

**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 31 DECEMBER 2015**

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

	ASSETS	Notes	Audited Current Period 31 December 2015			Audited Prior Period 31 December 2014		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	<b>V-I-1</b>	<b>2,134,017</b>	<b>19,355,897</b>	<b>21,489,914</b>	<b>4,126,368</b>	<b>17,764,713</b>	<b>21,891,081</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	<b>V-I-2</b>	<b>840,168</b>	<b>155,694</b>	<b>995,862</b>	<b>404,672</b>	<b>45,569</b>	<b>450,241</b>
2.1	Financial assets held for trading purpose		840,168	155,694	995,862	404,672	45,569	450,241
2.1.1	Debt securities issued by the governments		312	9,566	9,878	106	8,468	8,574
2.1.2	Equity securities		1,832	-	1,832	1,565	-	1,565
2.1.3	Derivative financial assets held for trading purpose	V-I-2	739,339	146,128	885,467	342,475	37,101	379,576
2.1.4	Other securities		98,685	-	98,685	60,526	-	60,526
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		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	<b>V-I-3</b>	<b>1,185,799</b>	<b>4,990,220</b>	<b>6,176,019</b>	<b>784,978</b>	<b>2,783,530</b>	<b>3,568,508</b>
<b>IV.</b>	<b>RECEIVABLES FROM INTERBANK MONEY MARKETS</b>		<b>6,699</b>	<b>-</b>	<b>6,699</b>	<b>9,504</b>	<b>-</b>	<b>9,504</b>
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		3,310	-	3,310	3,645	-	3,645
4.3	Receivables from reverse repurchase agreements		3,389	-	3,389	5,859	-	5,859
<b>V.</b>	<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>V-I-4</b>	<b>12,100,346</b>	<b>5,235,765</b>	<b>17,336,111</b>	<b>12,631,871</b>	<b>4,239,244</b>	<b>16,871,115</b>
5.1	Equity securities		15	79,238	79,253	15	-	15
5.2	Debt securities issued by the governments		12,100,331	5,028,990	17,129,321	12,629,806	4,085,677	16,715,483
5.3	Other securities		-	127,537	127,537	2,050	153,567	155,617
<b>VI.</b>	<b>LOANS AND RECEIVABLES</b>	<b>V-I-5</b>	<b>88,452,140</b>	<b>37,507,539</b>	<b>125,959,679</b>	<b>76,724,198</b>	<b>29,631,473</b>	<b>106,355,671</b>
6.1	Performing loans and receivables	V-I-5	87,548,356	37,502,389	125,050,745	76,408,786	29,626,228	106,035,014
6.1.1	Loans provided to risk group	V-VII-1	1,071	822	1,893	6,132	123	6,255
6.1.2	Debt securities issued by the governments		-	-	-	-	-	-
6.1.3	Others		87,547,285	37,501,567	125,048,852	76,402,654	29,626,105	106,028,759
6.2	Loans under follow-up		5,071,771	66,342	5,138,113	4,153,756	28,209	4,181,965
6.3	Specific provisions (-)	V-I-5	4,167,987	61,192	4,229,179	3,838,344	22,964	3,861,308
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		<b>622,754</b>	<b>94,973</b>	<b>717,727</b>	<b>498,067</b>	<b>12,314</b>	<b>510,381</b>
<b>VIII.</b>	<b>HELD-TO-MATURITY INVESTMENT SECURITIES (Net)</b>	<b>V-I-6</b>	<b>7,546,748</b>	<b>130,981</b>	<b>7,677,729</b>	<b>6,761,749</b>	<b>92,844</b>	<b>6,854,593</b>
8.1	Debt securities issued by the governments		7,546,748	-	7,546,748	6,761,749	-	6,761,749
8.2	Other securities		-	130,981	130,981	-	92,844	92,844
<b>IX.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	<b>V-I-7</b>	<b>295,332</b>	<b>3</b>	<b>295,335</b>	<b>264,184</b>	<b>3</b>	<b>264,187</b>
9.1	Associates, consolidated per equity method		245,549	-	245,549	214,929	-	214,929
9.2	Unconsolidated associates		49,783	3	49,786	49,255	3	49,258
9.2.1	Financial associates		37,434	-	37,434	36,915	-	36,915
9.2.2	Non-Financial associates		12,349	3	12,352	12,340	3	12,343
<b>X.</b>	<b>INVESTMENTS IN SUBSIDIARIES (Net)</b>	<b>V-I-8</b>	<b>271,017</b>	<b>-</b>	<b>271,017</b>	<b>258,927</b>	<b>-</b>	<b>258,927</b>
10.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-financial subsidiaries		271,017	-	271,017	258,927	-	258,927
<b>XI.</b>	<b>INVESTMENTS IN JOINT-VENTURES (Net)</b>	<b>V-I-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1	Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial joint-ventures		-	-	-	-	-	-
11.2.2	Non-Financial joint-ventures		-	-	-	-	-	-
<b>XII.</b>	<b>LEASE RECEIVABLES</b>	<b>V-I-10</b>	<b>318,359</b>	<b>1,007,466</b>	<b>1,325,825</b>	<b>246,618</b>	<b>843,369</b>	<b>1,089,987</b>
12.1	Finance lease receivables		401,084	1,134,987	1,536,071	311,605	962,197	1,273,802
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		82,725	127,521	210,246	64,987	118,828	183,815
<b>XIII.</b>	<b>DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE</b>	<b>V-I-11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>	<b>V-I-12</b>	<b>1,648,900</b>	<b>5,218</b>	<b>1,654,118</b>	<b>782,871</b>	<b>2,002</b>	<b>784,873</b>
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>	<b>V-I-13</b>	<b>201,506</b>	<b>31</b>	<b>201,537</b>	<b>162,074</b>	<b>161</b>	<b>162,235</b>
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		201,506	31	201,537	162,074	161	162,235
<b>XVI.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	<b>V-I-14</b>	<b>287,726</b>	<b>-</b>	<b>287,726</b>	<b>192,000</b>	<b>-</b>	<b>192,000</b>
<b>XVII.</b>	<b>TAX ASSETS</b>	<b>V-I-15</b>	<b>139,972</b>	<b>2,944</b>	<b>142,916</b>	<b>175,352</b>	<b>6,938</b>	<b>182,290</b>
17.1	Current tax assets	V-I-15	787	2,944	3,731	2,393	6,938	9,331
17.2	Deferred tax assets	V-I-15	139,185	-	139,185	172,959	-	172,959
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)</b>	<b>V-I-16</b>	<b>994,991</b>	<b>-</b>	<b>994,991</b>	<b>747,482</b>	<b>-</b>	<b>747,482</b>
18.1	Assets held for sale		994,991	-	994,991	747,482	-	747,482
18.2	Assets related to the discontinued operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	<b>V-I-17</b>	<b>2,789,299</b>	<b>1,263,054</b>	<b>4,052,353</b>	<b>2,523,844</b>	<b>834,543</b>	<b>3,358,387</b>
<b>TOTAL ASSETS</b>			<b>119,835,773</b>	<b>69,749,785</b>	<b>189,585,558</b>	<b>107,294,759</b>	<b>56,256,703</b>	<b>163,551,462</b>

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

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TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
CONSOLIDATED BALANCE SHEET  
(STATEMENT OF FINANCIAL POSITION)  
AS AT 31 DECEMBER 2015**

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

LIABILITIES AND EQUITY	Notes	Audited Current Period 31 December 2015			Audited Prior Period 31 December 2014		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>V-II-1</b>	<b>76,054,788</b>	<b>35,955,209</b>	<b>112,009,997</b>	<b>65,144,101</b>	<b>28,258,512</b>	<b>93,402,613</b>
1.1 Deposits of the same risk group	V-VII-1	1,209,289	110,608	1,319,897	953,746	63,178	1,016,924
1.2 Other deposits		74,845,499	35,844,601	110,690,100	64,190,355	28,195,334	92,385,689
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE</b>	<b>V-II-2</b>	<b>153,177</b>	<b>151,175</b>	<b>304,352</b>	<b>65,776</b>	<b>204,851</b>	<b>270,627</b>
<b>III. FUNDS BORROWED</b>	<b>V-II-3</b>	<b>932,351</b>	<b>19,262,696</b>	<b>20,195,047</b>	<b>1,569,623</b>	<b>14,691,032</b>	<b>16,260,655</b>
<b>IV. INTERBANK MONEY MARKET</b>		<b>9,423,761</b>	<b>3,403,437</b>	<b>12,827,198</b>	<b>10,063,573</b>	<b>6,591,668</b>	<b>16,655,241</b>
4.1 Interbank Money Market takings		1,150,343	-	1,150,343	200,000	-	200,000
4.2 Istanbul Stock Exchange money market takings		83,157	-	83,157	269,939	-	269,939
4.3 Obligations under repurchase agreements		8,190,261	3,403,437	11,593,698	9,593,634	6,591,668	16,185,302
<b>V. SECURITIES ISSUED (Net)</b>	<b>V-II-3</b>	<b>3,257,620</b>	<b>7,389,088</b>	<b>10,646,708</b>	<b>2,866,343</b>	<b>7,518,365</b>	<b>10,384,708</b>
5.1 Bills		3,257,620	-	3,257,620	2,866,343	-	2,866,343
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	7,389,088	7,389,088	-	7,518,365	7,518,365
<b>VI. FUNDS</b>		<b>4,228</b>	<b>-</b>	<b>4,228</b>	<b>20,089</b>	<b>-</b>	<b>20,089</b>
6.1 Funds against borrower's note		-	-	-	-	-	-
6.2 Others		4,228	-	4,228	20,089	-	20,089
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>3,647,401</b>	<b>750,360</b>	<b>4,397,761</b>	<b>2,920,619</b>	<b>423,800</b>	<b>3,344,419</b>
<b>VIII. OTHER EXTERNAL RESOURCES PAYABLE</b>	<b>V-II-4</b>	<b>662,279</b>	<b>1,783,682</b>	<b>2,445,961</b>	<b>573,091</b>	<b>947,128</b>	<b>1,520,219</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. LEASE PAYABLES</b>	<b>V-II-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred finance leasing expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE</b>	<b>V-II-6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Hedges of net investment in foreign operations		-	-	-	-	-	-
<b>XII. PROVISIONS</b>		<b>5,025,269</b>	<b>31,277</b>	<b>5,056,546</b>	<b>4,086,058</b>	<b>25,879</b>	<b>4,111,937</b>
12.1 General provisions	V-II-7	1,944,150	13,453	1,957,603	1,591,002	12,240	1,603,242
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		700,635	1,544	702,179	626,273	838	627,111
12.4 Insurance technical provisions (Net)		2,082,428	9,127	2,091,555	1,633,739	8,973	1,642,712
12.5 Other provisions	V-II-7	298,056	7,153	305,209	235,044	3,828	238,872
<b>XIII. TAX LIABILITIES</b>	<b>V-II-8</b>	<b>531,561</b>	<b>7,888</b>	<b>539,449</b>	<b>485,576</b>	<b>8,419</b>	<b>493,995</b>
13.1 Current tax liabilities		514,681	1,678	516,359	477,758	1,029	478,787
13.2 Deferred tax liabilities	V-I-15	16,880	6,210	23,090	7,818	7,390	15,208
<b>XIV. PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>V-II-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Payables related to the assets held for sale		-	-	-	-	-	-
14.2 Payables related to the discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>V-II-10</b>	<b>-</b>	<b>4,155,551</b>	<b>4,155,551</b>	<b>-</b>	<b>2,126,436</b>	<b>2,126,436</b>
<b>XVI. EQUITY</b>		<b>16,437,456</b>	<b>565,299</b>	<b>17,002,755</b>	<b>14,408,274</b>	<b>552,249</b>	<b>14,960,523</b>
<b>16.1 Paid-in capital</b>	<b>V-II-11</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>
<b>16.2 Capital reserves</b>		<b>1,390,356</b>	<b>257,405</b>	<b>1,647,761</b>	<b>1,025,056</b>	<b>280,801</b>	<b>1,305,857</b>
16.2.1 Share premium		727,780	-	727,780	727,780	-	727,780
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Valuation differences of the marketable securities	V-II-11	(227,394)	257,405	30,011	240,729	280,801	521,530
16.2.4 Revaluation surplus on tangible assets		940,657	-	940,657	52,864	-	52,864
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment properties		-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		3,683	-	3,683	3,683	-	3,683
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(54,370)	-	(54,370)	-	-	-
16.3 Profit reserves		10,163,563	170,099	10,333,662	8,664,406	130,184	8,794,590
16.3.1 Legal reserves		1,228,224	7,942	1,236,166	1,062,732	6,513	1,069,245
16.3.2 Status reserves		6,337	-	6,337	6,337	-	6,337
16.3.3 Extraordinary reserves		8,475,454	4,594	8,480,048	7,341,533	4,594	7,346,127
16.3.4 Other profit reserves		453,548	157,563	611,111	253,804	119,077	372,881
16.4 Profit or loss		1,921,411	94,530	2,015,941	1,772,859	101,133	1,873,992
16.4.1 Previous years' profit/loss		(34,277)	101,630	67,353	(14,354)	82,669	68,315
16.4.2 Current year's profit/loss		1,955,688	(7,100)	1,948,588	1,787,213	18,464	1,805,677
16.5 Non-controlling interest		462,126	43,265	505,391	445,953	40,131	486,084
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>116,129,891</b>	<b>73,455,667</b>	<b>189,585,558</b>	<b>102,203,123</b>	<b>61,348,339</b>	<b>163,551,462</b>

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

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI  
CONSOLIDATED OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2015  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

	Notes	Audited Current Period 31 December 2015			Audited Prior Period 31 December 2014		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>54,303,859</b>	<b>64,173,751</b>	<b>118,477,610</b>	<b>42,988,855</b>	<b>49,879,901</b>	<b>92,868,756</b>
<b>I. GUARANTEES AND SURETIES</b>	<b>V-III-2-4</b>	<b>22,126,363</b>	<b>10,993,538</b>	<b>33,119,901</b>	<b>16,892,950</b>	<b>11,782,097</b>	<b>28,675,047</b>
1.1 Letters of guarantee	V-III-1	21,980,769	4,816,824	26,797,593	16,842,349	4,616,458	21,458,807
1.1.1 Guarantees subject to State Tender Law		2,542,809	2,199,589	4,742,398	1,869,107	2,266,261	4,135,368
1.1.2 Guarantees given for foreign trade operations		1,030,530	-	1,030,530	913,389	-	913,389
1.1.3 Other letters of guarantee		18,407,430	2,617,235	21,024,665	14,059,853	2,350,197	16,410,050
1.2 Bank acceptances		86,762	1,389,251	1,476,013	20,836	1,943,257	1,964,093
1.2.1 Import letter of acceptance		1,590	189,471	191,061	2,190	78,990	81,180
1.2.2 Other bank acceptances		85,172	1,199,780	1,284,952	18,646	1,864,267	1,882,913
1.3 Letters of credit		16,306	4,772,403	4,788,709	-	5,212,911	5,212,911
1.3.1 Documentary letters of credit		16,306	4,772,403	4,788,709	-	5,212,911	5,212,911
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed pre-financings		-	2,314	2,314	-	1,845	1,845
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Marketable securities underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		42,526	2,224	44,750	29,765	5,023	34,788
1.8 Other guarantees		-	10,522	10,522	-	2,603	2,603
1.9 Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>21,560,921</b>	<b>13,287,107</b>	<b>34,848,028</b>	<b>19,426,933</b>	<b>7,734,462</b>	<b>27,161,395</b>
2.1 Irrevocable commitments		19,153,861	3,897,112	23,050,973	17,917,041	2,878,768	20,795,809
2.1.1 Asset purchase commitments	V-III-1	112,420	3,730,953	3,843,373	46,228	-	2,686,862
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitments to associates and subsidiaries	V-III-1	-	-	-	-	-	-
2.1.4 Loan granting commitments	V-III-1	8,482,816	11,931	8,494,747	8,053,342	14,859	8,068,201
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments	V-III-1	1,805,569	-	1,805,569	1,638,976	-	1,638,976
2.1.8 Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card limits	V-III-1	7,399,361	-	7,399,361	7,641,987	-	7,641,987
2.1.10 Commitments for credit card and banking operations promotions		196,037	-	196,037	247,938	-	247,938
2.1.11 Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12 Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		1,157,658	154,228	1,311,886	288,570	223,275	511,845
2.2 Revocable commitments		2,407,060	9,389,995	11,797,055	1,509,892	4,855,694	6,365,586
2.2.1 Revocable loan granting commitments		2,407,060	9,389,995	11,797,055	1,509,892	4,817,757	6,327,649
2.2.2 Other revocable commitments		-	-	-	-	37,937	37,937
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>V-III-5</b>	<b>10,616,575</b>	<b>39,893,106</b>	<b>50,509,681</b>	<b>6,668,972</b>	<b>30,363,342</b>	<b>37,032,314</b>
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivatives		10,616,575	39,893,106	50,509,681	6,668,972	30,363,342	37,032,314
3.2.1 Forward foreign currency purchases/sales		211,514	257,246	468,760	242,929	312,275	555,204
3.2.1.1 Forward foreign currency purchases		106,014	128,693	234,707	121,619	156,202	277,821
3.2.2.2 Forward foreign currency sales		105,500	128,553	234,053	121,310	156,073	277,383
3.2.2 Currency and interest rate swaps		9,535,325	31,037,511	40,572,836	5,782,733	22,857,662	28,640,395
3.2.2.1 Currency swaps-purchases		4,474,398	12,245,882	16,720,280	1,810,386	11,235,508	13,045,894
3.2.2.2 Currency swaps-sales		4,160,927	6,377,871	10,538,158	3,772,347	4,343,916	8,116,263
3.2.2.3 Interest rate swaps-purchases		450,000	6,206,879	6,656,879	100,000	3,639,119	3,739,119
3.2.2.4 Interest rate swaps-sales		450,000	6,206,879	6,656,879	100,000	3,639,119	3,739,119
3.2.3 Currency, interest rate and security options		258,134	255,396	513,530	385,290	671,258	1,056,548
3.2.3.1 Currency call options		65,004	185,976	250,980	192,645	335,629	528,274
3.2.3.2 Currency put options		193,130	69,420	262,550	192,645	335,629	528,274
3.2.3.3 Interest rate call options		-	-	-	-	-	-
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Security call options		-	-	-	-	-	-
3.2.3.6 Security put options		-	-	-	-	-	-
3.2.4 Currency futures		-	-	-	-	-	-
3.2.4.1 Currency futures-purchases		-	-	-	-	-	-
3.2.4.2 Currency futures-sales		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sales		-	-	-	-	-	-
3.2.6 Others		611,602	8,342,953	8,954,555	258,020	6,522,147	6,780,167
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>900,903,931</b>	<b>422,152,366</b>	<b>1,323,056,297</b>	<b>707,625,482</b>	<b>298,960,692</b>	<b>1,006,586,174</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>75,156,434</b>	<b>3,413,733</b>	<b>78,570,167</b>	<b>59,034,803</b>	<b>2,220,606</b>	<b>61,255,409</b>
4.1 Customers' securities held		682,348	28,306	710,654	519,902	22,567	542,469
4.2 Investment securities held in custody		63,234,788	118,086	63,352,874	48,314,735	94,082	48,408,817
4.3 Checks received for collection		9,151,798	2,345,788	11,497,586	8,405,605	1,486,159	9,891,764
4.4 Commercial notes received for collection		1,265,535	450,126	1,715,661	1,197,188	254,511	1,451,699
4.5 Other assets received for collection		2,152	116	2,268	2,152	93	2,245
4.6 Assets received through public offering		-	-	-	-	6,818	6,818
4.7 Other items under custody		24,796	66,158	90,954	17,091	87,256	104,347
4.8 Custodians		795,017	405,153	1,200,170	578,130	269,120	847,250
<b>V. PLEDGED ITEMS</b>		<b>235,457,258</b>	<b>82,272,386</b>	<b>317,729,644</b>	<b>180,417,729</b>	<b>59,408,743</b>	<b>239,826,472</b>
5.1 Securities		435,618	14,171	449,789	242,862	18,614	261,476
5.2 Guarantee notes		793,282	429,076	1,222,358	944,683	232,965	1,177,648
5.3 Commodities		28,164,121	681,732	28,845,853	25,696,626	590,812	26,287,438
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		191,799,623	67,309,165	259,108,788	142,345,512	47,319,679	189,665,191
5.6 Other pledged items		13,661,436	13,683,601	27,345,037	10,335,024	11,114,594	21,449,618
5.7 Pledged items-depository		603,178	154,641	757,819	853,022	132,079	985,101
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>590,290,239</b>	<b>336,466,247</b>	<b>926,756,486</b>	<b>468,172,950</b>	<b>237,331,343</b>	<b>705,504,293</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>955,207,790</b>	<b>486,326,117</b>	<b>1,441,533,907</b>	<b>750,614,337</b>	<b>348,840,593</b>	<b>1,099,454,930</b>

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 INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	Notes	Audited Current Period 1 January 2015- 31 December 2015	Audited Prior Period 1 January 2014- 31 December 2014
<b>I.</b>	<b>INTEREST INCOME</b>	<b>13,973,432</b>	<b>11,664,524</b>
1.1	Interest income from loans	V-IV-1 11,598,337	9,393,240
1.2	Interest income from reserve deposits	38,684	2,015
1.3	Interest income from banks	V-IV-1 78,724	67,307
1.4	Interest income from money market transactions	1,633	931
1.5	Interest income from securities portfolio	V-IV-1 2,072,208	2,061,241
1.5.1	Trading financial assets	V-IV-1 6,775	11,253
1.5.2	Financial assets designated at fair value through profit or loss	-	-
1.5.3	Available-for-sale financial assets	V-IV-1 1,409,589	1,489,664
1.5.4	Held-to-maturity investments	V-IV-1 655,844	560,324
1.6	Finance lease income	102,526	80,667
1.7	Other interest income	81,320	59,123
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>8,238,164</b>	<b>6,809,744</b>
2.1	Interest expense on deposits	V-IV-2 6,115,699	5,043,936
2.2	Interest expense on funds borrowed	V-IV-2 362,500	243,009
2.3	Interest expense on money market transactions	886,728	925,913
2.4	Interest expense on securities issued	V-IV-2 595,176	445,715
2.5	Other interest expenses	278,061	151,171
<b>III.</b>	<b>NET INTEREST INCOME (I – II)</b>	<b>5,735,268</b>	<b>4,854,780</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>	<b>870,329</b>	<b>674,456</b>
4.1	Fees and commissions received	1,351,513	1,109,503
4.1.1	Non-cash loans	186,784	162,970
4.1.2	Others	1,164,729	946,533
4.2	Fees and commissions paid	481,184	435,047
4.2.1	Non-cash loans	1,148	918
4.2.2	Others	480,036	434,129
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>V-IV-3 37,169</b>	<b>12,229</b>
<b>VI.</b>	<b>TRADING INCOME/LOSSES (Net)</b>	<b>V-IV-4 139,931</b>	<b>248,795</b>
6.1	Trading account income/losses	V-IV-4 46,761	176,073
6.2	Income/losses from derivative financial instruments	V-IV-4 (29,129)	(39,189)
6.3	Foreign exchange gains/losses	V-IV-4 122,299	111,911
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>V-IV-5 2,036,648</b>	<b>2,119,791</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>	<b>8,819,345</b>	<b>7,910,051</b>
<b>IX.</b>	<b>PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	<b>V-IV-6 1,635,860</b>	<b>1,747,665</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>V-IV-7 4,817,078</b>	<b>3,903,605</b>
<b>XI.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>	<b>2,366,407</b>	<b>2,258,781</b>
<b>XII.</b>	<b>INCOME RESULTED FROM MERGERS</b>	-	-
<b>XIII.</b>	<b>INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>	<b>34,617</b>	<b>33,077</b>
<b>XIV.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>	-	-
<b>XV.</b>	<b>INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)</b>	<b>V-IV-8 2,401,024</b>	<b>2,291,858</b>
<b>XVI.</b>	<b>CONTINUING OPERATIONS PROVISION FOR TAXES</b>	<b>V-IV-9 (527,111)</b>	<b>(478,015)</b>
16.1	Current tax charges	V-IV-11 (417,396)	(612,250)
16.2	Deferred tax credits	V-IV-11 (109,715)	134,235
<b>XVII.</b>	<b>NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)</b>	<b>V-IV-12 1,873,913</b>	<b>1,813,843</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>	-	-
18.1	Income from investment properties	-	-
18.2	Income from sales of subsidiaries, affiliates and joint-ventures	-	-
18.3	Other income from discontinued activities	-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS</b>	-	-
19.1	Investment property expenses	-	-
19.2	Losses from sales of subsidiaries, affiliates and joint ventures	-	-
19.3	Other expenses from discontinued activities	-	-
<b>XX.</b>	<b>INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES</b>	-	-
<b>XXI.</b>	<b>DISCONTINUED OPERATIONS PROVISION FOR TAXES</b>	-	-
21.1	Current tax charge	-	-
21.2	Deferred tax charge	-	-
<b>XXII.</b>	<b>NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS</b>	-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	<b>V-IV-12 1,873,913</b>	<b>1,813,843</b>
23.1.	Equity holders of the Bank	1,948,588	1,805,677
23.2.	Non-controlling interest	V-IV-13 (74,675)	8,166
	Earnings per 100 Share (full TL)	III-XXV 0.7496	0.7255

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 31 DECEMBER 2015**

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

		Audited Current Period 1 January 2015- 31 December 2015	Audited Prior Period 1 January 2014- 31 December 2014
<b>GAINS AND LOSSES RECOGNIZED IN EQUITY</b>			
<b>I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES</b>	V-V-6	(585,086)	823,760
<b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>		791,080	-
<b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>		-	-
<b>IV. CURRENCY TRANSLATION DIFFERENCES</b>		42,762	(15,664)
<b>V. GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)</b>		-	-
<b>VI. GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)</b>		-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS</b>		-	-
<b>VIII. OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS</b>		(49,238)	(34,075)
<b>IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES</b>	V-V-6	70,314	(153,802)
<b>X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)</b>		269,832	620,219
<b>XI. CURRENT PERIOD'S PROFIT/(LOSS)</b>		1,873,913	1,813,843
11.1 Change in fair value of securities (transfers to the statement of income)	V-V-6	36,105	168,124
11.2 Gains/Losses recognized in the statement of income due to reclassification of cash flow hedges		-	-
11.3 Gains/Losses recognized in the statement of income due to reclassification of net foreign investment hedges		-	-
11.4 Others		1,837,808	1,645,719
<b>XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD (X+XI)</b>		<b>2,143,745</b>	<b>2,434,062</b>

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 31 DECEMBER 2015

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

CHANGES IN EQUITY	Notes	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/ (Loss)	Prior Period Net Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates, Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets Held for Sale and Assets of Discoun. Op.s	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
<b>PRIOR PERIOD – 31 December 2014</b>																			
I.	Balances at the beginning of the period	2,500,000	-	726,686	-	904,166	6,337	6,007,191	420,752	-	1,688,833	(149,719)	51,329	6,282	-	-	12,161,857	309,101	12,470,958
Changes during the period																			
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	671,249	-	-	-	-	671,249	3,006	674,255
IV.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	(2,599)	-	-	(2,599)	-	(2,599)
VIII.	Translation differences	-	-	-	-	-	-	-	(14,098)	-	-	-	-	-	-	-	(14,098)	(1,566)	(15,664)
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 Bank's equity	-	-	-	-	-	-	-	-	-	(777)	-	-	-	-	-	(777)	-	(777)
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.	Others	-	-	1,094	-	860	-	5,824	(33,886)	-	(20,762)	-	-	-	-	-	(46,870)	169,748	122,878
XVII.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,805,677	-	-	-	-	-	-	1,805,677	8,166	1,813,843
XVIII.	Profit distribution	-	-	-	-	164,219	-	1,333,112	113	-	(1,598,979)	-	1,535	-	-	-	(100,000)	(2,371)	(102,371)
18.1	Dividends	V-V-5	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	(2,371)	(102,371)
18.2	Transferred to reserves	V-V-5	-	-	-	164,219	-	1,333,112	113	-	(1,498,979)	-	1,535	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,069,245	6,337	7,346,127	372,881	1,805,677	68,315	521,530	52,864	3,683	-	-	14,474,439	486,084	14,960,523
<b>CURRENT PERIOD – 31 December 2015</b>																			
I.	Balances at the beginning of the period	2,500,000	-	727,780	-	1,069,245	6,337	7,346,127	372,881	-	1,873,992	521,530	52,864	3,683	-	-	14,474,439	486,084	14,960,523
Changes during the period																			
II.	Mergers	-	-	-	-	-	-	-	-	-	-	(479,644)	-	-	-	-	(479,644)	459	(479,185)
III.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	(638)	-	653,011	-	-	-	652,373	91,356	743,729
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences	-	-	-	-	-	-	-	38,486	-	-	-	-	-	-	-	38,486	4,276	42,762
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 Bank's equity	-	-	-	-	-	-	-	-	-	(26,975)	(11,875)	-	-	-	-	(38,850)	-	(38,850)
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.	Others	-	-	-	-	-	-	11	1,961	-	-	-	-	-	-	-	1,972	(596)	1,376
XVII.	Current period's net profit/loss	-	-	-	-	-	-	-	-	1,948,588	-	-	-	-	-	-	1,948,588	(74,675)	1,873,913
XVIII.	Profit distribution	-	-	-	-	166,921	-	1,133,910	143,413	-	(1,779,026)	-	234,782	-	-	-	(100,000)	(1,513)	(101,513)
18.1	Dividends	V-V-5	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	(100,000)	(1,513)	(101,513)
18.2	Transferred to reserves	V-V-5	-	-	-	166,921	-	1,133,910	143,413	-	(1,679,026)	-	234,782	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period		2,500,000	-	727,780	-	1,236,166	6,337	8,480,048	556,741	1,948,588	67,353	30,011	940,657	3,683	-	-	16,497,364	505,391	17,002,755

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

**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 FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	Notes	Audited Current Period 31 December 2015	Audited Prior Period 31 December 2014
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>3,238,846</b>	<b>3,209,873</b>
1.1.1 Interests received		13,135,951	10,753,156
1.1.2 Interests paid		(8,073,427)	(6,710,476)
1.1.3 Dividends received		5,483	5,869
1.1.4 Fee and commissions received		1,351,513	1,109,503
1.1.5 Other income		1,106,645	1,231,954
1.1.6 Collections from previously written-off loans and other receivables	V-I-5	1,018,600	707,442
1.1.7 Payments to personnel and service suppliers		(1,715,096)	(1,415,182)
1.1.8 Taxes paid		(691,055)	(556,581)
1.1.9 Others	V-VI-1	(2,899,768)	(1,915,812)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(3,851,919)</b>	<b>(3,116,050)</b>
1.2.1 Net (increase) decrease in financial assets held for trading purpose		(42,630)	141,710
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		(2,341,828)	(345,515)
1.2.4 Net (increase) decrease in loans		(20,944,190)	(19,225,256)
1.2.5 Net (increase) decrease in other assets		(433,611)	(31,827)
1.2.6 Net increase (decrease) in bank deposits		722,756	721,273
1.2.7 Net increase (decrease) in other deposits		17,810,595	9,627,944
1.2.8 Net increase (decrease) in funds borrowed		3,813,977	3,932,304
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	V-VI-1	(2,436,988)	2,063,317
<b>I. Net cash flow from banking operations</b>		<b>(613,073)</b>	<b>93,823</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash flow from investing activities</b>		<b>(1,615,919)</b>	<b>(405,045)</b>
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	(205,714)
2.2 Proceeds from disposal of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(858,423)	(175,892)
2.4 Proceeds from disposal of tangible assets		580,786	459,768
2.5 Cash paid for purchase of available-for-sale financial assets		(4,215,603)	(5,907,461)
2.6 Proceeds from disposal of available-for-sale financial assets		3,410,191	6,871,852
2.7 Cash paid for purchase of held-to-maturity investments		(1,610,704)	(2,869,774)
2.8 Proceeds from disposal of held-to-maturity investments		1,129,187	1,466,184
2.9 Others	V-VI-1	(51,353)	(44,008)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flow from financing activities</b>		<b>2,125,686</b>	<b>3,409,685</b>
3.1 Cash obtained from funds borrowed and securities issued		9,840,198	8,540,424
3.2 Cash used for repayment of funds borrowed and securities issued		(7,612,999)	(5,028,368)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(101,513)	(102,371)
3.5 Repayments for finance leases		-	-
3.6 Others		-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>	V-VI-1	<b>(30,472)</b>	<b>4,539</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>(133,778)</b>	<b>3,103,002</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	V-VI-4	<b>9,190,905</b>	<b>6,087,903</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	V-VI-4	<b>9,057,127</b>	<b>9,190,905</b>

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

**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 PROFIT DISTRIBUTION  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	Notes	Current Period 31 December 2015	Prior Period 31 December 2014
<b>I. DISTRIBUTION OF CURRENT YEAR PROFIT (***)</b>			
1.1 CURRENT YEAR'S PROFIT		2,470,293	2,213,676
1.2 TAXES PAYABLE AND LEGAL DUTIES		(540,184)	(460,403)
1.2.1 Corporate tax (income tax)	V-IV-11	(404,310)	(601,519)
1.2.2 Withholding tax		-	-
1.2.3 Other taxes and duties(**)	V-IV-11	(135,874)	141,116
<b>A. NET PROFIT FOR THE YEAR</b>		<b>1,930,109</b>	<b>1,753,273</b>
1.3 DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES	V-IV-11	-	(141,116)
<b>B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME</b>		<b>1,930,109</b>	<b>1,612,157</b>
1.4 ACCUMULATED LOSSES		-	-
1.5 FIRST LEGAL RESERVES	V-V-5	-	(80,607)
1.6 OTHER STATUTORY RESERVES	V-V-5	-	(80,607)
<b>C. NET PROFIT AVAILABLE FOR DISTRIBUTION (*)</b>		<b>-</b>	<b>1,450,943</b>
1.7 FIRST DIVIDEND TO SHAREHOLDERS		-	100,000
1.7.1 To owners of ordinary shares		-	100,000
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	-	1,114,821
1.14 OTHER RESERVES		-	-
1.15 SPECIAL FUNDS	V-V-5	-	236,122
<b>II. DISTRIBUTION FROM RESERVES</b>			
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		-	-
<b>III. EARNINGS PER SHARE</b>			
3.1 TO OWNERS OF ORDINARY SHARES (Per 100 shares)		0.7720	0.7013
3.2 TO OWNERS OF ORDINARY SHARES ( % )		77.20	70.13
3.3 TO OWNERS OF PRIVILEGED SHARES		-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )		-	-
<b>IV. DIVIDEND PER SHARE</b>			
4.1 TO OWNERS OF ORDINARY SHARES (Per 100 shares)		-	0.0400
4.2 TO OWNERS OF ORDINARY SHARES ( % )		-	4.00
4.3 TO OWNERS OF PRIVILEGED SHARES		-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )		-	-

(\*) As at report date, no resolution has been decided regarding about 2015 profit distribution. Accordingly, net profit available for distribution has not been presented.

(\*\*) The amount shown in other taxes and duties is deferred tax income/loss. Deferred tax income is not subject to profit distribution.

(\*\*\*) Profit distribution table has been presented according to unconsolidated financial statements of the Parent Bank.

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