMMITMENTS		50,408,925	32,589,509	82,998,434	38,193,153	27,235,343	65,428,496
2.1. Irrevocable commitments	V-III-1	43,325,448	5,794,937	49,120,385	33,843,142	2,631,960	36,475,102
2.1.1. Asset purchase and sales commitments	V-III-1	2,407,191	5,561,794	7,968,985	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		7,500	-	7,500	2,250	-	2,250
2.1.4. Loan granting commitments	V-III-1	18,076,739	2,340	18,079,079	14,103,024	2,325	14,105,349
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for checks payment	V-III-1	3,528,150	-	3,528,150	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	17,293,741	-	17,293,741	13,549,649	-	13,549,649
2.1.10. Commitments for credit cards and banking services promotions		484,519	-	484,519	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		1,527,608	230,803	1,758,411	2,136,093	377,008	2,513,101
2.2. Revocable commitments		7,083,477	26,794,572	33,878,049	4,350,011	24,603,383	28,953,394
2.2.1. Revocable loan granting commitments		7,083,477	26,794,572	33,878,049	4,350,011	24,603,383	28,953,394
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	V-III-5	42,379,447	133,489,354	175,868,801	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		42,379,447	133,489,354	175,868,801	20,681,625	90,327,365	111,008,990
3.2.1. Forward foreign currency purchase and sale transactions		2,320,043	2,217,584	4,537,627	1,201,285	1,543,434	2,744,719
3.2.1.1. Forward foreign currency purchase transactions		1,163,458	1,109,150	2,272,608	602,318	771,805	1,374,123
3.2.2.2. Forward foreign currency sales		1,156,585	1,108,434	2,265,019	598,967	771,629	1,370,596
3.2.2. Currency and interest rate swaps		30,978,513	115,422,998	146,401,511	13,620,376	74,478,250	88,098,626
3.2.2.1. Currency swap purchase transactions		1,781,342	38,137,242	39,918,584	2,515,004	20,334,407	22,849,411
3.2.2.2. Currency swap sale transactions		25,527,171	14,629,740	40,156,911	7,805,372	10,611,535	18,416,907
3.2.2.3. Interest rate swap purchase transactions		1,835,000	31,328,008	33,163,008	1,650,000	21,766,154	23,416,154
3.2.2.4. Interest rate swap sale transactions		1,835,000	31,328,008	33,163,008	1,650,000	21,766,154	23,416,154
3.2.3. Currency, interest rate and security options		576,987	759,416	1,336,403	697,904	1,784,623	2,482,527
3.2.3.1. Currency purchase options		367,787	294,076	661,863	349,778	865,498	1,215,276
3.2.3.2. Currency sale options		209,200	465,340	674,540	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		8,503,904	15,089,356	23,593,260	5,162,060	12,521,058	17,683,118
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		2,297,605,505	1,578,274,516	3,875,880,021	1,560,609,530	1,221,238,103	2,781,847,633
IV. ITEMS HELD IN CUSTODY		76,566,563	15,168,557	91,735,120	54,906,337	7,564,236	62,470,573
4.1. Assets under management		2,113,691	-	2,113,691	1,907,458	-	1,907,458
4.2. Securities held in custody		57,617,522	5,230,911	62,848,433	37,070,534	395,353	37,465,887
4.3. Checks received for collection		8,743,308	1,190,464	9,933,772	9,579,919	1,224,880	10,804,799
4.4. Commercial notes received for collection		6,704,176	1,084,425	7,788,601	4,883,607	1,301,631	6,185,238
4.5. Other assets received for collection		2,152	238	2,390	2,152	211	2,363
4.6. Securities received for public offering		-	-	-	-	-	-
4.7. Other items under custody		204,705	4,909,862	5,114,567	114,532	3,066,202	3,180,734
4.8. Custodians		1,181,009	2,752,657	3,933,666	1,348,135	1,575,959	2,924,094
V. PLEDGED ITEMS		775,988,471	242,582,316	1,018,570,787	428,113,720	204,235,157	632,348,877
5.1. Marketable securities		299,466	44,434	343,900	355,159	9,824	364,983
5.2. Guarantee notes		837,716	1,783,494	2,621,210	684,888	1,135,561	1,820,569
5.3. Commodity		106,248,275	2,762,344	109,010,619	32,405,583	1,711,768	34,117,351
5.4. Warrant		-	-	-	-	-	-
5.5. Immovables		552,289,678	193,747,833	746,037,511	341,011,234	163,744,146	504,755,380
5.6. Other pledged items		115,697,559	44,107,197	159,804,756	52,811,517	37,364,638	90,176,155
5.7. Depositories receiving pledged items		615,777	137,014	752,791	845,339	269,100	1,114,439
VI. ACCEPTED GUARANTEES AND WARRANTS		1,445,050,471	1,320,523,643	2,765,574,114	1,077,589,473	1,009,438,710	2,087,028,183
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		2,428,463,803	1,784,563,770	4,213,027,573	1,657,110,604	1,367,203,512	3,024,314,116

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

	Notes	Audited Current Period January 1, 2019- December 31, 2019	Audited Prior Period January 1, 2018- December 31, 2018
I. INTEREST INCOME	V-IV-1	43,070,830	34,957,243
1.1 Interest on loans	V-IV-1	35,176,932	27,902,523
1.2 Interest received from reserve deposits		295,226	389,604
1.3 Interest received from banks	V-IV-1	281,479	329,852
1.4 Interest received from money market transactions		4,532	20,725
1.5 Interest received from marketable securities portfolio	V-IV-1	7,045,289	6,090,312
1.5.1 Financial assets at fair value through profit or loss		111,381	15,143
1.5.2 Financial assets at fair value through other comprehensive income		2,211,420	1,051,007
1.5.3 Financial assets measured at amortised cost		4,722,488	5,024,162
1.6 Finance lease interest income		234,637	200,059
1.7 Other interest income		32,735	24,168
II. INTEREST EXPENSES	V-IV-2	29,275,576	23,529,737
2.1 Interest on deposits	V-IV-2	17,967,936	15,537,418
2.2 Interest on funds borrowed	V-IV-2	1,810,958	1,599,774
2.3 Interest on money market transactions		5,140,630	3,557,193
2.4 Interest on securities issued	V-IV-2	4,150,779	2,795,960
2.5 Leasing interest income		156,346	-
2.6 Other interest expenses		48,927	39,392
III. NET INTEREST INCOME/EXPENSE (I - II)		13,795,254	11,427,506
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		3,399,115	2,151,048
4.1 Fees and commissions received		4,517,283	3,114,751
4.1.1 Non-cash loans		715,981	479,388
4.1.2 Other		3,801,302	2,635,363
4.2 Fees and commissions paid		1,118,168	963,703
4.2.1 Non-cash loans		8,387	5,854
4.2.2 Other		1,109,781	957,849
V. DIVIDEND INCOME	V-IV-3	8,682	50,011
VI. TRADING PROFIT/LOSS (Net)	V-IV-4	(2,496,541)	822,830
6.1 Profit/losses from capital market transactions	V-IV-4	499,899	158,123
6.2 Profit/losses from derivative financial transactions	V-IV-4	(3,660,970)	271,057
6.3 Foreign exchange profit/losses	V-IV-4	664,530	393,650
VII. OTHER OPERATING INCOME	V-IV-5	6,581,012	3,945,443
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		21,287,522	18,396,838
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-6	8,356,813	4,508,666
X. OTHER PROVISION EXPENSES (-)	V-IV-6	138,349	596,831
XI. PERSONNEL EXPENSES (-)		3,141,000	2,452,360
XII. OTHER OPERATING EXPENSES (-)	V-IV-7	5,213,200	5,205,784
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		4,438,160	5,633,197
XIV. SURPLUS WRITTEN AS GAIN		-	-
AFTER MERGER			
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		61,872	56,576
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-8	4,500,032	5,689,773
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-9	(991,203)	(1,085,295)
18.1 Current tax provision		(1,873,816)	(840,854)
18.2 Expense effect of deferred tax (+)		(1,104,237)	(1,436,804)
18.3 Income effect of deferred tax (-)		1,986,850	1,192,363
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	V-IV-10	3,508,829	4,604,478
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from assets held for sale		-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3 Other income from discontinued operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses on assets held for sale		-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3 Other expenses from discontinued operations		-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1 Current tax provision		-	-
23.2 Expense effect of deferred tax (+)		-	-
23.3 Income effect of deferred tax (-)		-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV. NET PROFIT/LOSSES (XIX+XXIV)	V-IV-12	3,508,829	4,604,478
25.1 Equity holders of the Bank		3,369,359	4,544,278
25.2 Non-controlling interest (-)	V-IV-13	139,470	60,200
Profit/Loss per 100 shares (full TL)	III-XXIV	1,3477	1.8177

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

	Audited Current Period January 1, 2019- December 31, 2019	Audited Prior Period January 1, 2018- December 31, 2018
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. PROFIT (LOSS)	3,508,829	4,604,478
II. OTHER COMPREHENSIVE INCOME	1,071,845	392,890
2.1. Other comprehensive income that will not be reclassified to profit or loss	(84,199)	546,726
2.1.1. Gains (Losses) on Revaluation of Property, Plant and Equipment	(354,408)	226,695
2.1.2. Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3. Gains (losses) on remeasurements of defined benefit plans	(75,694)	(13,278)
2.1.4. Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	207,492	408,438
2.1.5. Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	138,411	(75,129)
2.2. Other Comprehensive Income That Will Be Reclassified to Profit or Loss	1,156,044	(153,836)
2.2.1. Exchange Differences on Translation	100,132	102,292
2.2.2. Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	1,231,273	(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	58,934	(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	(234,295)	31,721
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	4,580,674	4,997,368

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 SHAREHOLDERS' EQUITY
FOR YEAR ENDED DECEMBER 31, 2019**

(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, 2019																	
I.	Prior Period End Balance	2,500,000	724,276	-	91,433	1,218,132	(41,357)	441,729	307,342	(117,769)	(102,292)	18,245,881	5,096,704	-	28,364,079	741,674	29,105,753
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	2,500,000	724,276	-	91,433	1,218,132	(41,357)	441,729	307,342	(117,769)	(102,292)	18,245,881	5,096,704	-	28,364,079	741,674	29,105,753
3.1.	Total Comprehensive Income	-	-	-	-	(149,980)	(64,615)	255,767	100,132	997,556	58,934	-	-	3,369,359	4,567,153	13,521	4,580,674
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	-	(314)	-	24,546	-	-	-	-	-	-	288,213	(562,521)	-	(250,076)	115,939	(134,137)
IV.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	4,723,042	(4,723,042)	-	-	-	-
4.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	4,723,042	(4,723,042)	-	-	-	-
4.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		2,500,000	723,962	-	115,979	1,068,152	(105,972)	697,496	407,474	879,787	(43,358)	23,257,136	(188,859)	3,369,359	32,681,156	871,134	33,552,290

1. Property & Equipment Revaluation Increase/Decrease
2. Defined Benefit Pension Plan Remeasurement Gain/Loss
3. 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)
4. Translation Differences from Foreign Currency Transactions
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income
6. 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 SHAREHOLDERS' EQUITY
FOR YEAR ENDED DECEMBER 31, 2019**

(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			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total SE without minority share	Minority Interest	Total
Audited	Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6						
Prior 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	307,342	(158,245)	(102,292)	(205,050)	-	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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	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	307,342	(117,769)	(102,292)	18,245,881	552,426	4,544,278	28,364,079	741,674	29,105,753

1. Property & Equipment Revaluation Increase/Decrease
2. Defined Benefit Pension Plan Remeasurement Gain/Loss
3. 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)
4. Translation Differences from Foreign Currency Transactions
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income
6. 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 IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

	Notes	Audited Current Period December 31, 2019	Audited Prior Period December 31, 2018
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		4,227,641	6,659,487
1.1.1 Interests received		38,572,024	29,483,430
1.1.2 Interests paid		(29,315,375)	(22,509,234)
1.1.3 Dividends received		8,058	13,223
1.1.4 Fee and commissions received		4,900,049	3,172,283
1.1.5 Other income		1,436,108	1,398,330
1.1.6 Collections from previously written-off loans and other receivables		2,588,979	3,407,258
1.1.7 Cash payments to personnel and service suppliers		(3,421,139)	(2,781,487)
1.1.8 Taxes paid		(2,611,647)	(1,352,171)
1.1.9 Other	V-VI-1	(7,929,416)	(4,172,145)
1.2 Changes in operating assets and liabilities		9,311,696	978,410
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(2,483,456)	(83,876)
1.2.2 Net increase (decrease) in due from banks		5,186,759	(2,780,762)
1.2.3 Net increase (decrease) in loans		(58,002,787)	(39,226,440)
1.2.4 Net increase (decrease) in other assets		(3,704,373)	(1,678,850)
1.2.5 Net increase (decrease) in bank deposits		3,467,320	(2,728,596)
1.2.6 Net increase (decrease) in other deposits		68,765,791	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		(232,410)	13,762,167
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	V-VI-1	(3,685,148)	7,737,050
I. Net cash flow provided from banking operations		13,539,337	7,637,897
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(16,208,303)	(16,429,345)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(181,576)	(20,876)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures	V-VI-3	1,342	886
2.3 Cash paid for the purchase of tangible and intangible asset		(446,485)	(3,051,062)
2.4 Cash obtained from the sale of tangible and intangible asset		617,688	1,847,176
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(23,053,852)	(9,386,200)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		11,743,882	4,509,924
2.7 Cash paid for the purchase of financial assets at amortized cost		(6,514,751)	(11,162,210)
2.8 Cash obtained from sale of financial assets at amortized cost		1,664,238	841,350
2.9 Other	V-VI-1	(38,789)	(8,333)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		11,836,288	9,803,419
3.1 Cash obtained from funds borrowed and securities issued		31,528,262	20,123,866
3.2 Cash outflow from funds borrowed and securities issued		(19,336,122)	(10,195,447)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	(125,000)
3.5 Payments for lease liabilities		(355,852)	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	V-VI-1	545,639	256,824
V. Net increase/decrease in cash and cash equivalents		9,712,961	1,268,795
VI. Cash and cash equivalents at beginning of the period	V-VI-4	21,379,500	20,110,705
VII. Cash and cash equivalents at end of the period	V-VI-4	31,092,461	21,379,500

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 IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

	Notes	Audited Current Period December 31, 2019	Audited Prior Period December 31, 2018
I. DISTRIBUTION OF CURRENT YEAR PROFIT			
1.1 CURRENT YEAR'S PROFIT		3,612,583	5,153,927
1.2 TAXES AND LEGAL DUTIES PAYABLE		(810,292)	(999,605)
1.2.1 Corporate tax (income tax)	V-IV-11	(1,715,496)	(745,141)
1.2.2 Withholding tax		-	-
1.2.3 Other taxes and duties (**)	V-IV-11	905,204	(254,464)
A. NET PROFIT FOR THE YEAR		2,802,291	4,154,322
1.3 ACCUMULATED LOSSES		-	-
1.4 FIRST LEGAL RESERVES	V-V-5	-	207,716
1.5 OTHER STATUTORY RESERVES	V-V-5	-	207,716
B. NET PROFIT AVAILABLE FOR DISTRIBUTION^(*)		-	3,738,890
1.6 FIRST DIVIDEND TO SHAREHOLDERS		-	-
1.6.1 To owners of ordinary shares		-	-
1.6.2 To owners of privileged shares		-	-
1.6.3 To owners of redeemed shares		-	-
1.6.4 To profit sharing bonds		-	-
1.6.5 To holders of profit and loss sharing certificates		-	-
1.7 DIVIDENDS TO PERSONNEL		-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS		-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS		-	-
1.9.1 To owners of ordinary shares		-	-
1.9.2 To owners of privileged shares		-	-
1.9.3 To owners of redeemed shares		-	-
1.9.4 To profit sharing bonds		-	-
1.9.5 To holders of profit and loss sharing certificates		-	-
1.10 SECOND LEGAL RESERVES		-	-
1.11 STATUS RESERVES		-	-
1.12 EXTRAORDINARY RESERVES	V-V-5	-	3,727,711
1.13 OTHER RESERVES		-	-
1.14 SPECIAL FUNDS	V-V-5	-	11,179
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)		1.1209	1.6617
3.2 TO OWNERS OF ORDINARY SHARES (%)		112.09	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 2019 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 accompanying explanations and notes form an integral part of these consolidated financial statements