

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED INTERIM 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 JUNE 30, 2019**

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

ASSETS	Notes	Reviewed Current Period June 30, 2019			Audited Prior Period December 31, 2018		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		22,280,537	44,654,732	66,935,269	17,935,560	36,769,530	54,705,090
1.1 Cash and cash equivalents	V-I-1	4,294,802	37,398,822	41,693,624	6,029,366	33,165,402	39,194,768
1.1.1 Cash and balances at Central Bank	V-I-1	3,516,700	32,411,723	35,928,423	5,466,368	27,025,089	32,491,457
1.1.2 Banks	V-I-3	765,849	4,987,203	5,753,052	563,482	6,140,626	6,704,108
1.1.3 Receivables from Money Markets		17,534	-	17,534	6,839	-	6,839
1.1.4 Allowance for expected credit losses (-)	V-I-16	5,281	104	5,385	7,323	313	7,636
1.2 Financial assets at fair value through profit or loss	V-I-2	446,957	107,726	554,683	147,706	76,799	224,505
1.2.1 Public debt securities		190	7,630	7,820	3,131	7,033	10,164
1.2.2 Equity instruments		2,611	100,096	102,707	2,914	69,766	72,680
1.2.3 Other financial assets		444,156	-	444,156	141,661	-	141,661
1.3 Financial assets at fair value through other comprehensive income	V-I-4	13,414,423	6,329,071	19,743,494	7,727,407	3,145,027	10,872,434
1.3.1 Public debt securities		12,850,786	5,094,779	17,945,565	7,662,348	2,161,026	9,823,374
1.3.2 Equity instruments		138,845	3,796	142,641	-	3,451	3,451
1.3.3 Other financial assets		424,792	1,230,496	1,655,288	65,059	980,550	1,045,609
1.4 Derivative financial assets	V-I-2	4,124,355	819,113	4,943,468	4,031,081	382,302	4,413,383
1.4.1 Derivative financial assets at fair value through profit or loss		4,124,355	819,113	4,943,468	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		194,209,457	108,472,603	302,682,060	175,129,227	93,496,819	268,626,046
2.1 Loans	V-I-5	170,011,635	93,822,145	263,833,780	150,765,467	83,697,409	234,462,876
2.2 Receivables from leasing transactions	V-I-10	677,737	2,200,260	2,877,997	528,938	2,252,664	2,781,602
2.3 Factoring receivables		2,174,793	145,721	2,320,514	2,537,604	97,705	2,635,309
2.4 Financial assets measured at amortised cost	V-I-6	34,187,201	12,478,333	46,665,534	32,377,288	7,603,222	39,980,510
2.4.1 Public debt securities		34,178,378	12,178,789	46,357,167	32,326,808	7,413,026	39,739,834
2.4.2 Other financial assets		8,823	299,544	308,367	50,480	190,196	240,676
2.5 Allowance for expected credit losses (-)		12,841,909	173,856	13,015,765	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-14	2,701,076	-	2,701,076	1,568,113	-	1,568,113
3.1 Held for sale		2,701,076	-	2,701,076	1,568,113	-	1,568,113
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		1,019,834	3	1,019,837	1,125,286	3	1,125,289
4.1 Investments in associates (Net)	V-I-7	699,939	3	699,942	805,406	3	805,409
4.1.1 Associates accounted by using equity method		399,459	-	399,459	363,641	-	363,641
4.1.2 Non-consolidated associates		300,480	3	300,483	441,765	3	441,768
4.2 Investments in subsidiaries (Net)	V-I-8	319,895	-	319,895	319,880	-	319,880
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		319,895	-	319,895	319,880	-	319,880
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	V-I-9	-	-	-	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)		3,220,786	11,833	3,232,619	2,832,630	11,876	2,844,506
VI. INTANGIBLE ASSETS AND GOODWILL (Net)		289,931	330	290,261	286,176	335	286,511
6.1 Goodwill		14,631	-	14,631	14,631	-	14,631
6.2 Other		275,300	330	275,630	271,545	335	271,880
VII. INVESTMENT PROPERTIES (Net)	V-I-12	640,674	-	640,674	607,400	-	607,400
VIII. CURRENT TAX ASSETS		-	-	-	2	-	2
IX. DEFERRED TAX ASSETS	V-I-13	375,867	-	375,867	188,968	-	188,968
X. OTHER ASSETS	V-I-15	7,197,431	8,833,588	16,031,019	6,064,575	8,621,960	14,686,535
TOTAL ASSETS		231,935,593	161,973,089	393,908,682	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 INTERIM 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 JUNE 30, 2019**

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

LIABILITIES	Notes	Reviewed Current Period June 30, 2019			Audited Prior Period December 31, 2018		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	115,898,126	101,685,662	217,583,788	108,319,277	74,156,432	182,475,709
II. LOANS RECEIVED	V-II-3	1,936,150	41,246,296	43,182,446	2,639,581	42,793,276	45,432,857
III. MONEY MARKET FUNDS		27,183,181	6,108,134	33,291,315	26,863,700	2,260,172	29,123,872
IV. MARKETABLE SECURITIES (Net)	V-II-4	10,555,383	16,984,288	27,539,671	8,111,583	14,660,908	22,772,491
4.1 Bills		5,182,761	-	5,182,761	4,319,247	-	4,319,247
4.2 Asset backed securities		-	-	-	62,960	-	62,960
4.3 Bonds		5,372,622	16,984,288	22,356,910	3,729,376	14,660,908	18,390,284
V. FUNDS		3,054	-	3,054	3,054	-	3,054
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,054	-	3,054	3,054	-	3,054
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	2,812,235	935,370	3,747,605	2,121,617	430,631	2,552,248
7.1 Derivative financial liabilities at fair value through profit or loss		2,812,235	935,370	3,747,605	2,121,617	430,631	2,552,248
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		1,899	10	1,909	903	-	903
IX. LEASE PAYABLES	V-II-6	862,107	141	862,248	-	-	-
X. PROVISIONS	V-II-8	5,739,985	47,816	5,787,801	5,783,951	44,704	5,828,655
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		1,011,829	3,675	1,015,504	1,084,477	3,641	1,088,118
10.3 Insurance technical reserves (Net)		3,545,206	17,418	3,562,624	3,428,842	18,220	3,447,062
10.4 Other provisions		1,182,950	26,723	1,209,673	1,270,632	22,843	1,293,475
XI. CURRENT TAX LIABILITIES	V-II-9	953,154	1,296	954,450	855,863	1,301	857,164
XII. DEFERRED TAX LIABILITIES	V-II-9	30,961	26,814	57,775	31,040	681	31,721
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	V-II-10	-	-	-	1,546	-	1,546
13.1 Held for sale		-	-	-	1,546	-	1,546
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-11	5,666,267	12,604,099	18,270,366	5,668,121	7,353,902	13,022,023
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		5,666,267	12,604,099	18,270,366	5,668,121	7,353,902	13,022,023
XV. OTHER LIABILITIES	V-II-5	8,577,751	3,458,733	12,036,484	7,926,529	5,503,935	13,430,464
XVI. SHAREHOLDERS' EQUITY	V-II-12	29,828,526	761,244	30,589,770	28,533,753	572,000	29,105,753
16.1 Paid-in capital	V-II-12	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital reserves		744,979	-	744,979	815,709	-	815,709
16.2.1 Equity share premiums		724,277	-	724,277	724,276	-	724,276
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		20,702	-	20,702	91,433	-	91,433
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		1,622,727	(7,252)	1,615,475	1,617,926	578	1,618,504
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(103,681)	513,190	409,509	(126,314)	213,595	87,281
16.5 Profit reserves		23,285,277	196,762	23,482,039	18,226,208	19,673	18,245,881
16.5.1 Legal reserves		2,574,317	10,669	2,584,986	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		20,253,978	182,478	20,436,456	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		1,064,122	12,313	1,076,435	4,850,989	245,715	5,096,704
16.6.1 Prior years' profits or losses		(149,281)	(40,469)	(189,750)	440,987	111,439	552,426
16.6.2 Current period net profit or loss		1,213,403	52,782	1,266,185	4,410,002	134,276	4,544,278
16.7 Minority interests		715,102	46,231	761,333	649,235	92,439	741,674
TOTAL LIABILITIES AND EQUITY		210,048,779	183,859,903	393,908,682	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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CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED OFF-BALANCE SHEET ITEMS
AS AT JUNE 30, 2019**

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

		Reviewed Current Period			Audited Prior Period		
		June 30, 2019			December 31, 2018		
	Notes	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)	119,031,920	177,741,953	296,773,873	96,501,074	145,965,409	242,466,483
I.	GUARANTEES AND SURETIES	V-III-2	38,693,319	33,008,296	71,701,615	37,626,296	28,402,701
1.1.	Letters of guarantee	V-III-1	38,001,216	18,488,774	56,489,990	36,896,905	15,055,991
1.1.1.	Guarantees subject to State Tender Law		3,250,129	6,616,088	9,866,217	3,807,039	5,902,336
1.1.2.	Guarantees given for foreign trade operations		1,473,398	-	1,473,398	1,314,771	-
1.1.3.	Other letters of guarantee		33,277,689	11,872,686	45,150,375	31,775,095	9,153,655
1.2.	Bank acceptances		9,694	3,377,398	3,387,092	24,005	2,948,104
1.2.1.	Import letter of acceptance		-	296,599	296,599	-	586,987
1.2.2.	Other bank acceptances		9,694	3,080,799	3,090,493	24,005	2,361,117
1.3.	Letters of credit		113,256	10,836,344	10,949,600	51,010	10,148,777
1.3.1.	Documentary letters of credit		113,256	10,836,344	10,949,600	51,010	10,148,777
1.3.2.	Other letters of credit		-	-	-	-	-
1.4.	Pre-financing given as guarantee		-	4,581	4,581	-	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		340,646	102,269	442,915	243,674	127,759
1.8.	Other guarantees		51,562	42,289	93,851	58,309	38,904
1.9.	Other warranties		176,945	156,641	333,586	352,393	78,967
II.	COMMITMENTS		41,096,013	29,049,493	70,145,506	38,193,153	27,235,343
2.1.	Irrevocable commitments	V-III-1	36,725,009	2,840,800	39,565,809	33,843,142	2,631,960
2.1.1.	Asset purchase and sales commitments	V-III-1	1,417,779	2,702,206	4,119,985	1,501,627	2,252,627
2.1.2.	Deposit purchase and sales commitments		-	-	-	-	-
2.1.3.	Share capital commitments to associates and subsidiaries		2,250	-	2,250	2,250	-
2.1.4.	Loan granting commitments		15,416,257	2,190	15,418,447	14,103,024	2,325
2.1.5.	Securities issuance brokerage commitments		-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-
2.1.7.	Commitments for checks payments	V-III-1	2,520,539	-	2,520,539	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	15,067,069	-	15,067,069	13,549,649	-
2.1.10.	Commitments for credit cards and banking services promotions		604,737	-	604,737	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		1,696,378	136,404	1,832,782	2,136,093	377,008
2.2.	Revocable commitments		4,371,004	26,208,693	30,579,697	4,350,011	24,603,383
2.2.1.	Revocable loan granting commitments		4,371,004	26,208,693	30,579,697	4,350,011	24,603,383
2.2.2.	Other revocable commitments		-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		39,242,588	115,684,164	154,926,752	20,681,625	90,327,365
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		39,242,588	115,684,164	154,926,752	20,681,625	90,327,365
3.2.1.	Forward foreign currency purchase and sale transactions		1,639,126	1,840,633	3,479,759	1,201,285	1,543,434
3.2.1.1.	Forward foreign currency purchase transactions		822,874	920,379	1,743,253	602,318	771,805
3.2.2.	Forward foreign currency sales		816,252	920,254	1,736,506	598,967	771,629
3.2.2.	Currency and interest rate swaps		27,650,233	99,170,766	126,820,999	13,620,376	74,478,250
3.2.2.1.	Currency swap purchase transactions		2,055,293	37,580,325	39,635,618	2,515,004	20,334,407
3.2.2.2.	Currency swap sale transactions		21,994,940	15,811,309	37,806,249	7,805,372	10,611,535
3.2.2.3.	Interest rate swap purchase transactions		1,800,000	22,889,566	24,689,566	1,650,000	21,766,154
3.2.2.4.	Interest rate swap sale transactions		1,800,000	22,889,566	24,689,566	1,650,000	21,766,154
3.2.3.	Currency, interest rate and security options		445,096	1,894,947	2,340,043	697,904	1,784,623
3.2.3.1.	Currency purchase options		319,816	834,428	1,154,244	349,778	865,498
3.2.3.2.	Currency sale options		125,280	1,060,519	1,185,799	348,126	919,125
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		1,433,824	1,289,641	2,723,465	-	-
3.2.4.1.	Currency purchases futures		426,383	878,101	1,304,484	-	-
3.2.4.2.	Currency sales futures		1,007,441	411,540	1,418,981	-	-
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		8,074,309	11,488,177	19,562,486	5,162,060	12,521,058
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		1,767,911,911	1,384,049,408	3,151,961,319	1,560,609,530	1,221,238,103
IV.	ITEMS HELD IN CUSTODY		60,335,170	13,852,819	74,187,989	54,906,337	7,564,236
4.1.	Assets under management		2,040,351	-	2,040,351	1,907,458	-
4.2.	Securities held in custody		42,360,596	5,402,618	47,763,214	37,070,534	395,353
4.3.	Checks received for collection		9,011,504	1,216,008	10,227,512	9,579,919	1,224,880
4.4.	Commercial notes received for collection		5,276,911	1,159,014	6,435,925	4,883,607	1,301,631
4.5.	Other assets received for collection		2,152	230	2,382	2,152	211
4.6.	Securities received for public offering		-	-	-	-	-
4.7.	Other items under custody		132,342	3,901,893	4,034,235	114,532	3,066,202
4.8.	Custodians		1,511,314	2,173,056	3,684,370	1,348,135	1,575,959
V.	PLEDGED ITEMS		514,262,958	228,506,648	742,769,606	428,113,720	204,235,157
5.1.	Marketable securities		373,339	12,446	385,785	355,159	9,824
5.2.	Guarantee notes		794,822	1,464,274	2,259,096	684,888	1,135,681
5.3.	Commodity		31,769,141	2,538,333	34,307,474	32,405,583	1,711,768
5.4.	Warrant		-	-	-	-	-
5.5.	Immovables		419,076,551	181,752,626	600,829,177	341,011,234	163,744,146
5.6.	Other pledged items		61,492,930	42,539,919	104,032,849	52,811,517	37,364,638
5.7.	Depositories receiving pledged items		756,175	199,050	955,225	845,339	269,100
VI.	ACCEPTED GUARANTEES AND WARRANTS		1,193,313,783	1,141,689,941	2,335,003,724	1,077,589,473	1,009,438,710
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		1,886,943,831	1,561,791,361	3,448,735,192	1,657,110,604	1,367,203,512	3,024,314,116

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019**

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

	Notes	Reviewed Current Period January 1, 2019- June 30, 2019	Reviewed Current Period April 1, 2019- June 30, 2019	Reviewed Prior Period January 1, 2018- June 30, 2018	Reviewed Prior Period April 1, 2018- June 30, 2018
I. INTEREST INCOME	V-IV-1	21,028,965	11,087,988	14,033,899	7,464,887
1.1 Interest on loans	V-IV-1	17,074,308	8,968,489	12,010,624	6,410,664
1.2 Interest received from reserve deposits		204,433	105,323	169,393	93,369
1.3 Interest received from banks	V-IV-1	178,359	85,454	129,687	64,908
1.4 Interest received from money market transactions		1,962	1,241	18,961	14,948
1.5 Interest received from marketable securities portfolio	V-IV-1	3,429,257	1,865,812	1,609,326	839,774
1.5.1 Financial assets at fair value through profit or loss		41,577	30,193	5,984	2,812
1.5.2 Financial assets at fair value through other comprehensive income		990,855	577,162	327,322	164,135
1.5.3 Financial assets measured at amortised cost		2,396,825	1,258,457	1,276,020	672,827
1.6 Finance lease interest income		115,883	59,542	81,812	40,432
1.7 Other interest income		24,763	2,127	14,096	792
II. INTEREST EXPENSES		15,536,474	8,123,718	8,949,950	4,789,434
2.1 Interest on deposits	V-IV-2	9,175,258	4,764,636	5,917,211	3,140,949
2.2 Interest on funds borrowed	V-IV-2	934,836	475,569	630,533	356,826
2.3 Interest on money market transactions		3,358,946	1,764,774	1,197,457	652,371
2.4 Interest on securities issued	V-IV-2	1,957,610	1,071,108	1,184,191	648,296
2.5 Leasing interest income		76,475	40,193	-	-
2.6 Other interest expenses		33,349	7,438	20,558	(9,008)
III. NET INTEREST INCOME/EXPENSE (I - II)		5,492,491	2,964,270	5,083,949	2,675,453
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		1,825,074	851,956	883,125	467,341
4.1 Fees and commissions received		2,367,528	1,165,547	1,278,101	689,672
4.1.1 Non-cash loans		348,869	183,026	194,834	102,372
4.1.2 Other		2,018,659	982,521	1,083,267	587,300
4.2 Fees and commissions paid		542,454	313,591	394,976	222,331
4.2.1 Non-cash loans		2,746	1,076	2,774	1,657
4.2.2 Other		539,708	312,515	392,202	220,674
V. DIVIDEND INCOME		8,432	7,095	48,480	4,047
VI. TRADING PROFIT/LOSS (Net)	V-IV-3	(1,063,874)	(1,234,803)	352,941	217,546
6.1 Profit/losses from capital market transactions	V-IV-3	121,141	69,004	58,272	30,423
6.2 Profit/losses from derivative financial transactions	V-IV-3	(1,492,899)	(1,501,823)	238,895	158,380
6.3 Foreign exchange profit/losses	V-IV-3	307,884	198,016	55,774	28,743
VII. OTHER OPERATING INCOME	V-IV-4	3,479,032	1,553,811	1,730,706	386,782
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		9,741,155	4,142,329	8,099,201	3,751,169
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-5	3,970,574	1,423,023	1,813,820	512,788
X. OTHER PROVISION EXPENSES (-)	V-IV-5	54,243	20,315	19,088	8,858
XI. PERSONNEL EXPENSES (-)		1,483,825	731,678	1,173,759	571,956
XII. OTHER OPERATING EXPENSES (-)	V-IV-6	2,675,446	1,355,722	2,289,761	1,231,840
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1,557,067	611,591	2,802,773	1,425,727
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		32,422	18,118	28,997	15,052
XVI. NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-7	1,589,489	629,709	2,831,770	1,440,779
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (+)	V-IV-10	(258,487)	(94,822)	(574,890)	(307,588)
18.1 Current tax provision	V-IV-10	(448,717)	(396,714)	(563,007)	(250,947)
18.2 Expense effect of deferred tax (+)	V-IV-10	(720,419)	(81,678)	(247,152)	(155,766)
18.3 Income effect of deferred tax (-)	V-IV-10	910,649	383,570	235,269	99,125
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII+XVIII)	V-IV-9	1,331,002	534,887	2,256,880	1,133,191
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-11	1,331,002	534,887	2,256,880	1,133,191
25.1 Equity holders of the Bank		1,266,185	485,730	2,229,462	1,111,784
25.2 Non-controlling interest (-)		64,817	49,157	27,418	21,407
Profit/Loss per 100 shares (full TL)	I-XXIV	0.5065	0.1943	0.8918	0.4447

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED INTERIM 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 SIX -MONTH PERIOD ENDED JUNE 30, 2019**

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

	Reviewed Current Period January 1, 2019- June 30, 2019	Reviewed Prior Period January 1, 2018- June 31, 2018
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. PROFIT (LOSS)	1,331,002	2,256,880
II. OTHER COMPREHENSIVE INCOME	266,113	173,111
2.1. Other comprehensive income that will not be reclassified to profit or loss	7,717	376,749
2.1.1. Gains (Losses) on Revaluation of Property, Plant and Equipment	14,187	51,412
2.1.2. Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3. Gains (losses) on remeasurements of defined benefit plans	(719)	(1,321)
2.1.4. Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	(3,067)	378,177
2.1.5. Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(2,684)	(51,519)
2.2. Other Comprehensive Income That Will Be Reclassified to Profit or Loss	258,396	(203,638)
2.2.1. Exchange Differences on Translation	94,772	-
2.2.2. Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	120,104	(248,302)
2.2.3. Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4. Income (Loss) Related with Hedges of Net Investments in Foreign Operations	67,188	-
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	(23,668)	44,664
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	1,597,115	2,429,991

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED INTERIM 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 SIX -MONTH PERIOD ENDED JUNE 30, 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									
	Reviewed	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 June 30, 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		-	-	-	-	10,662	(599)	(13,092)	94,772	160,268	67,188	-	-	1,266,185	1,585,384	11,731	1,597,115
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		-	1	-	(70,731)	-	-	-	-	-	-	(2,297)	(47,999)	-	(121,026)	7,928	(113,098)
IV.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	5,238,455	(5,238,455)	-	-	-	-
4.1.	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2.	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	5,238,455	(5,238,455)	-	-	-	-
4.3.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance			2,500,000	724,277	-	20,702	1,228,794	(41,956)	428,637	402,114	42,499	(35,104)	23,482,039	(189,750)	1,266,185	29,828,437	761,333	30,589,770

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

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED INTERIM 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 SIX -MONTH PERIOD ENDED JUNE 30, 2018**

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

STATEMENT OF CHANGES IN SHAREHOLDERS						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss		Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss										
	Reviewed	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
	Prior Period June 30, 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		-	-	-	-	14,737	(845)	363,715	-	(207,890)	-	-	-	2,229,462	2,399,179	30,812	2,429,991
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		-	-	-	-	-	-	-	-	-	-	-	435	-	435	(15,246)	(14,811)
IV.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	125,045	(125,045)	-	-	-	-
4.1.	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2.	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	125,045	(125,045)	-	-	-	-
4.3.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance		2,500,000	724,269	-	80,404	1,061,693	(29,849)	419,856	-	(167,414)	-	14,930,142	4,263,257	2,229,462	26,011,820	692,669	26,704,489

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

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED INTERIM 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 SIX -MONTH PERIOD ENDED JUNE 30, 2019**

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

	Notes	Reviewed Current Period June 30, 2019	Reviewed Prior Period June 30, 2018
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		450,716	3,314,014
1.1.1 Interests received		18,742,402	12,669,740
1.1.2 Interests paid		(15,188,258)	(8,382,215)
1.1.3 Dividends received		7,810	-
1.1.4 Fee and commissions received		2,367,528	1,328,199
1.1.5 Other income		674,093	617,546
1.1.6 Collections from previously written-off loans and other receivables		1,108,399	993,403
1.1.7 Cash payments to personnel and service suppliers		(1,699,808)	(1,319,133)
1.1.8 Taxes paid		(1,305,108)	(943,251)
1.1.9 Other		(4,256,342)	(1,650,275)
1.2 Changes in operating assets and liabilities		7,048,650	(3,324,238)
Net (increase) decrease in Financial Assets at Fair Value through Profit or			
1.2.1 Loss		(293,200)	19,973
1.2.2 Net (increase) decrease in due from banks		(132,900)	(2,621,272)
1.2.3 Net (increase) decrease in loans		(27,085,502)	(28,572,774)
1.2.4 Net (increase) decrease in other assets		(1,539,940)	593,697
1.2.5 Net increase (decrease) in bank deposits		3,301,544	34,908
1.2.6 Net increase (decrease) in other deposits		31,824,813	15,458,985
Net increase (decrease) in financial liabilities at fair value through profit or			
1.2.7 loss		-	-
1.2.8 Net increase (decrease) in funds borrowed		(2,056,048)	10,938,168
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		3,029,883	824,077
I. Net cash flow provided from banking operations		7,499,366	(10,224)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(13,733,266)	(4,874,062)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		-	(750)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		-	-
2.3 Cash paid for the purchase of tangible and intangible asset		(1,090,718)	(229,248)
2.4 Cash obtained from the sale of tangible and intangible asset		230,612	334,779
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(9,642,064)	(3,488,312)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		2,548,376	642,042
2.7 Cash paid for the purchase of financial assets at amortized cost		(6,001,964)	(2,871,107)
2.8 Cash obtained from sale of financial assets at amortized cost		447,853	745,754
2.9 Other		(225,361)	(7,220)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		9,165,102	5,650,382
3.1 Cash obtained from funds borrowed and securities issued		18,680,754	10,764,825
3.2 Cash outflow from funds borrowed and securities issued		(9,344,414)	(5,114,443)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance lease liabilities		(171,238)	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		76,080	(92,230)
V. Net increase/decrease in cash and cash equivalents		3,007,282	673,866
VI. Cash and cash equivalents at beginning of the period		21,379,500	20,110,705
VII. Cash and cash equivalents at end of the period		24,386,782	20,784,571

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