

**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 AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2020**

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

ASSETS	Notes	Current Period December 31, 2020			Prior Period December 31, 2019		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		53,386,866	143,243,468	196,630,334	23,839,465	51,504,253	75,343,718
1.1 Cash and cash equivalents	V-I-1	14,925,286	81,577,857	96,503,143	2,399,213	40,329,046	42,728,259
1.1.1 Cash and balances at Central Bank	V-I-1	14,662,490	78,544,752	93,207,242	2,387,874	34,116,718	36,504,592
1.1.2 Banks	V-I-3	58,997	3,033,183	3,092,180	6,120	6,212,378	6,218,498
1.1.3 Receivables from Money Markets		206,589	-	206,589	14,535	-	14,535
1.1.4 Allowance for expected credit losses (-)	V-I-18	2,790	78	2,868	9,316	50	9,366
1.2 Financial assets at fair value through profit or loss	V-I-2	297,243	7,161,038	7,458,281	178,298	2,129,634	2,307,932
1.2.1 Public debt securities		110,576	7,000,000	7,110,576	198	2,017,593	2,017,791
1.2.2 Equity instruments		170,609	161,038	331,647	173,286	112,041	285,327
1.2.3 Other financial assets		16,058	-	16,058	4,814	-	4,814
1.3 Financial assets at fair value through other comprehensive income	V-I-4	31,026,129	52,901,796	83,927,925	17,673,354	8,126,945	25,800,299
1.3.1 Public debt securities		30,422,704	51,083,898	81,506,602	17,089,209	7,011,397	24,100,606
1.3.2 Equity instruments		14,131	4,028	18,159	14,131	3,924	18,055
1.3.3 Other financial assets		589,294	1,813,870	2,403,164	570,014	1,111,624	1,681,638
1.4 Derivative financial assets	V-I-2	7,138,208	1,602,777	8,740,985	3,588,600	918,628	4,507,228
1.4.1 Derivative financial assets at fair value through profit or loss		7,138,208	1,602,777	8,740,985	3,588,600	918,628	4,507,228
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		343,944,228	142,525,708	486,469,936	224,392,334	106,479,466	330,871,800
2.1 Loans	V-I-5	315,239,878	125,612,148	440,852,026	202,068,252	92,213,963	294,282,215
2.2 Receivables from leasing transactions	V-I-10	903,110	2,367,900	3,271,010	696,678	2,077,438	2,774,116
2.3 Factoring receivables		5,481,094	270,646	5,751,740	2,504,062	369,208	2,873,270
2.4 Other financial assets measured at amortised cost	V-I-6	44,218,605	14,528,647	58,747,252	35,004,414	12,010,219	47,014,633
2.4.1 Public debt securities		44,159,655	14,342,399	58,502,054	34,945,546	11,700,580	46,646,126
2.4.2 Other financial assets		58,950	186,248	245,198	58,868	309,639	368,507
2.5 Allowance for expected credit losses (-)		21,898,459	253,633	22,152,092	15,881,072	191,362	16,072,434
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"	V-I-16	1,256,254	-	1,256,254	7,240,607	456,388	7,696,995
3.1 Held for sale purpose		1,256,254	-	1,256,254	7,240,607	456,388	7,696,995
3.2 Related to discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		1,883,825	3	1,883,828	1,481,250	3	1,481,253
4.1 Investments in associates (Net)	V-I-7	1,495,974	3	1,495,977	1,138,780	3	1,138,783
4.1.1 Associates accounted by using equity method		530,191	-	530,191	447,762	-	447,762
4.1.2 Unconsolidated associates		965,783	3	965,786	691,018	3	691,021
4.2 Investments in subsidiaries (Net)	V-I-8	387,851	-	387,851	342,470	-	342,470
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		387,851	-	387,851	342,470	-	342,470
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	4,882,144	14,266	4,896,410	3,029,550	11,417	3,040,967
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	V-I-13	273,776	348	274,124	237,755	304	238,059
6.1 Goodwill		14,631	-	14,631	14,631	-	14,631
6.2 Other		259,145	348	259,493	223,124	304	223,428
VII. INVESTMENT PROPERTIES (Net)	V-I-14	502,143	-	502,143	608,990	-	608,990
VIII. CURRENT TAX ASSETS		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	V-I-15	1,234,832	-	1,234,832	801,616	-	801,616
X. OTHER ASSETS	V-I-17	8,005,234	10,937,422	18,942,656	5,328,857	7,628,874	12,957,731
TOTAL ASSETS		415,369,302	296,721,215	712,090,517	266,960,424	166,080,705	433,041,129

The accompanying explanations and notes form an integral part of these consolidated 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 AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT DECEMBER 31, 2020**

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

	Notes	Current Period December 31, 2020			Prior Period December 31, 2019		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	214,241,507	203,280,375	417,521,882	142,276,343	111,854,405	254,130,748
II. BORROWINGS	V-II-3	2,450,296	49,238,699	51,688,995	2,286,766	42,776,918	45,063,684
III. MONEY MARKET FUNDS		79,758,688	21,553,517	101,312,205	19,825,274	5,598,794	25,424,068
IV. MARKETABLE SECURITIES ISSUED (Net)	V-II-3	11,262,156	34,892,367	46,154,523	11,792,577	17,455,479	29,248,056
4.1 Bills		5,960,553	2,188,163	8,148,716	6,494,825	-	6,494,825
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		5,301,603	32,704,204	38,005,807	5,297,752	17,455,479	22,753,231
V. FUNDS		3,053	-	3,053	3,053	-	3,053
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,053	-	3,053	3,053	-	3,053
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	4,061,171	2,022,130	6,083,301	2,226,099	1,085,898	3,311,997
7.1 Derivative financial liabilities at fair value through profit or loss		4,061,171	2,022,130	6,083,301	2,226,099	1,085,898	3,311,997
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		672	-	672	1,823	549	2,372
IX. LEASE PAYABLES (Net)	V-II-5	978,735	-	978,735	935,839	99	935,938
X. PROVISIONS	V-II-7	2,980,102	70,295	3,050,397	2,219,860	39,067	2,258,927
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		1,555,683	5,534	1,561,217	1,153,968	3,997	1,157,965
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		1,424,419	64,761	1,489,180	1,065,892	35,070	1,100,962
XI. CURRENT TAX LIABILITIES	V-II-8	950,476	4,329	954,805	1,138,988	3,003	1,141,991
XII. DEFERRED TAX LIABILITIES	V-II-8	103	57,525	57,628	1,232	30,758	31,990
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
13.1 Held for sale		-	-	-	5,018,668	353,532	5,372,200
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-10	6,401,461	13,057,337	19,458,798	6,394,877	12,850,576	19,245,453
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		6,401,461	13,057,337	19,458,798	6,394,877	12,850,576	19,245,453
XV. OTHER LIABILITIES	V-II-4	13,798,644	3,874,792	17,673,436	9,705,538	3,612,824	13,318,362
XVI. SHAREHOLDERS' EQUITY	V-II-11	45,408,347	1,743,740	47,152,087	32,573,508	978,782	33,552,290
16.1 Paid-in capital	V-II-11	3,905,622	-	3,905,622	2,500,000	-	2,500,000
16.2 Capital reserves		6,265,527	-	6,265,527	839,941	-	839,941
16.2.1 Equity share premiums		6,303,347	-	6,303,347	723,962	-	723,962
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		(37,820)	-	(37,820)	115,979	-	115,979
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		1,603,596	-	1,603,596	1,285,422	-	1,285,422
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		169,087	1,210,809	1,379,896	561,289	682,614	1,243,903
16.5 Profit reserves		26,431,074	273,876	26,704,950	23,431,326	200,064	23,631,390
16.5.1 Legal reserves		2,811,181	17,882	2,829,063	2,538,782	10,669	2,549,451
16.5.2 Statutory reserves		6,337	-	6,337	6,337	-	6,337
16.5.3 Extraordinary reserves		21,810,638	252,379	22,063,017	20,061,308	185,780	20,247,088
16.5.4 Other profit reserves		1,802,918	3,615	1,806,533	824,899	3,615	828,514
16.6 Profit or loss		6,291,176	254,385	6,545,561	3,134,638	45,862	3,180,500
16.6.1 Prior years' profits or losses		196,734	11,374	208,108	(148,390)	(40,469)	(188,859)
16.6.2 Current period net profit or loss		6,094,442	243,011	6,337,453	3,283,028	86,331	3,369,359
16.7 Minority interests		742,265	4,670	746,935	820,892	50,242	871,134
TOTAL LIABILITIES AND EQUITY		382,295,411	329,795,106	712,090,517	236,400,445	196,640,684	433,041,129

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

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES NOTES
TO THE CONSOLIDATED OFF-BALANCE SHEET ITEMS AS AT DECEMBER 31, 2020**

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

	Notes	Current Period December 31, 2020			Prior Period December 31, 2019		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES							
I. (I+II+III) GUARANTEES AND WARRENTIES		168,755,052	278,884,858	447,639,910	130,858,298	206,289,254	337,147,552
1.1. Letters of guarantee	V-III-2	43,928,944	58,547,258	102,476,202	38,069,926	40,210,391	78,280,317
1.1.1. Guarantees subject to state tender law	V-III-1	43,395,971	32,027,856	75,423,827	37,379,041	21,625,025	59,004,066
1.1.2. Guarantees given for foreign trade operations		2,594,448	10,005,488	12,599,936	2,904,236	7,080,944	9,985,180
1.1.3. Other letters of guarantee		2,335,826	-	2,335,826	1,322,033	-	1,322,033
1.2. Bank acceptances		38,465,697	22,022,368	60,488,065	33,152,772	14,544,081	47,696,853
1.2.1. Import letter of acceptance		4,258	5,111,534	5,115,792	7,842	4,574,992	4,582,834
1.2.2. Other bank acceptances		-	289,665	289,665	-	220,683	220,683
1.3. Letters of credit	V-III-4	4,258	4,821,869	4,826,127	7,842	4,354,309	4,362,151
1.3.1. Documentary letters of credit	V-III-4	253,982	20,667,442	20,921,424	141,830	13,590,815	13,732,645
1.3.2. Other letters of credit		253,982	20,667,442	20,921,424	141,830	13,590,815	13,732,645
1.4. Pre-financings given as guarantee		-	5,925	5,925	-	4,736	4,736
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Purchase guarantees for securities issued		-	-	-	-	-	-
1.7. Factoring guarantees		1,000	474,188	475,188	324,144	142,897	467,041
1.8. Other guarantees		187,331	106,963	294,294	51,444	49,964	101,408
1.9. Other warranties		86,402	153,350	239,752	165,625	221,962	387,587
II. COMMITMENTS		72,066,613	42,415,370	114,481,983	50,408,925	32,589,509	82,998,434
2.1. Irrevocable commitments	V-III-1	62,318,729	6,517,443	68,836,172	43,325,448	5,794,937	49,120,385
2.1.1. Asset purchase and sales commitments	V-III-1	5,695,753	6,147,096	11,842,849	2,407,191	5,561,794	7,968,985
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		3,150	-	3,150	7,500	-	7,500
2.1.4. Loan granting commitments	V-III-1	26,086,273	2,419	26,088,692	18,076,739	2,340	18,079,079
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	5,723,932	-	5,723,932	3,528,150	-	3,528,150
2.1.8. Tax and fund liabilities on export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits	V-III-1	21,320,698	-	21,320,698	17,293,741	-	17,293,741
2.1.10. Commitments for credit card and banking services promotions		597,623	-	597,623	484,519	-	484,519
2.1.11. Receivables from short sale commitments on marketable securities		-	-	-	-	-	-
2.1.12. Payables from short sale commitments on marketable securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		2,891,300	367,928	3,259,228	1,527,608	230,803	1,758,411
2.2. Revocable commitments		9,747,884	35,897,927	45,645,811	7,083,477	26,794,572	33,878,049
2.2.1. Revocable loan granting commitments		9,747,884	35,897,927	45,645,811	7,083,477	26,794,572	33,878,049
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	V-III-5	52,759,495	177,922,230	230,681,725	42,379,447	133,489,354	175,868,801
3.1. Derivative financial instruments held for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	-	-	-	-	-
3.1.3. Hedging for investments made in foreign countries		-	-	-	-	-	-
3.2. Trading transactions		52,759,495	177,922,230	230,681,725	42,379,447	133,489,354	175,868,801
3.2.1. Forward foreign currency purchase and sale transactions		1,523,642	1,550,002	3,073,644	2,320,043	2,217,584	4,537,627
3.2.1.1. Forward foreign currency purchase transactions		864,639	681,888	1,546,527	1,163,458	1,109,150	2,272,608
3.2.1.2. Forward foreign currency sales		659,003	868,114	1,527,117	1,156,585	1,108,434	2,265,019
3.2.2. Currency and interest rate swaps		42,382,470	153,888,563	196,271,033	30,978,513	115,422,998	146,401,511
3.2.2.1. Currency swap purchase transactions		1,626,406	56,087,175	57,713,581	1,781,342	38,137,242	39,918,584
3.2.2.2. Currency swap sale transactions		37,636,064	20,995,076	58,631,140	25,527,171	14,629,740	40,156,911
3.2.2.3. Interest rate swap purchase transactions		1,560,000	38,403,156	39,963,156	1,835,000	31,328,008	33,163,008
3.2.2.4. Interest rate swaps sale transactions		1,560,000	38,403,156	39,963,156	1,835,000	31,328,008	33,163,008
3.2.3. Currency, interest rate and security options		247,144	919,172	1,166,316	576,987	759,416	1,336,403
3.2.3.1. Currency purchase option		143,814	430,420	574,234	367,787	294,076	661,863
3.2.3.2. Currency sale option		103,330	488,752	592,082	209,200	465,340	674,540
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		195,835	186,250	382,085	-	-	-
3.2.4.1. Currency purchase futures		-	186,250	186,250	-	-	-
3.2.4.2. Currency sales futures		195,835	-	195,835	-	-	-
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		8,410,404	21,378,243	29,788,647	8,503,904	15,089,356	23,593,260
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		3,978,687,376	3,684,354,649	7,663,042,025	2,297,605,505	1,578,274,516	3,875,880,021
IV. ITEMS HELD IN CUSTODY		73,978,380	28,612,031	102,590,411	76,566,563	15,168,557	91,735,120
4.1. Customer fund and portfolio balances		4,274,226	-	4,274,226	2,113,691	-	2,113,691
4.2. Securities held in custody		47,305,937	8,853,001	56,158,938	57,617,522	5,230,911	62,848,433
4.3. Checks received for collection		11,974,344	1,763,897	13,738,241	8,743,308	1,190,464	9,933,772
4.4. Commercial notes received for collection		8,327,754	1,406,998	9,734,752	6,704,176	1,084,425	7,788,601
4.5. Other assets received for collection		2,152	298	2,450	2,152	238	2,390
4.6. Securities received for public offering		-	-	-	-	-	-
4.7. Other items under custody		636,516	10,335,188	10,971,704	204,705	4,909,862	5,114,567
4.8. Custodians		1,457,451	6,252,649	7,710,100	1,181,009	2,752,657	3,933,666
V. PLEDGED ITEMS		775,302,799	312,599,654	1,087,902,453	775,988,471	242,582,316	1,018,570,787
5.1. Marketable securities		321,148	200,660	521,808	299,466	44,434	343,900
5.2. Guarantee notes		1,153,894	4,085,645	5,239,539	837,716	1,783,494	2,621,210
5.3. Commodity		111,710,308	3,495,630	115,205,938	106,248,275	2,762,344	109,010,619
5.4. Warrant		-	-	-	-	-	-
5.5. Immovables		529,461,764	262,692,582	792,154,346	552,289,678	193,747,833	746,037,511
5.6. Other pledged items		132,138,333	41,983,730	174,122,063	115,697,559	44,107,197	159,804,756
5.7. Depositories receiving pledged items		517,352	141,407	658,759	615,777	137,014	752,791
VI. ACCEPTED GUARANTEES AND WARRANTS		3,129,406,197	3,343,142,964	6,472,549,161	1,445,050,471	1,320,523,643	2,765,574,114
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		4,147,442,428	3,963,239,507	8,110,681,935	2,428,463,803	1,784,563,770	4,213,027,573

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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 AND ITS FINANCIAL SUBSIDIARIES NOTES
TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2020**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Current Period January 1, 2020- December 31, 2020	Prior Period January 1 2019- December 31,2019
I. INTEREST INCOME	V-IV-1	48,002,021	43,070,830
1.1 Interest on loans	V-IV-1	37,070,419	35,176,932
1.2 Interest received from reserve deposits		151,349	295,226
1.3 Interest received from banks	V-IV-1	78,338	281,479
1.4 Interest received from money market transactions		3,388	4,532
1.5 Interest received from marketable securities portfolio	V-IV-1	10,414,784	7,045,289
1.5.1 Financial assets at fair value through profit or loss		115,374	111,381
1.5.2 Financial assets at fair value through other comprehensive income		4,407,480	2,211,420
1.5.3 Financial assets measured at amortised cost		5,891,930	4,722,488
1.6 Finance lease interest income		261,703	234,637
1.7 Other interest income		22,040	32,735
II. INTEREST EXPENSES	V-IV-2	27,607,459	29,275,576
2.1 Interest on deposits	V-IV-2	16,466,527	17,967,936
2.2 Interest on funds borrowed	V-IV-2	1,508,717	1,810,958
2.3 Interest on money market transactions		4,552,830	5,140,630
2.4 Interest on securities issued	V-IV-2	4,601,930	4,150,779
2.5 Leasing interest income		137,516	156,346
2.6 Other interest expenses		339,939	48,927
III. NET INTEREST INCOME/EXPENSE (I - II)		20,394,562	13,795,254
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		2,984,080	3,399,115
4.1 Fees and commissions received		3,843,383	4,517,283
4.1.1 Non-cash loans		769,342	715,981
4.1.2 Other		3,074,041	3,801,302
4.2 Fees and commissions paid		859,303	1,118,168
4.2.1 Non-cash loans		6,651	8,387
4.2.2 Other		852,652	1,109,781
V. DIVIDEND INCOME	V-IV-3	17,633	8,682
VI. TRADING PROFIT/LOSS (Net)	V-IV-4	(2,336,832)	(2,496,541)
6.1 Profit/losses from capital market transactions	V-IV-4	1,611,005	499,899
6.2 Profit/losses from derivative financial transactions	V-IV-4	(1,552,660)	(3,660,970)
6.3 Foreign exchange profit/losses	V-IV-4	(2,395,177)	664,530
VII. OTHER OPERATING INCOME	V-IV-5	8,080,957	6,581,012
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		29,140,400	21,287,522
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-6	11,617,157	8,356,813
X. OTHER PROVISION EXPENSES (-)	V-IV-6	288,433	138,349
XI. PERSONNEL EXPENSES (-)		3,476,315	3,141,000
XII. OTHER OPERATING EXPENSES (-)	V-IV-7	5,835,903	5,213,200
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		7,922,592	4,438,160
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		62,032	61,872
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-8	7,984,624	4,500,032
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-11	(1,577,244)	(991,203)
18.1 Current tax provision	V-IV-11	(2,037,612)	(1,873,816)
18.2 Expense effect of deferred tax (+)	V-IV-11	(1,935,535)	(1,104,237)
18.3 Income effect of deferred tax (-)	V-IV-11	2,395,903	1,986,850
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	V-IV-10	6,407,380	3,508,829
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	6,407,380	3,508,829
25.1 Group's profit/(loss)		6,337,453	3,369,359
25.2 Minority shares (-)	V-IV-13	69,927	139,470
Profit/Loss per 100 shares (full TL)	III-XXIV	1.8986	1.3477

The accompanying explanations and notes form an integral part of these consolidated 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 AND ITS FINANCIAL SUBSIDIARIES NOTES
TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period January 1, 2020- December 31, 2020	Prior Period January 1, 2019- December 31, 2019
I.	PROFIT (LOSS)	6,407,380	3,508,829
II.	OTHER COMPREHENSIVE INCOME	453,443	1,139,363
2.1.	Other comprehensive income that will not be reclassified to profit or loss	317,450	(16,681)
2.1.1.	Gains (Losses) on Revaluation of Property, Plant and Equipment	222,193	(270,011)
2.1.2.	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3.	Gains (losses) on remeasurements of defined benefit plans	(94,754)	(75,694)
2.1.4.	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	204,035	207,492
2.1.5.	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(14,024)	121,532
2.2.	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	135,993	1,156,044
2.2.1.	Exchange Differences on Translation	259,352	100,132
2.2.2.	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	28,544	1,231,273
2.2.3.	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4.	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	(141,050)	58,934
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	(10,853)	(234,295)
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	6,860,823	4,648,192

The accompanying explanations and notes form an integral part of these consolidated 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 AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020**

(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 Except minority share	Minority interest	Total Shareholders' Equity
Notes	Paid in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6							
Current Period December 31, 2020																	
I.	Prior Period End Balance	2,500,000	723,962	-	115,979	693,898	(105,972)	697,496	407,474	879,787	(43,358)	23,631,390	3,180,500	-	32,681,156	871,134	33,552,290
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	723,962	-	115,979	693,898	(105,972)	697,496	407,474	879,787	(43,358)	23,631,390	3,180,500	-	32,681,156	871,134	33,552,290
IV.	Total Comprehensive Income	-	-	-	-	198,103	(75,295)	195,366	259,352	17,691	(141,050)	-	-	6,337,453	6,791,620	69,203	6,860,823
V.	Capital Increase by Cash	1,405,622	5,579,385	-	-	-	-	-	-	-	-	-	-	-	6,985,007	-	6,985,007
VI.	Capital Increase by Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	(153,799)	-	-	-	-	-	-	208,869	(107,701)	-	(52,631)	(193,402)	(246,033)
XI.	Profit Distribution											2,864,691	(2,864,691)				
11.1.	Dividends paid	V-V-5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	V-V-5	-	-	-	-	-	-	-	-	-	2,864,691	(2,864,691)	-	-	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance (I+II+...X+XI)	3,905,622	6,303,347	-	(37,820)	892,001	(181,267)	892,862	666,826	897,478	(184,408)	26,704,950	208,108	6,337,453	46,405,152	746,935	47,152,087

- 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 consolidated 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 AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019**

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

	Notes	Paid in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	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 Except minority share	Minority interest	Total Shareholders' Equity	
						1	2	3	4	5	6							
Prior Period December 31, 2019																		
I.		2,500,000	724,276	-	91,433	776,360	(41,357)	441,729	307,342	(117,769)	(102,292)	18,687,653	5,096,704	-	28,364,079	741,674	29,105,753	
II.																		
2.1.																		
2.2.																		
III.		2,500,000	724,276	-	91,433	776,360	(41,357)	441,729	307,342	(117,769)	(102,292)	18,687,653	5,096,704	-	28,364,079	741,674	29,105,753	
IV.						(82,462)	(64,615)	255,767	100,132	997,556	58,934			3,369,359	4,634,671	13,521	4,648,192	
V.																		
VI.																		
VII.																		
VIII.																		
IX.																		
X.			(314)		24,546							220,695	(562,521)		(317,594)	115,939	(201,655)	
XI.												4,723,042	(4,723,042)					
11.1.	V-V-5																	
11.2.	V-V-5											4,723,042	(4,723,042)					
.3.																		
Ending Balance		2,500,000	723,962	-	115,979	693,898	(105,972)	697,496	407,474	879,787	(43,358)	23,631,390	(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).

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	Notes	Current Period December 31, 2020	Prior Period December 31, 2019
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		5,117,759	4,227,641
1.1.1 Interest received (+)		39,899,527	38,572,024
1.1.2 Interest paid (-)		(27,588,024)	(29,315,375)
1.1.3 Dividends received (+)		17,633	8,682
1.1.4 Fees and commissions received (+)		4,488,853	4,900,049
1.1.5 Other income (+)		310,576	1,436,108
1.1.6 Collections from previously written off loans and other receivables (+)		4,620,474	2,588,979
1.1.7 Cash payments to personnel and service suppliers (-)		(3,734,404)	(3,421,139)
1.1.8 Taxes paid (-)		(2,463,361)	(2,611,647)
1.1.9 Other (+/-)	V-VI-1	(10,433,515)	(7,930,040)
1.2 Changes in operating assets and liabilities subject to banking operations		59,904,144	9,311,696
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(5,098,212)	(2,483,456)
1.2.2 Net decrease (increase) in due from banks (+/-)		(28,573,163)	5,186,759
1.2.3 Net decrease (increase) in loans		(142,419,565)	(58,002,787)
1.2.4 Net decrease (increase) in other assets (+/-)		(10,222,523)	(3,704,373)
1.2.5 Net increase (decrease) in bank deposits (+/-)		12,514,480	3,467,320
1.2.6 Net increase (decrease) in other deposits (+/-)		149,575,049	68,765,791
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 (+/-)		6,313,324	(232,410)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	V-VI-1	77,814,754	(3,685,148)
I. Net cash provided from banking operations(+/-)		65,021,903	13,539,337
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities(+/-)		(63,480,374)	(16,208,303)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(86,913)	(181,576)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		700	1,342
2.3 Cash paid for the purchase of tangible and intangible asset (-)		(2,869,989)	(446,485)
2.4 Cash obtained from the sale of tangible and intangible asset (+)		1,084,778	617,688
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(78,589,443)	(23,053,852)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		22,321,668	11,743,882
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(10,980,105)	(6,514,751)
2.8 Cash obtained from sale of financial assets at amortised cost (+)		5,718,504	1,664,238
2.9 Other (+/-)	V-VI-1	(79,574)	(38,789)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities (+/-)		22,936,449	11,836,288
3.1 Cash obtained from funds borrowed and securities issued (+)		36,069,490	31,528,262
3.2 Cash outflow from funds borrowed and securities issued (-)		(19,755,746)	(19,336,122)
3.3 Equity instruments issued (+)		7,000,000	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance lease liabilities (-)		(377,295)	(355,852)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	V-VI-1	25,608	545,639
V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)		24,503,586	9,712,961
VI. Cash and cash equivalents at beginning of the period (+)	V-VI-4	31,092,461	21,379,500
VII. Cash and cash equivalents at end of the period (V+VI)	V-VI-4	55,596,047	31,092,461

The accompanying explanations and notes form an integral part of these consolidated 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 AND ITS FINANCIAL SUBSIDIARIES EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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

	Notes	Current Period December 31, 2020	Prior Period December 31, 2019
I. DISTRIBUTION OF CURRENT YEAR PROFIT			
1.1 CURRENT YEAR’S PROFIT		6,439,273	3,612,583
1.2 TAXES AND LEGAL DUTIES PAYABLE		(1,428,817)	(810,292)
1.2.1 Corporate tax (income tax)	V-IV-11	(1,899,145)	(1,715,496)
1.2.2 Withholding tax		-	-
1.2.3 Other taxes and duties (*)	V-IV-11	470,328	905,204
A. NET PROFIT FOR THE YEAR		5,010,456	2,802,291
1.3 DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES	V-IV-11	-	-
B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME		-	-
1.4 ACCUMULATED LOSSES		-	-
1.5 FIRST LEGAL RESERVES	V-V-5	-	94,855
1.6 OTHER STATUTORY RESERVES	V-V-5	-	94,854
C. NET PROFIT AVAILABLE FOR DISTRIBUTION(**)		-	1,707,378
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	-	1,634,563
1.14 OTHER RESERVES		-	-
1.15 SPECIAL FUNDS	V-V-5	-	72,815
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)		1.5408	1.1209
3.2 TO OWNERS OF ORDINARY SHARES (%)		154.08	112.09
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.

(**) As of the report date, distributable net profit of the period is not shown as any decision regarding the 2020 profit distribution is not taken.

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