

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT SEPTEMBER 30, 2020
TOGETHER WITH AUDITOR'S REVIEW REPORT**

**(Convenience Translation of Publicly Announced
Unconsolidated Interim Financial Statements and
Auditor's Review Report Originally Issued in Turkish, See in
Note I. of Section Three)**



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of Türkiye Vakıflar Bankası T.A.O.

Introduction

We have reviewed the unconsolidated balance sheet of Türkiye Vakıflar Bankası T.A.O. ("the Bank") at 30 September 2020 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month-period then ended. The Bank management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Basis for the Qualified Conclusion

As explained in Section Five Part II-7 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 September 2020 include a free provision amounting to TL 852,000 thousand provided in prior years by the Bank management which does not meet the requirements of BRSA Accounting and Financial Reporting Legislation.



Qualified Conclusion

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the financial position of Türkiye Vakıflar Bankası T.A.O. at 30 September 2020 and the results of its operations and its cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Eight, is not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Halûk Yalçın, SMMM
Partner

Istanbul, 9 November 2020

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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The unconsolidated financial report as at and for the nine-month period ended September 30, 2020, prepared in accordance with the "Communiqué of Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
- DISCLOSURES ON ACCOUNTING POLICIES APPLIED IN THE PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements for the nine-month period and related disclosures and footnotes which have been independently reviewed, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance and in compliance with the financial records of our Bank and unless otherwise stated, presented in thousands of Turkish Lira.

November 9, 2020

Abdülkadir AKSU
Chairman of The Board

Serdar TUNÇBİLEK
Board and Audit
Committee Member

DİLEK YÜKSEL
Board and Audit
Committee Member

Abdi Serdar ÜSTÜNSALİH
General Manager and
Board Member

Şuayyip İLBİLGİ
Assistant General Manager

Korhan TURGUT
Director of Accounting and
Financial Affairs

The authorized contact person for questions on this financial report:

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TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. HISTORY OF THE BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS, AMENDMENTS TO LEGAL STATUS

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (“The Bank”) was established to operate as stated in the disclosure V of this section, under the authorization of a special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on January 11, 1954 within the framework of the authority granted to The General Directorate of the Foundations of Turkish Republic Prime Ministry (“The General Directorate of the Foundations”). The Bank’s statute has not been changed since its establishment.

II. THE BANK’S SHAREHOLDERS STRUCTURE, MANAGEMENT AND INTERNAL AUDIT, DIRECT AND INDIRECT SHAREHOLDERS, CHANGE IN SHAREHOLDER STRUCTURE DURING THE PERIOD AND INFORMATION ON BANK’S RISK GROUP

The shareholder having control over the shares of the Bank is the Republic of Turkey Ministry of Treasury and Finance.

As at September 30, 2020, the Bank’s paid-in capital is TL 3,905,622 TL (December 31, 2019: TL 2,500,000) divided into 390,562,248,996 shares with each has a nominal value of Kr 1.(December 31, 2019: TL 250,000,000,000)

The Bank’s shareholders structure as at September 30, 2020 and December 31, 2019 are as stated below:

Shareholders - September 30, 2020	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Türkiye Varlık Fonu (Group D)	1,405,622,490	1,405,622	35.99
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	27.52
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	10.31
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	9.93
Other appendant foundations (Group B)	2,591,250	2,591	0.07
Other real persons and legal entities (Group C)	1,527,393	1,528	0.04
Publicly traded (Group D)	630,596,723	630,597	16.14
Total	3,905,622,490	3,905,622	100.00

Shareholders - December 31, 2019	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	43.00
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	16.10
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	15.51
Other appendant foundations (Group B)	2,652,715	2,653	0.11
Other real persons and legal entities (Group C)	1,527,393	1,528	0.06
Publicly traded (Group D)	630,535,258	630,535	25.22
Total	2,500,000,000	2,500,000	100.00

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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

GENERAL INFORMATION (Continued)

**II. THE BANK'S SHAREHOLDERS STRUCTURE, MANAGEMENT AND INTERNAL AUDIT,
DIRECT AND INDIRECT SHAREHOLDERS, CHANGE IN SHAREHOLDER STRUCTURE
DURING THE PERIOD AND INFORMATION ON BANK'S RISK GROUP (Continued)**

With the Decree Law No. 696 published in the Official Gazette dated 24 December 2017, the "Türkiye Vakıflar Bankası Turkish Joint-Stock Company Law" No. 6219 was amended.

With the Presidential Decree dated December 3, 2019, published in line with the relevant provisions of Law No. 6219, 58.51% of the total of 43.00% (A) Group and 15.51% (B) Group, managed and represented by the General Directorate of Foundations' per share value of share is determined.

In accordance with the relevant provisions of the Law No. 6219, the provisions of the Capital Market Law, including the obligation to propose shares regarding the transfer transactions regarding the shares specified in the Presidential Decree of 3 December 2019, will not be applied. There will be no changes regarding the 25.22% shares of the (D) Group traded at the stock exchange.

The process regarding the transfer of bank shares has been completed as of 11 December 2019 and 58.51% of the Bank's share has been transferred to the Treasury and has been recorded in the Bank's share book on behalf of the Ministry of Treasury and Finance of the Republic of Turkey.

With the decision of the Bank's Board of Directors dated May 11, 2020, it has been decided to increase the paid-in capital of TL 2,500,000 provided that it remains within the registered capital ceiling, by completely restricting the pre-emptive rights of the current shareholders and by increasing cash capital increase, which will generate a total sales revenue of TL 7,000,000 in total. Within the framework of the relevant legislation of the Capital Markets Board ("CMB"), the Banking Regulation and Supervision Agency ("BRSA") and the Procedure for Borsa İstanbul's Wholesale Purchase and Sales Transactions, all of the shares to be issued due to the capital increase, are set to be transferred to Turkey Wealth Fund, without public offering and by dedicated sales method.

In the material event disclosure published by the Bank on May 15, 2020, it was announced that the sales price of the shares to be issued was determined as TL 4.98 for a share with a nominal value of 1 TL, and that the paid-in capital will be increased from TL 2,500,000 to TL 3,905,622 as a result of the capital increase.

It has been announced that the shares with a nominal value of TL 1,405,622 issued by the Bank are sold with a dedicated sales method for a share with a nominal value of TL 1, with a total sales revenue of TL 7,000,000 over the price of TL 4.98. As of the same date, the shares were sold to Turkey Wealth Fund through the wholesale transaction method in stock market and the capital increase transactions have been completed.

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AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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

GENERAL INFORMATION (Continued)

**III. INFORMATION ON THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS,
AUDIT COMMITTEE MEMBERS, GENERAL MANAGER, ASSISTANT GENERAL
MANAGERS AND THEIR SHARES IN THE BANK**

Name and Surname	Responsibility	Date of Appointment	Education	Experience in Banking and Management
<u>Board of Directors</u>				
Abdülkadir AKSU	Chairman	May 27, 2019	Bachelor's	1 years
Dr.Cemil Ragıp ERTEM	Member – Deputy Chairman	June 12, 2020	PhD	22 years
Abdi Serdar ÜSTÜNSALİH	Member- General Manager	May 27, 2019	Master's	29 years
Dr.Adnan ERTEM	Member	October 28, 2010	PhD	32 years
Dilek YÜKSEL	Member	March 29, 2016	Bachelor's	10 years
Şahin UĞUR	Member	June 9 2017	Bachelor's	34 years
Serdar TUNÇBİLEK	Member	June 9 2017	Bachelor's	34 years
Sadık YAKUT	Member	May 27, 2019	Bachelor's	1 years
Hamza YERLİKAYA	Member	June 12, 2020	Master's	-
<u>Audit Committee</u>				
Serdar TUNÇBİLEK	Member	June 15, 2017	Bachelor's	34 years
Dilek YÜKSEL	Member	June 12, 2020	Bachelor's	10 years
<u>Auditor</u>				
Hasan TÜRE	Auditor	June 9, 2017	Bachelor's	36 years
Mehmet Emin BAYSA	Auditor	June 12, 2020	Master's	1 years
<u>Assistant General Managers</u>				
Metin Recep ZAFER	R&D and Business Intelligence Application Development, Basic Banking Application Development, Channel Management and Payment Systems App. Development, System Management, IT System and Application Support, IT Planning and Coordination, Treasury Operations, Foreign Operations, Banking Operations, Credit, Customer and Account Operations	June 13, 2006	PhD	25 years
Muhammet Lütfü ÇELEBİ	Retail Banking Marketing, Retail Banking Marketing Services	October 23, 2013	Bachelor's	25 years
Şuayyip İLBİLGİ	Accounting and Financial Affairs, Strategy and Planning, Subsidiaries and Affiliates	August 1, 2017	Bachelor's	24 years
Mikail HIDİR	Credit Risk Planning and Monitoring Evaluation and Rating, Credit Risk Liquidation, Legal Affairs	December 26, 2018	Bachelor's	17 years
Hazım AKYOL	Corporate Banking Marketing, Commercial Banking Marketing, Corporate Branches Cash Management Product Development and Foreign Trade Marketing	May 31, 2019	Bachelor's	27 years
Alaattin ŞİMŞEK	Corporate Loans Allocation and Management SME and Retail Loans Allocation, Commercial Loans Allocation, Application of Credit Policies and Processes 1-2, Specific Loans Management	May 31, 2019	Bachelor's	25 years
Ferkan MERDAN	Payment Systems, Digital Banking and Distribution Channels, Corporate Communication	May 31, 2019	Master's	23 years
Muhammed Onay ÖZKAN	Treasury Management., International Banking and Investor Relations Treasury Middle Office	May 31, 2019	Bachelor's	19 years
Arif ÇOKÇETİN	Corporate Loans Allocation Management Retail and SME Loans Allocation Management Commercial Loans Allocation Management 1-2 Featured Loans Management	July 8, 2020	Bachelor's	25 years
Kadir KARATAŞ	Human Resources, Corporate Development and Academy	August 13, 2020	Bachelor's	23 years

The persons listed in the table above do not have any interest in the non-public part of the Bank.

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

GENERAL INFORMATION (Continued)

**III. INFORMATION ON THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS,
AUDIT COMMITTEE MEMBERS, GENERAL MANAGER, ASSISTANT GENERAL
MANAGERS AND THEIR SHARES IN THE BANK (Continued)**

Board of Directors Operations Chairmanship Departments and Support Services are working dependent to the General Manager.

The decisions taken at the 66th Ordinary General Assembly Meeting of the Bank held on June 12, 2020 regarding the renewal of the Members of the Board of Directors are as follows; It was resolved by majority of votes to appoint Mr. Hamza Yerlikaya as Independent Board Member to replace Mr. Şahap Kavcıoğlu representing Group (A) to serve for 3 years and to appoint Mr. Mehmet Emin Baysa to replace Mr. Yunus Arıncı as members of the Supervisory Board for 3 years.

At the Board of Directors Meeting held on 12 June 2020, in accordance with the Related Articles of our Bank's Articles of Association:

- Mr. Abdulkadir Aksu was elected as the Chairman of the Board,
- Mr. Cemil Ragıp Ertem was elected as the Deputy Chairman of the Board of Directors,
- Mr. Abdi Serdar Üstünsalih was elected as the General Manager

by unanimous vote.

With the decision of the Bank's Board of Directors dated July 8, 2020, Arif ÇOKÇETİN was appointed as the Assistant General Manager.

According to the decision of the Bank's Board of Directors dated August 13, 2020, Deputy General Manager Hüseyin Uğur BİLGİN was retired and Kadir KARATAŞ, Head of Banking Support Services, was appointed as Deputy General Manager.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

GENERAL INFORMATION (Continued)

IV. INFORMATION ON THE BANK’S QUALIFIED SHAREHOLDERS

Shareholders-30 September 2020	Nominal Value of Shares	Share Percentage	Paid Shares (Nominal)	Unpaid Shares
Türkiye Varlık Fonu (D Grubu)	1,405,622	35.99	1,405,622	-
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058	27.52	1,075,058	-
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,553	10.31	402,553	-
TC Hazine ve Maliye Bakanlığı (Group B)	387,673	9.93	387,673	-

Shareholders-31 December 2019	Nominal Value of Shares	Share Percentage	Paid Shares (Nominal)	Unpaid Shares
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058	43.00	1,075,058	-
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,553	16.10	402,553	-
TC Hazine ve Maliye Bakanlığı (Group B)	387,673	15.51	387,673	-

As of 30 September 2020, shareholder holding control over the Bank is the Republic of Turkey Ministry of Treasury and Finance having 37.45% of the Bank’s outstanding shares. Other organizations that are qualified shareholders are Turkey Wealth Fund, with 35.99% share and Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı, with 10.31% share.

As of 31 December 2019, shareholder holding control over the Bank is the Republic of Turkey Ministry of Treasury and Finance having 58.51% of the Bank’s outstanding shares. Another organization holding qualified share in the Bank is Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı, having 16.10% of outstanding shares of the Bank.

With the Decree Law No. 696 published in the Official Gazette dated December 24, 2017 and the Presidential Decree dated December 3, 2019, the changes in the capital structure of the Bank are explained in detail under the title II in the General Information Section I. of the report.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

GENERAL INFORMATION (Continued)

V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE BANK

The Bank was established under the authorization of special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on January 11, 1954 within the framework of the authority granted to The General Directorate of the Foundations. Operational activities of the Bank as stated at its Articles of Association are as follows:

The Bank’s objective is to carry out all kinds of banking activities that deposit banks can perform, provided that the obligations specified in the Banking Law and other relevant legislation are fulfilled.

The Bank shall exercise all the powers recognized by the provisions of the Banking Law and other relevant legislation in order to achieve its objectives.

In this framework, the Bank shall engage in activities such as to issue all kinds of cash and non-cash loans, either in Turkish Lira or foreign currency, to act as an intermediary in the export, purchase and sale of financial instruments, to carry out investment banking transactions, to buy, sell or transfer loans as wholesale or retail, to complete transactions in domestic and foreign futures markets, to provide funds from domestic and foreign interbank money market, to perform capital market transactions, to act as intermediary for import and export transactions, to act as agent for insurance and other financial institutions, and to participate in any partnership to which they may become a partner, without prejudice to the provisions of the capital market legislation, or to establish new partnerships for this purpose or to quit established partnerships.

The Bank is also authorized to carry out the banking services of the registered and appendant foundations as well as the cash registers under the agreements to be made by the General Directorate of Foundations.

Without prejudice to the provisions of the relevant legislation, the Bank may acquire, grant, issue, sell, transfer, pledge or mortgage to others, take pledges and mortgages on securities and real estate in its may lease or lease similar rights, annotate the lease and sale promise contracts to the title deed in his favor, and remove annotations for all kinds of movable properties, real estates and their rights, particularly industrial, intellectual and similar rights, right of incorporation and loyalty, rights of usufruct, easement and superior rights. The Bank can establish, either individually or collectively in an equal manner, pledge or mortgage.

The Bank may acquire securities and real estates in order to carry out banking activities or collect its receivables within the legal limits and may dispose of them by sale, exchange and other forms when necessary.

The Bank may obtain all kinds of collateral, guarantee in kind and personal guarantees, for the collection and provision of its rights and receivables. In this regard, the deed, tax offices and other public and private institutions before registration, cancellation, assignment and all other operations can do.

As at September 30, 2020, the Bank has 935 domestic, 3 foreign, in total 938 branches (December 31, 2019: 940 domestic, 3 foreign, in total 943 branches). As at September 30, 2020, the Bank has 16,714 employees (December 31, 2019: 16,835 employees).

VI. CURRENT OR LIKELY ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN BANK AND ITS SUBSIDIARIES

None.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION TWO
UNCONSOLIDATED
FINANCIAL STATEMENTS

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT SEPTEMBER 30, 2020**

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

ASSETS	Notes	Current Period September 30, 2020			Prior Period December 31, 2019		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		40,030,045	103,455,065	143,485,110	23,795,849	49,054,453	72,850,302
1.1 Cash and cash equivalents	V-I-1	4,600,285	41,706,593	46,306,878	2,378,543	39,968,746	42,347,289
1.1.1 Cash and balances at Central Bank	V-I-1	4,603,694	38,985,160	43,588,854	2,387,760	34,107,460	36,495,220
1.1.2 Banks	V-I-3	49	2,721,433	2,721,482	57	5,861,286	5,861,343
1.1.3 Receivables from Money Markets		-	-	-	-	-	-
1.1.4 Allowance for expected credit losses (-)	V-I-16	3,458	-	3,458	9,274	-	9,274
1.2 Financial assets at fair value through profit or loss	V-I-2	169,483	9,605,113	9,774,596	169,483	2,129,634	2,299,117
1.2.1 Public debt securities		-	9,451,672	9,451,672	-	2,017,593	2,017,593
1.2.2 Equity instruments		169,483	153,441	322,924	169,483	112,041	281,524
1.2.3 Other financial assets		-	-	-	-	-	-
1.3 Financial assets at fair value through other comprehensive income	V-I-4	26,578,728	50,332,214	76,910,942	17,659,223	6,043,312	23,702,535
1.3.1 Public debt securities		25,984,376	50,327,100	76,311,476	17,089,209	6,039,388	23,128,597
1.3.2 Equity instruments		-	5,114	5,114	-	3,924	3,924
1.3.3 Other financial assets		594,352	-	594,352	570,014	-	570,014
1.4 Derivative financial assets	V-I-2	8,681,549	1,811,145	10,492,694	3,588,600	912,761	4,501,361
1.4.1 Derivative financial assets at fair value through profit or loss		8,681,549	1,811,145	10,492,694	3,588,600	912,761	4,501,361
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST		332,303,048	133,040,151	465,343,199	222,157,099	101,300,068	323,457,167
2.1 Loans	V-I-5	308,729,976	118,403,220	427,133,196	202,764,067	89,326,983	292,091,050
2.2 Receivables from leasing transactions	V-I-10	-	-	-	-	-	-
2.3 Factoring receivables	-	-	-	-	-	-	-
2.4 Financial assets measured at amortised cost	V-I-6	43,331,003	14,683,453	58,014,456	35,004,414	12,010,219	47,014,633
2.4.1 Public debt securities		43,272,118	14,489,457	57,761,575	34,945,546	11,700,580	46,646,126
2.4.2 Other financial assets		58,885	193,996	252,881	58,868	309,639	368,507
2.5 Allowance for expected credit losses (-)	-	19,757,931	46,522	19,804,453	15,611,382	37,134	15,648,516
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	V-I-14	1,300,494	-	1,300,494	4,659,610	-	4,659,610
3.1 Held for sale purpose		1,300,494	-	1,300,494	4,659,610	-	4,659,610
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		3,203,620	736,703	3,940,323	2,314,536	486,740	2,801,276
4.1 Investments in associates (Net)	V-I-7	1,007,016	-	1,007,016	1,001,717	-	1,001,717
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		1,007,016	-	1,007,016	1,001,717	-	1,001,717
4.2 Investments in subsidiaries (Net)	V-I-8	2,196,604	736,703	2,933,307	1,312,819	486,740	1,799,559
4.2.1 Non-consolidated financial subsidiaries		1,858,072	736,703	2,594,775	990,508	486,740	1,477,248
4.2.2 Non-consolidated non-financial subsidiaries		338,532	-	338,532	322,311	-	322,311
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	V-I-9	-	-	-	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)		3,968,344	13,280	3,981,624	3,008,550	10,110	3,018,660
VI. INTANGIBLE ASSETS AND GOODWILL (Net)		253,482	-	253,482	221,103	-	221,103
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		253,482	-	253,482	221,103	-	221,103
VII. INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		306,677	-	306,677	-	-	-
IX. DEFERRED TAX ASSETS	V-I-13	916,555	-	916,555	747,323	-	747,323
X. OTHER ASSETS	V-I-15	6,885,356	11,656,908	18,542,264	4,277,313	7,392,799	11,670,112
TOTAL ASSETS		389,167,621	248,902,107	638,069,728	261,181,383	158,244,170	419,425,553

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT SEPTEMBER 30, 2020**

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

LIABILITIES AND EQUITY	Notes	Current Period September 30, 2020			Prior Period December 31, 2019		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	216,189,625	178,016,130	394,205,755	143,564,555	107,966,344	251,530,899
II. BORROWINGS	V-II-3	922,993	47,080,406	48,003,399	897,290	40,181,260	41,078,550
III. MONEY MARKET FUNDS		52,770,454	12,157,616	64,928,070	19,777,260	5,169,115	24,946,375
IV. MARKETABLE SECURITIES (Net)	V-II-3	11,965,200	29,985,090	41,950,290	11,587,544	17,588,825	29,176,369
4.1 Bills		6,526,372	-	6,526,372	6,289,792	-	6,289,792
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		5,438,828	29,985,090	35,423,918	5,297,752	17,588,825	22,886,577
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	3,238,787	2,730,080	5,968,867	2,226,099	1,085,850	3,311,949
7.1 Derivative financial liabilities at fair value through profit or loss		3,238,787	2,730,080	5,968,867	2,226,099	1,085,850	3,311,949
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	V-II-5	990,701	-	990,701	928,854	-	928,854
X. PROVISIONS	V-II-7	2,433,675	8,067	2,441,742	2,203,931	5,873	2,209,804
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		1,239,279	-	1,239,279	1,142,042	-	1,142,042
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		1,194,396	8,067	1,202,463	1,061,889	5,873	1,067,762
XI. CURRENT TAX LIABILITIES	V-II-8	521,650	2,034	523,684	1,113,379	3,003	1,116,382
XII. DEFERRED TAX LIABILITIES	V-II-8	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	V-II-9	-	-	-	-	-	-
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-10	6,248,868	13,320,310	19,569,178	6,394,877	12,850,576	19,245,453
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		6,248,868	13,320,310	19,569,178	6,394,877	12,850,576	19,245,453
XV. OTHER LIABILITIES	V-II-4	12,672,377	2,626,500	15,298,877	9,362,274	3,489,318	12,851,592
XVI. SHAREHOLDERS' EQUITY	V-II-11	44,065,595	120,517	44,186,112	32,748,020	278,253	33,026,273
16.1 Paid-in capital	V-II-11	3,905,622	-	3,905,622	2,500,000	-	2,500,000
16.2 Capital reserves		6,547,818	245,727	6,793,545	933,222	180,391	1,113,613
16.2.1 Equity share premiums		6,303,277	-	6,303,277	723,918	-	723,918
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		244,541	245,727	490,268	209,304	180,391	389,695
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		2,255,715	(197,873)	2,057,842	2,932,463	(144,550)	2,787,913
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		359,433	72,663	432,096	627,615	242,412	870,027
16.5 Profit reserves		25,754,720	-	25,754,720	22,952,429	-	22,952,429
16.5.1 Legal reserves		2,742,381	-	2,742,381	2,480,184	-	2,480,184
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		21,210,213	-	21,210,213	19,648,138	-	19,648,138
16.5.4 Other profit reserves		1,802,126	-	1,802,126	824,107	-	824,107
16.6 Profit or loss		5,242,287	-	5,242,287	2,802,291	-	2,802,291
16.6.1 Prior years' profits or losses		900,871	-	900,871	-	-	-
16.6.2 Current period net profit or loss		4,341,416	-	4,341,416	2,802,291	-	2,802,291
16.7 Minority interests		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		352,022,978	286,046,750	638,069,728	230,807,136	188,618,417	419,425,553

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

	Notes	Current Period January 1, 2020- September 30, 2020	Current Period July 1, 2020- September 30, 2020	Prior Period January 1 2019- September 30,2019	Prior Period July 1 2019- September 30,2019	
I.	INTEREST INCOME	V-IV-1	33,442,027	12,271,795	31,357,637	10,860,184
1.1	Interest on loans	V-IV-1	26,640,667	9,539,849	25,854,758	9,044,195
1.2	Interest received from reserve deposits		89,803	55,552	280,207	75,774
1.3	Interest received from banks	V-IV-1	37,321	3,907	153,589	33,052
1.4	Interest received from money market transactions		-	-	265	116
1.5	Interest received from marketable securities portfolio	V-IV-1	6,666,581	2,668,874	5,062,396	1,704,767
1.5.1	Financial assets at fair value through profit or loss		246,131	209,978	-	-
1.5.2	Financial assets at fair value through other comprehensive income		2,811,628	1,135,206	1,541,078	580,274
1.5.3	Financial assets measured at amortised cost		3,608,822	1,323,690	3,521,318	1,124,493
1.6	Finance lease interest income		-	-	-	-
1.7	Other interest income		7,655	3,613	6,422	2,280
II.	INTEREST EXPENSES	V-IV-2	17,665,422	6,870,246	22,940,899	7,558,202
2.1	Interest on deposits	V-IV-2	10,284,106	4,162,257	14,297,566	5,041,215
2.2	Interest on funds borrowed	V-IV-2	999,380	303,886	1,119,297	356,264
2.3	Interest on money market transactions		2,607,231	1,035,000	4,389,662	1,030,906
2.4	Interest on securities issued	V-IV-2	3,394,904	1,184,582	3,009,877	1,087,340
2.5	Leasing interest income		107,415	31,144	116,375	40,400
2.6	Other interest expenses		272,386	153,377	8,122	2,077
III.	NET INTEREST INCOME/EXPENSE (I - II)		15,776,605	5,401,549	8,416,738	3,301,982
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		2,630,080	865,573	2,931,282	1,097,237
4.1	Fees and commissions received		3,213,549	1,057,200	3,755,099	1,375,698
4.1.1	Non-cash loans		555,478	191,949	531,729	181,558
4.1.2	Other		2,658,071	865,251	3,223,370	1,194,140
4.2	Fees and commissions paid		583,469	191,627	823,817	278,461
4.2.1	Non-cash loans		392	92	401	169
4.2.2	Other		583,077	191,535	823,416	278,292
V.	DIVIDEND INCOME		167,668	172	50,804	113
VI.	TRADING PROFIT/LOSS (Net)	V-IV-3	(2,576,953)	(1,717,155)	(2,021,808)	(886,812)
6.1	Profit/losses from capital market transactions	V-IV-3	1,435,880	706,275	239,085	131,357
6.2	Profit/losses from derivative financial transactions	V-IV-3	(1,179,956)	(144,173)	(2,680,956)	(1,187,606)
6.3	Foreign exchange profit/losses	V-IV-3	(2,832,877)	(2,279,257)	420,063	169,437
VII.	OTHER OPERATING INCOME	V-IV-4	5,282,977	1,401,191	3,248,643	817,720
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		21,280,377	5,951,330	12,625,659	4,330,240
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-5	8,937,694	2,657,067	5,807,804	1,933,225
X.	OTHER PROVISION EXPENSES (-)	V-IV-5	31,414	(20,916)	34,633	(11,151)
XI.	PERSONNEL EXPENSES (-)		2,491,400	829,159	2,091,166	747,717
XII.	OTHER OPERATING EXPENSES (-)	V-IV-6	4,336,793	1,218,597	2,755,229	924,535
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		5,483,076	1,267,423	1,936,827	735,914
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-7	5,483,076	1,267,423	1,936,827	735,914
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-8	(1,141,660)	(167,394)	(414,834)	(232,712)
18.1	Current tax provision	V-IV-10	(1,233,444)	470,882	(1,212,212)	(824,537)
18.2	Expense effect of deferred tax (+)	V-IV-10	(1,523,729)	(903,189)	(922,387)	(226,298)
18.3	Income effect of deferred tax (-)	V-IV-10	1,615,513	264,913	1,719,765	818,123
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	V-IV-9	4,341,416	1,100,029	1,521,993	503,202
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	4,341,416	1,100,029	1,521,993	503,202
25.1	Equity holders of the Bank		-	-	-	-
25.2	Non-controlling interest (-)		-	-	-	-
	Profit/Loss per 100 shares (full TL)	I-XXIV	1.3695	0.2817	0.6088	0.2013

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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

	Current Period January 1, 2020- September 30, 2020	Prior Period January 1, 2019- September 30, 2019
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. PROFIT (LOSS)	4,341,416	1,521,993
II. OTHER COMPREHENSIVE INCOME	(1,168,002)	267,021
2.1. Other comprehensive income that will not be reclassified to profit or loss	(730,071)	(267,521)
2.1.1. Gains (Losses) on Revaluation of Property, Plant and Equipment	(11,034)	(1,009)
2.1.2. Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3. Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4. Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	(690,927)	(277,353)
2.1.5. Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(28,110)	10,841
2.2. Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(437,931)	534,542
2.2.1. Exchange Differences on Translation	-	-
2.2.2. Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(550,292)	670,636
2.2.3. Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4. Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
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	112,361	(136,094)
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	3,173,414	1,789,014

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Notes	Paid in Capital	Share Premiums	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 Net Income (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity
						1	2	3	4	5	6				
Current Period September 30, 2020															
I. Prior Period End Balance		2,500,000	723,918	-	389,695	653,324	(106,165)	2,240,754	80,727	789,300	-	22,952,429	2,802,291	-	33,026,273
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	723,918	-	389,695	653,324	(106,165)	2,240,754	80,727	789,300	-	22,952,429	2,802,291	-	33,026,273
IV. Total Comprehensive Income		-	-	-	-	(9,930)	-	(720,141)	-	(437,931)	-	-	-	4,341,416	3,173,414
V. Capital Increase by Cash		1,405,622	5,579,359	-	-	-	-	-	-	-	-	-	-	-	6,984,981
VI. Capital Increase by Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	100,573	-	-	-	-	-	-	72,815	828,056	-	1,001,444
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	2,729,476	(2,729,476)	-	-
11.1. Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	2,729,476	(2,729,476)	-	-
11.3. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+...X+XI)		3,905,622	6,303,277	-	490,268	643,394	(106,165)	1,520,613	80,727	351,369	-	25,754,720	900,871	4,341,416	44,186,112

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

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					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 Net Income (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity	
Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6					
Prior Period September 30, 2019															
I.	Prior Period End Balance	2,500,000	723,918	-	90,752	655,798	(33,854)	1,480,717	80,727	(100,297)	-	18,227,291	4,725,138	-	28,350,190
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	723,918	-	90,752	655,798	(33,854)	1,480,717	80,727	(100,297)	-	18,227,291	4,725,138	-	28,350,190
IV.	Total Comprehensive Income	-	-	-	-	(909)	-	(266,612)	-	534,542	-	-	-	1,521,993	1,789,014
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	376,281	-	-	-	-	-	-	11,179	(11,179)	-	376,281
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	4,713,959	(4,713,959)	-	-
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	4,713,959	(4,713,959)	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+...X+XI)		2,500,000	723,918	-	467,033	654,889	(33,854)	1,214,105	80,727	434,245	-	22,952,429	-	1,521,993	30,515,485

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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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

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

	Notes	Current Period September 30, 2020	Prior Period September 30, 2019
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		3,686,070	3,896,889
1.1.1 Interests received		27,518,003	28,068,428
1.1.2 Interests paid		(17,717,664)	(22,581,533)
1.1.3 Dividends received		167,668	50,804
1.1.4 Fee and commissions received		3,843,376	3,755,099
1.1.5 Other income		282,596	101,227
1.1.6 Collections from previously written-off loans and other receivables		3,760,190	1,730,296
1.1.7 Cash payments to personnel and service suppliers		(2,614,106)	(2,277,875)
1.1.8 Taxes paid		(2,296,782)	(1,671,485)
1.1.9 Other		(9,257,211)	(3,278,072)
1.2 Changes in operating assets and liabilities		36,274,778	3,147,454
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(7,434,079)	1,395
1.2.2 Net increase (decrease) in due from banks		(7,490,100)	(23,335)
1.2.3 Net increase (decrease) in loans		(130,276,018)	(37,983,954)
1.2.4 Net increase (decrease) in other assets		(9,786,879)	540,438
1.2.5 Net increase (decrease) in bank deposits		2,316,916	2,919,531
1.2.6 Net increase (decrease) in other deposits		140,445,599	47,358,260
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		6,958,985	(3,059,770)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		41,540,354	(6,605,111)
I. Net cash flow provided from banking operations		39,960,848	7,044,343
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(63,326,840)	(13,312,234)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(256,117)	(181,576)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		700	220
2.3 Cash paid for the purchase of tangible and intangible asset		(1,668,168)	(1,158,530)
2.4 Cash obtained from the sale of tangible and intangible asset		368,671	222,691
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(73,075,764)	(13,476,569)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		17,515,545	7,001,633
2.7 Cash paid for the purchase of financial assets at amortized cost		(10,987,874)	(6,306,183)
2.8 Cash obtained from sale of financial assets at amortized cost		4,824,545	812,410
2.9 Other		(48,378)	(226,330)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		20,001,603	9,922,389
3.1 Cash obtained from funds borrowed and securities issued		27,937,104	24,529,226
3.2 Cash outflow from funds borrowed and securities issued		(14,650,212)	(14,344,666)
3.3 Equity instruments issued		7,000,000	-
3.4 Dividends paid		-	-
3.5 Payments for finance lease liabilities		(285,289)	(262,171)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		174,137	(90,668)
V. Net increase/decrease in cash and cash equivalents		(3,190,252)	3,563,830
VI. Cash and cash equivalents at beginning of the period		29,765,174	19,472,141
VII. Cash and cash equivalents at end of the period		26,574,922	23,035,971

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated November 1, 2006 and in accordance with the regulations, communiques, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, Turkey Accounting Standard 34 (“TAS 34”) and Interim Financial Reporting Standard and Turkish Financial Reporting Standards (“TFRS”) enforced by Public Oversight, Accounting and Auditing Standards Authority (“POA”) and related appendices and interpretations (together referred as BRSA Accounting and Reporting Legislation). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” and amendments to this Communiqué. General board and some regulatory authorities has the authorization to change the legal financial statements after they are published. The Bank maintains its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

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

The accounting policies and valuation principles applied in the preparation of the unconsolidated financial statements have been determined and applied by BRSA in accordance with the regulations, communiques, explanations and circulars published in accordance with the accounting and financial reporting principles and if no specific regulation has been made by BRSA, it has been determined and applied according to the principles of TFRS.

The preparation of financial statements according to TFRS requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date and amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgments and estimates are explained in related notes.

Covid-19 virus, which first appeared in China and spread rapidly worldwide in a short time, started to appear in our country in March. Declared as an epidemic by the World Health Organization, Covid-19 had economic and social impacts worldwide. In order to slow down the epidemic, many measures have been taken, including in our country, to restrict travels around the world, to take quarantine measures, to increase distance work, and various arrangements are made to reduce the economic effects of the epidemic. The Bank has explained the effects of Covid-19, which it reflects in the financial statements dated September 30, 2020, in the following sections. In addition, while preparing the interim financial statements dated September 30, 2020, the fair value measurements were reviewed within the scope of TFRS 13 Fair Value Measurement standard.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

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ACCOUNTING POLICIES (Continued)

**II. STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND INFORMATION ON
FOREIGN CURRENCY TRANSACTIONS**

Strategy for the use of financial instruments

Core operations of the Bank, are based on retail banking, corporate banking, private banking, foreign exchange operations, money market operations, investment security transactions, and international banking in accordance with the requirements of its economic development while utilizing foundation resources. As a result of the nature of its operations, the Bank intensively utilizes financial instruments. The Bank accepts deposits consisting various maturities as the main source of funding with deposits being in high return as well as carefully utilizing them in high quality financial activities.

The most important fund sources of the Bank other than the deposits are its equity and medium and long-term borrowings obtained from foreign financial institutions. The Bank pursues an effective asset-liability management strategy by securing balance between funding resources and investments so as to reduce risks and increase returns. Accordingly, the Bank gives great significance to long-term placements bearing higher interest rates.

It is essential to consider the maturity structure of assets and liabilities in liquidity management. The essence of asset liability management is the keep to liquidity risk, exchange risk, and credit risk within reasonable limits; while enhancing profitability and strengthening the shareholders’ equity.

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Bank’s operating activities on the basis of maturity structures and market conditions. When bank placements are considered, they have short term maturity in terms of liquidity management and have lower return. The Bank can take various positions on short-term foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within specified limits set by regulations. The Bank hedges itself and controls its position against the foreign exchange risk being exposed due to foreign currency available-for-sale investments, investments in other portfolios and other foreign currency transactions by various derivative transactions and setting the equilibrium between foreign currency denominated assets and liabilities.

Within the legal limitations and the regulations of the bank’s internal control, the foreign currency position is being followed, the foreign currency position is established according to the basket equilibrium that is determined by taking into account current market conditions.

In order to avoid interest rate risk, assets and liabilities having fixed and floating interest rates are kept in balance, taking the maturity structure into consideration

Information on foreign currency transactions

Foreign currency transactions are recorded in TL which is the functional currency of the Bank. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Turkish Lira by using the prevailing exchange. Non-monetary foreign currency items which are recorded at fair value are valued at historical foreign exchange rates. Foreign exchange gain/loss amounts due to conversion of monetary items or collection or payments foreign currency denominated transactions are recognized in income statement.

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ACCOUNTING POLICIES (Continued)

**II. STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND INFORMATION ON
FOREIGN CURRENCY TRANSACTIONS (Continued)**

Exchange differences arising on amortized cost of financial assets at fair value through profit or loss are recognized in the income statement. Exchange differences arising on unrealized gains and losses are recognized in other comprehensive income or expense in profit or loss. Foreign exchange profits and losses arising from the translation of monetary items and the collection and payment of foreign currency transactions are included in the income statement.

While foreign exchange differences arising from amortized cost values of financial assets that fair value differences' in foreign currency is reflected in other comprehensive income are recognized in the income statement, the exchange differences calculated on unrealized gains and losses are accounted under the "Accumulated Other Comprehensive Income or Expenses" item in equity.

In March 24, 2020, Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (ESV) shares, which are presented in the paid-in capital of Vakıfbank International AG Turkey Foundations Bank, are purchased by the Bank. Because of the exchange risk arise from the 75.7 Million EUR of Vakıfbank International AG's paid-in capital shares amounting to 100 Million EUR, the fair value hedging strategy has been applied. In this context, as of September 30, 2020, the foreign exchange income presented in the income statement is 180,868 TL. 76.8 Million EUR portion of the securities issued by the Bank on 4 May 2016 with a nominal amount of 500 million Euros and the redemption date of 4 May 2021, were determined as hedging instruments. In this transaction, fair value changes related to the investment abroad, which is a hedged item, are reflected in the income statement as long as the hedging transaction is effective. The effectiveness of the transaction is the degree to balance the changes in the fair value of the hedged item that can be associated with the hedged currency risk by the hedging instrument.

As of September 30, 2020, it was identified that the evaluations that were made about the process to protect from the fair value risk were effective. Efficiency testing, which is consistent with the Bank's risk strategies, is conducted using the "Dollar off-set method" in the protection from risk process. According to this method, hedging compares the change in value of protection subject from risk with the change in value of protection tool from risk and calculates the relation with the effectiveness ratio of the hedge. The calculated effectiveness ratio is being evaluated within the TAS 39 Financial Instruments: Recognition and Measurement standards and hedge accounting principles are being applied. The bank documents the hedging strategies along with risk management goals. Hedge accounting ends when protection subject from risk ends or being sold or effectiveness test results are not effective anymore.

III. INFORMATION OF ASSOCIATES AND SUBSIDIARIES

Subsidiaries and associates are recognized at fair value in the unconsolidated financial statements, under the standard of, IFRS 9, "Financial Instruments: Turkey Financial Reporting Standards" and in accordance with IAS 27 "Separate Financial Statements".

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ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON FORWARDS, OPTIONS AND OTHER DERIVATIVE TRANSACTIONS

The derivative transactions mainly consist of currency and interest rate swaps, precious metals swaps, foreign currency forward contracts and currency options. The Bank has classified its derivative transactions, mentioned above, as “Derivative Financial Assets at Fair Value Through Profit or Loss” in accordance with the “IFRS 9 – Financial Instruments”.

Derivatives are initially recorded at their purchase costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

Derivative transactions are valued at their fair values subsequent to their acquisition and in accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss". The fair value differences of derivative financial instruments are recognized in the income statement.

Embedded derivative products are not separated from the articles of association and are accounted according to the standard on which the articles of association are based. As of September 30, 2020, the Bank does not have any embedded derivative financial instruments.

V. INFORMATION ON INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized using the effective interest method.

Starting from January 1 2018, Bank has started accruing interest income on non-performing loans. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are rediscounted through effective interest rate of and recognized through the gross book value of the non performing loan.

VI. INFORMATION ON FEES AND COMMISSIONS

Banking service income is recorded as income when they are collected. Other fee and commission income are transferred to profit/loss accounts according to the principle of periodicity on the basis of accrual using the principle of the effective interest method. Fee and commission expenses are recorded as expense at the time they are paid.

Fees and commissions other than those that are an integral part of the effective interest rate of financial instruments measured at amortized cost are accounted in accordance with the IFRS 15 “Revenue from Contracts with Customers” standard.

VII. INFORMATION ON FINANCIAL ASSETS

The Bank categorizes its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to IFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

The Bank recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

Classification and Measurement of Financial Instruments

According to TFRS 9, the classification and measurement of financial assets is determined according to the business model in which the financial asset is managed and whether it depends on the contractual cash flows that include interest payments only on the principal and principal balance.

Assessments on whether contractual cash flows include only principal balances and interest payments on the principal

Within the scope of this evaluation; principal is defined as the fair value of the financial asset when it is first recognized in the financial statements. For the time value of money, interest takes into account the costs (eg liquidity risk and management costs) for the credit risk and other underlying credit risks and profit margin associated with the principal amount over a period of time.

The Bank takes into consideration the contractual terms of the financial asset in the evaluation of the contractual cash flows that only include principal and interest payments on the principal. This includes assessing whether the financial asset includes a contractual condition that could change the timing or amount of contractual cash flows.

While performing the assessment, the Bank fulfills the on-balance sheet classification and measurement criteria by applying the procedures defined in TFRS 9 Financial Instruments including events that may change the amount and timing of cash flows, leverage structure of the financial product, early payment options, contingent interest rate changes and similar conditions.

At the time of initial recognition, each financial asset is classified as measured at fair value through profit or loss, at amortized cost, or at fair value through profit or loss.

Financial assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit/loss” are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from shortterm fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Equity securities classified as financial assets at fair value through profit/loss are recognized at fair value.

Marketable securities classified as financial assets at fair value through profit or loss are recognized at their fair values.

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

Financial Assets at Fair Value Through Other Comprehensive Income

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial assets with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Securities representing the share in the capital classified as financial assets at fair value through profit or loss are recognized at fair value. Exceptionally, cost may be an appropriate estimation method for determining fair value. This is only possible if there is not enough recent information on the measurement of fair value or if the fair value can be measured with more than one method and the cost reflects the fair value estimation among these methods in the best way.

During initial recognition an entity can choose in a irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

Financial Assets Measured at Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

Both “Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Group include Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. The estimated inflation rate used is updated as needed within the year.

Derivative Financial Assets

The Bank's derivative transactions mainly consist of foreign currency swaps and interest rate swaps, cross currency swaps, currency options and forward foreign currency purchase / sale contracts.

The derivative financial instruments of the Bank are classified as Financial assets at fair value through profit and loss in accordance with “IFRS 9 Financial Instruments” (IFRS 9). Liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts.

Derivative transactions are valued at their fair values subsequent to their acquisition and in accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss". The fair value differences of derivative financial instruments are recognized in the income statement.

Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method". As of January 1, 2018 loans of the Bank are retained under the “Measured at Amortized Cost” accounts due to holding loans in scope of a business model for the collection of contractual cash flows and contractual terms of loans that leads to cash flows representing solely payments of principal and interest at certain date.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS

As of January 1, 2018, the Bank recognizes provisions for expected loss in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated June 22, 2016 numbered 29750. Expected credit loss model is applied to financial assets measured at amortized cost or financial assets at fair value through other comprehensive income (e.g. placements, loans and leasing receivables), loan commitments and financial guarantee contracts.

The expected credit loss estimates are required to be unbiased, probability-weighted, considering the time value of money and including supportable information about past events, current conditions, and forecasts of future economic conditions.

It is possible to perform the expected credit loss calculations in accordance with TFRS 9, with three main parameters for each loan. Exposure at Default (EAD), Loss Given Default (LGD), Probability of Default (PD).

Expected Credit Loss (ECL) Calculation - Input and Forecasting Methodologies

Exposure at Default (EAD): Represents the amount of risk on the default date of the borrower in case of default. According to TFRS 9 in calculating EAD, the estimation of how customer risk rating changes over time is important. Amount of EAD for cash and non-cash loans are calculated in different ways.

Cash loans are divided into two parts as loans with payment plan and loans without payment plan. For loans with payment plan, EAD is calculated by considering the installments to be paid in the future. For cash loans without payment plan, EAD is calculated by keeping credit balance constant. For non-cash loans and limit commitments EAD is calculated by regarding to credit conversion factor and behavioral maturity periods.

Loss Given Default: The ratio that provides the uncollectable amount of the loans in the process after the default. The LGD ratio is the division of the uncollectable amount of a defaulted loan into the defaulted loan amount. This ratio enables to predetermine the risks in the case of default for the active credit portfolio and allows for provision under TFRS 9. In LGD methodology, all non-performing loans amounts and long term collection process has been taken into account and LGD rate is calculated after deducting net collections amounts from the default amount and discounted with effective interest rates or approximate rate over the net amounts with an approximate value.

For corporate and retail portfolios, different LGD calculations are performed. Since the dragging effect, LGD rates in corporate portfolios are considered on customer basis. For retail portfolios, LGD rates are considered on credit basis. In order to differentiate variable risk characteristics in accordance with TFRS 9, individual and corporate segments are divided into its own LGD ratios according to different risk factors.

Probability of Default (PD): Represents the probability of default of the debtor in a defined time lag in the future.

The models used in PD calculations were developed based on historical data on past and quarterly and non-defaultable loans. PD rates used within the scope of TFRS 9 are calculated separately for each rating model and rating information. In this context, firstly, PD rates are calculated from historical data(through the cycle) from this model and rating values, then lifetime default rate curves are created. These lifetime default rate curves provide the following two basic estimation data in the calculation of expected credit losses as follows:

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

- 12 Months PD ratio: The probability of default within 12 months from the reporting date estimate
- Lifetime PD ratio: Estimation of the probability of default over the expected life of the financial instrument

The models developed under TFRS 9 have detailed segment structures based on corporate and retail portfolios.

While creating the corporate PD rates, the rating values assigned to the customers as of the date of each rating and the customers who default on the corporate side are considered. Retail portfolios are divided into sub-segments according to product groups and lifetime default rate curves vary according to product groups. By taking into account the periodic PD rates, a PD rate scale is generated on the basis of rating and model code through the cycle.

The relation of all risk parameters with macroeconomic conditions has been tested and it has been determined that macroeconomic conditions have an effect on the probability of default. In this context, macroeconomic forecasts are taken into account in changing the probability of default.

Different macroeconomic models have been created for the retail portfolio and commercial portfolio, and macroeconomic forecasts affect the expected loss provision calculations in two separate scenarios, base and bad. The scenario weights used in the calculation of the “Expected Credit Loss Provision” were reconsidered and the weight of negative scenario was increased and adjustments were made in macroeconomic estimates in order to reflect the effects of Covid-19. The future macroeconomic expectations taken into account into TFRS 9 are in line with the Bank's current budget and ISEDES forecasts.

The models and methodologies used for TFRS 9 are evaluated at least once a year by the teams responsible for the model and methodology for their accuracy and suitability.

Macroeconomic forecasts and risk delinquency data used in risk parameter models are re-evaluated every quarter to reflect changes in economic conjuncture and are updated if needed. During the reporting period, arrangements were made in macroeconomic forecasts to reflect the negative effects of Covid-19.

The maximum period to determine the expected credit losses except for demand and revolving loans is up to the contractual life of the financial asset.

Staging

Financial assets are divided into the following three categories based on the increase in the credit risks observed since the initial acquisition:

Stage 1:

Financial assets that do not have a significant increase in the credit risk at the first time they are received in the financial statements or after the first time they are taken to the financial statements. For these assets, credit risk impairment provision is accounted for 12 months expected credit losses. The Bank applies the expected 12-month default probabilities to the estimated default amount and multiplies with the loss given default and downgrades to the present day with the original effective interest rate of the loan. For these assets, an expected 12-month credit loss is recognized and interest income is calculated over the gross carrying amount. 12-month expected credit loss is the loss arising from possible risks in the first 12 months following the reporting date.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Stage 2:

A financial asset is transferred to stage 2 in the event that there is a significant increase in the credit risk after the first time the financial asset is taken in the financial statements. The Bank determines the credit risk impairment provision of the financial asset according to lifetime expected credit loss. Lifetime expected credit losses are credit losses arising from all events that may occur during the expected life of the financial asset. The probability of default, and loss given default are estimated over the life of the loan including the use of multiple scenarios. Expected cash flows are discounted using the original effective interest rate.

Stage 3:

Stage 3 includes financial assets with objective evidence of impairment as of the reporting date. Lifetime expected credit loss is recorded for these assets. The Bank's methodology for loans at this stage is similar to loans classified in Stage 2, but the probability of default is considered 100%. Loss given default is calculated considering the period the loan waits in the non-performing loans and an aging curve formed from the historical data.

Significant Increase in Credit Risk

The Standart requires the assessment of whether there is a significant increase in the credit risk of financial assets by the date of initial recognition based on the information available without excessive effort and cost as of the reporting date. The factors that show a significant increase in credit risk under TFRS 9 are as follows:

Past Due Date; significant increase in the credit risk since the granting date in the case of loans overdue more than 30 days.

Restruction: Classification of financial assets under stage 2 as a result of the emergence of privileges and financial difficulties in the case of restructuring of financial receivables.

Qualitative Criteria: Implementation of set of qualitative criteria set by the Bank in accordance with the information obtained.

Quantitative Criteria: As of the reporting date, the default risk for the borrower and the default risk as of the date of the initial allowance are compared with the change in the grade / score information as a result of the application of statistically determined threshold values.

The Bank has accounted for the effect of applying the new provisions at the date of January 1, 2018 by recording a reversal in the opening records of previous years' profit and loss accounts. The primary impact is due to changes in the allowance for credit losses in accordance with the new impairment provisions and the tax effects of the corresponding provisions.

Within the scope of the measures taken for COVID-19, the Bank, pursuant to the BRSA's decision numbered 8970 dated 27 March 2020, effective as of March 17, 2020, and within the scope of Article 4 of the “Regulation on the Principles and Procedures Regarding the Classification of Loans and the Provisions”, 30-day delay period which was envisaged for classification in the Group II has started to be applied as 90 days until 31 December 2020 for the loans followed in the Group I. The bank continues to calculate the Expected Credit Loss based on its own risk models.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Default Definition

The Bank takes into account the requirements of TFRS 9 and the relevant BRSA in order to determine the default situation in accordance with the definition of default and its indicators included in the Communiqué on the Calculation of Provisions Regulation and the Amount Based on the Internal Risk Based Approach of the Credit Risk.

In terms of the default definition, the Bank has set the following criterias;

- Over 90 days delayed collection of principal and / or interest amount,
- The customer has been bankrupt or has been found to apply for bankruptcy,
- The customer's creditworthiness is impaired,
- It is decided that the principal and / or interest payments of the borrower will be delayed by more than 90 days since the collaterals and / or borrower's own funds are insufficient to cover the payment of the receivables at maturity,
- It is decided that the principal and / or interest payments of the customer will be delayed by more than 90 days due to macroeconomic, sector specific or customer specific reasons.

Due to COVID-19, effective as of 17 March 2020, the "more than 90 days past due" condition used in the definition of default for the classification of loans has started to be applied as "more than 180 days past due" in accordance with the 4th and 5th articles of “Regulation on Classification of Loans and Procedures and Principles for Provisions to Be Allocated for them” announcement of BRSA. This application will be valid until December 31, 2020. In accordance with the related amendment, the Bank has made provision in accordance with its risk policies.

Write off Policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. The Bank performs objective and subjective assessments whether there is reasonable expectation. In accordance with the amendment in the related regulation on provisions, the deduction of loans from the records is an accounting practice and does not result in the right to waive. In the current period, a write-off transaction has been made for non-performing loans in the amount of TL 890,789 for which 100% provision has been made. (31 December 2019: None.)

Asset Sales Policy

Banks that are directly or indirectly owned by the public or banks that are controlled by the public and financial institutions qualified as subsidiaries to these Banks can sell non-performing loans to asset management companies. As of 30 September 2020 and 31 December 2019, there are no transactions of this nature at the Bank.

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ACCOUNTING POLICIES (Continued)

IX. INFORMATION ON OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are reported in the balance sheet as net amount in the cases of the Bank’s right and right to sanction to finalize and have the intention to receive/pay related financial asset or liability over the recognized amount or have the right to finalize the related asset and liability simultaneously.

X. INFORMATION ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING

Securities sold under repurchase agreements (“repo”) are classified under “Financial Assets at Fair Value through Profit or Loss”, “Financial Assets at Fair Value through Other Comprehensive Income” and/or “Financial Assets Measured at Amortised cost” portfolios according to their holding purposes in the Bank’s portfolio, and they are valued based on the revaluation principles of the related portfolios. Funds received through repurchase agreements are classified in balance sheet under “Money Market Funds” and the related interest expenses are accounted on an accrual basis of balance sheet date.

Securities purchased under resale agreements (“reverse repo”) are classified in balance sheet under “Receivables from Money Markets”. The income accrual is calculated for the securities purchased under resale agreements via the difference between buying and selling prices on the balance sheet date.

XI. INFORMATION ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND RELATED LIABILITIES

As per TFRS 5 - “Non-current Assets Held for Sale and Discontinued Operations”, a fixed asset classified as an asset kept for sales purposes (or a group of fixed assets to be disposed of) is measured with either its book value or fair value less costs to sell (with the lower one).

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

As per the Board of Directors decision in December 13th, 2019, the Bank has started the process of transfer of shares held in subsidiaries Güneş Sigorta and Vakıf Emeklilik ve Hayat A.Ş. respectively, including publicly held shares, to a new company to be established by Türkiye Varlık Fonu Yönetimi A.Ş. These two companies have been removed from the subsidiaries account and started to be classified under the Assets Held for Sale and Discontinued Operations account.

On April 22, 2020, a share transfer agreement was signed between TVF Financial Investments as the buyer and the Bank as the seller, in order to transfer the Banks shares which represent 51.1% of Güneş Sigorta AŞ’s capital and 53.9% of Vakıf Emeklilik ve Hayat AŞ’s capital to TVF Financial Investments AŞ (“TVF Financial Investments”). The share transfer has been completed as of the same date.

As of April 22, 2020, all of the shares owned by the Bank in Güneş Sigorta AŞ and Vakıf Emeklilik ve Hayat AŞ were transferred to TVF Finansal Yatırımlar AŞ, and the Bank have not had any shares left in the relevant companies.

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ACCOUNTING POLICIES (Continued)

XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

As at the balance sheet date, there is no goodwill on financial statements.

The Bank’s intangible assets consist of software. Intangible assets are initially recorded at their costs in compliance with the TAS 38 – *Intangible Assets*.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 - Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Estimated useful lives of the Bank’s intangible assets are 3-15 years, and amortisation rates are between 6.67% and 33.33%.

XIII. INFORMATION ON TANGIBLE ASSETS

The costs of the tangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of December 31, 2004 are considered as their historical costs. Tangible assets purchased after January 1, 2005 were recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any. The Bank decided to pursue the properties for use according to their fair values in terms of separating the land and buildings within the context of TAS 16 “Turkish Accounting Standard on Property, Plant and Equipment” after the change in the accounting policy as of September 30, 2015.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the income statement of the period.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful life (years)	Depreciation rate (%)
Buildings	50	2
Office equipment, furniture and fixture, and motor vehicles	5-10	10-20
Assets obtained through finance leases	4-5	20-25

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 - *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

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ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON LEASING ACTIVITIES

The difference between operating leases and financial leases has been eliminated with the “IFRS 16 Leases” effective as of January 1, 2019, and on the transition date, the Bank has applied the simplified transition approach and elected not to restate comparative figures.

The Bank started to apply the “IFRS 16 Leases” standard which went into effect on January 1, 2019 to leases of service buildings and car rentals. However ATMs which are determined as low value by the Bank and short term lease contracts with a duration of 12 months or less, have been evaluated within the scope of the exemption granted by the standard. The payments for these contracts are recorded as expense in the period they occurred.

In accordance with “IFRS 16 Leases” standard, the Bank calculates the “right to use” amount on the basis of the present value of the lease payments of the fixed asset leased at the beginning of the lease and includes them in “tangible fixed assets”. The securities/properties having a right to use were capitalised by showing them under property, plant and equipment. In calculating assets having a right to use, outstanding rent amounts were discounted by a specific rate, considering the remaining term of the lease contract signed with the property owner, to determine net present value.

Instead of recognising leases in the scope of the “IFRS 16 Leases” standard as expenses or prepaid expenses, the Bank recognised the total lease liabilities to be paid by the end of the lease contract as “Lease Payables” under liabilities on the balance sheet. Changes that may impact the lease liability are remeasured and included in the balance sheet accounts.

Monthly interest and depreciation are calculated on the net present value based on the period of the lease contract, and are recognised on the income statement.

XV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

Provisions and contingent liabilities are accounted in accordance with TAS 37 “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets”.

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as at the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of unplanned or unexpected one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Bank discloses the contingent asset.

XVI. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS

Reserve for employee termination benefits

In accordance with existing Turkish Labor Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at September 30, 2020 is TL 7,117 (full TL) (December 31, 2019: TL 6,380 (full TL)).

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ACCOUNTING POLICIES (Continued)

**XVI. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS
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The Bank reserved for employee severance indemnities in the accompanying unconsolidated financial statements using actuarial method in compliance with the TAS 19 – Employee Benefits.

Other benefits to employees

The Bank has provided provision for undiscounted short-term employee benefits earned during the financial period (unused vacations, premium and dividend) as per services rendered in compliance with TAS 19 in the accompanying unconsolidated financial statements.

In accordance with TAS 19, the Bank recognizes actuarial gains and losses generated in related reporting periods in equity.

Pension fund

The employees of the Bank are the members of “Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı” (“the Fund”) established on May 15, 1957 as per the temporary article no. 20 of the Social Security Law no. 506.

As part of Social Security Law’s 506 numbered, temporary article no.23, monthly income or salary is eligible for those disabled with fund’s associates, senility and death insurance is subjected according to the first paragraph of the temporary article no. 23 which states the Banks should transfer pension funds to the Social Security Institution within three years after the issue date of the Banking Law no.5411, issued in the November 1, 2005 dated and 25983 numbered Official Gazette, has been cancelled by the Constitutional Court’s March 22, 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on December 15, 2007 in the Official Gazette no. 26731. The reason for the cancellation decision by Constitutional Court was stated as possible future losses on acquired rights of Fund members.

Following the publication of the ruling, the Turkish Parliament started to work on new legal arrangements and the Social Security Law no. 5754 (“the Law”) has been approved on April 17, 2008. The Law is enacted by the approval of the President of Turkey and issued on the May 8, 2008 dated and 26870 numbered Official Gazette.

In accordance with the temporary article no. 20 of the Article no. 73 of the Law;

The discounted liability for each fund in terms of the persons transferred as at the transfer date, including the contributors left the fund, should be calculated by the assumptions below:

- a) The technical interest rate to be used for the actuarial calculation is 9.80%
- b) Income and expenditures in respect to fund’s insurance division are considered in the calculation of discounted liability.

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**XVI. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS
(Continued)**

Law requires the transfer to be completed in three years beginning from January 1, 2008. The three year period has expired on May 8, 2011; however, it has been extended to May 8, 2013 with the decision of Council of Ministers published in Official Gazette dated April 9, 2011. Before the expiration date, with the decision of Council of Ministers published in Official Gazette dated May 3, 2013, the period for transferring banks, insurance and reinsurance firms, board of trade, exchanges or participants, monthly salary paid individuals and beneficiaries of the funds that are constructed for their personnel to Social Security Institution in the scope of the temporary article no. 20 of the Social Security Law no. 506 published in Official Gazette dated April 30, 2014 extended for one year. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated April 23, 2015 numbered 29335. “Council of Ministers” expression in “Council of Ministers is authorized to determine the date of transfer to the Social Security Institution” stated in provisional article 20 of Social Insurance and Universal Health Insurance Law No. 5510 is replaced with the “President” pursuant to the paragraph (I) of Article 203 of Statutory Decree No. 703 promulgated in repeated Official Gazette No. 30473, dated 09 July 2018.

The employer of pension fund participants will continue to pay the non-transferable social rights, which are already disclosed in the article of association of the pension fund, to the pension participants and their right owners, even though the salary payment obligation has been transferred to the Social Security Foundation.

The technical financial statements of the Fund are audited by the certified actuary according to the “Actuaries Regulation” which is issued as per the Article no. 21 of the 5684 numbered Insurance Law. As per the actuarial report dated September 30, 2020 in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against as at December 31, 2020.

XVII. INFORMATION ON TAXATION

Corporate tax

Corporate tax rate is 20% in Turkey according to Article 32 of the Corporate Taxes Law No. 5520. However, the mentioned ratio will be applied as 22% for a period of three years between 2018-2020, according to Law No: 7061 “The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations” published in the Official Gazette dated December 5, 2017. This rate is applied to total income of the Bank adjusted for certain disallowable expenses, exempt income and any other allowances.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Except for the dividend payments to these institutions, the withholding tax rate on the dividend payments is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax. No further tax is paid if the profit is not distributed.

75% of the profit from sales of associate shares that held at least 2 years and 50% of the profit from sales of real estates are exceptional from corporate taxes if there is a capital increase according to Corporate Tax Law or it is hold for 5 years on a special fund account. The Bank follows these profits in “Other Profit Reserves” under the equity.

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

50% revenue of the sales from the firms that follows up for their debts and their guarantors’ and mortgagor’ properties, associate shares, founder shares, redeemed shares and privileges are exceptional from the corporate taxes.

Advance tax that is calculated with the current rate through profit from quarterly period has to be declared on the 17th day and paid until the 17th night of the second following month after the period end. Advance taxes paid during the year are set off on corporate tax which is calculated in yearly corporate tax return for that year. In the case of excess amount of advance tax, the amount can be reimbursed in cash or be set off to other financial debts.

According to tax legislation, financial losses which are not exceed over 5 years can be deducted from profit of the company. Losses can not be set off from retained earnings.

There is no agreement with the tax authorities about the tax payables in Turkey. Corporate tax return declared until the last day of the fourth month following the end of the accounting period. Firms that allowed to analyze taxes, can examine the accounting records within five years and change the tax amount if there is a wrong transaction.

Corporation tax legislation for the foreign branches

Bahrain (Manama)

Bahrain branch is non taxable because there is no corporate tax practice in that country. Bahrain branch’ income is added to headquarters income and it is taxed in Turkey according to Law No. 5520 on Corporate Tax Laws published in the Official Gazette dated June 5, 2012, numbered B.07.1.GİB.4.99.16.02-KVK-5/1-b-128.

North Iraq (Erbil)

Erbil branch is taxable according to the country’s law legislation. Declaration of financial records and their tax payments are differ from cities that are related to centralized government and cities that are related to North Iraq. On the other hand, North Iraq tax administrations can impute taxes rather than the designated rates.

USA (New York)

New York branch is taxable according to state law legislation and country law legislation. Double Tax Treaty Agreements is stated for being taxed in Turkey.

Banking and Insurance Transaction Tax

Banking and insurance transaction tax is arranged by the Law No. 6802 on Expenditure Taxes Law. Excluding the banks’ and insurance companies’ transactions according to Law No. 3226 on Leasing Law Legislation which is dated 10.6.1985, the collecting money in cash or by approximation is subject to banking and insurance transaction tax. Those amounts are up to 5% banking and insurance transaction tax according to Law No. 6802 on Expenditure Taxes Law’s 33. Notice and Article No. 98/11591.

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

Deferred taxes

According to the TAS 12 - Income Taxes; deferred tax assets and liabilities are recognized, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, and initial recognition of assets and liabilities which affect neither accounting nor taxable profit. The delayed tax debt or assets is determined by calculating the “taxable temporary differences “ between the assets’ and debts’ book values versus the values on the legal tax base accounts . According to tax legislation, differences that do not affect the financial or commercial profit of the assets or liabilities at the acquisition date are excluded from these calculations.

According to December 8, 2004 BRSA.DZM.2/13/1-a-3 notice, there is no deferred tax assets on general provision and free provision. In addition to this, deferred tax asset calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles, beginning from January 1, 2018. Deferred rate calculation for free provisions are not calculated.

Deferred taxes’ book value is revised in every balance sheet date. If there is a condition met, where no possible taxable profit could be generated in case of a full or partial deferred tax asset benefit could be enabled by the Bank, the book value of the deferred tax asset will be decreased.

The deferred tax assets and liabilities are reported as net in the financial statements only if the Bank has legal right to present the net value of current year tax assets and current year tax liabilities and the deferred tax assets and deferred tax liabilities are income taxes of the same taxable entity.

In case valuation differences resulting from the subsequent measurement of the items are recognized in the statement of income, then the related current and or deferred tax effects are also recognized in the statement of income. On the other hand, if valuation differences are recognized in shareholders’ equity, then the related current or deferred tax effects are also recognized directly in the shareholders’ equity.

Transfer Pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

Pursuant to the relevant Communiqué, if a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

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ACCOUNTING POLICIES (Continued)

XVIII. INFORMATION ON CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank of Turkey (CBRT); and cash equivalents include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XIX. ADDITIONAL INFORMATION ON BORROWINGS

The Bank provides funding resources such as syndication and securitization transactions in case of need. In the current period, the Bank has started to obtain funds through domestic and international bonds since August 2011.

These transactions are initially recognized at acquisition costs at the transaction date and are subsequently measured at amortized cost using effective interest method.

The bank is not hedging about debt instruments.

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES

The shares of the Bank having nominal value of TL 322,000, representing the 25.18% of the Bank’s outstanding shares, was publicly offered at a price between TL 5.13-5.40 for each share having a nominal value of TL 1 on November 2005, and TL 1,172,347 was recorded as “Share Premiums” in shareholders’ equity. TL 448,429 of this amount has been utilized in capital increase on December 19, 2006.

With the decision of the Bank's Board of Directors dated May 11, 2020, it has been decided to increase the paid-in capital of TL 2,500,000 provided that it remains within the registered capital ceiling, by completely restricting the pre-emptive rights of the current shareholders and by increasing cash capital increase, which will generate a total sales revenue of TL 7,000,000 in total. Within the framework of the relevant legislation of the Capital Markets Board, the Banking Regulation and Supervision Agency and the Procedure for Borsa İstanbul's Wholesale Purchase and Sales Transactions, all of the shares to be issued due to the capital increase, are set to be transferred to Turkey Wealth Fund, without public offering and by private placement.

In the special circumstances disclosure published by the Bank on May 15, 2020, it was announced that the sales price of the shares to be issued was determined as 4.98 TL for a share with a nominal value of 1 TL, and the paid-in capital due to capital increase will be increased from TL 2,500,000 to TL 3,905,622.

In 20 May 2020 the shares with a nominal value of TL 1,405,622 issued by the Bank are sold with a dedicated sales method for a share with a nominal value of TL 1, with a total sales revenue of TL 7,000,000 over the price of TL 4.98. As of the same date, the shares were sold to Turkey Wealth Fund through the wholesale transaction method in stock market and the capital increase transactions have been completed and the amount of 5,579,359 TL was recorded as share premium.

XXI. INFORMATION ON CONFIRMED BILLS OF EXCHANGE AND ACCEPTANCES

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any. As at the balance sheet date, there are no acceptances recorded as liability in return for assets.

XXII. INFORMATION ON GOVERNMENT INCENTIVES

As at September 30, 2020 and December 31, 2019, the Bank does not have any government incentives.

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ACCOUNTING POLICIES (Continued)

XXIII. INFORMATION ON SEGMENT REPORTING

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

Segment reporting was selected as a fundamental section reporting method considering Bank's risk and return structure and key sources. It is disclosed in Section 4 Note VII.

XXIV. INFORMATION ON OTHER MATTERS

Earnings per share

Earnings per share has been calculated by dividing the net profit for the year to weighted average of outstanding shares. In Turkey, the companies may perform capital increase ("Bonus Shares") from retained earnings. In earning per share computation bonus shares are treated as issued shares.

As at and for the period ended September 30, 2020, earnings per 100 shares are full TL 1.3695 (September 30, 2019: full TL 0.6088).

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Shareholders, top executives and board members are accepted as related party personally, with their families and companies according to TAS 24 - Related Party Disclosures Standard. Transactions made with related parties are disclosed in Section 5 Note V.

Classifications

In the previous periods "Gain on Sale of Immovable and Shares of Associates and Subsidiaries" which was classified under "Other Accumulated Comprehensive Income or Expenses that will not be Reclassified in Profit or Loss" in the balance sheet, were classified under "Other Profit Reserves" in the balance sheet dated 30 September 2020, and the balance sheet dated 31 December 2019 is shown in accordance with the current period.

Explanations on TFRS 16 Standard

TFRS 16 Leases Standard was published in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard specifies the principles for the leasing, presentation, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information and to provide them with appropriate information. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements.

The Bank has applied the simplified transition approach and elected not to restate comparative figures. The Bank has not reassessed whether a contract is a lease or not a lease at the date of initial application for leases previously classified as operating leases in accordance with TAS 17 by preferring simplified transition approach. For the leases previously classified as operational leases in accordance with TAS 17, the lease liability calculated on the present value of the remaining lease payments, discounted using the alternative borrowing interest rate of the lessee at the initial application date is reflected to the financial statements. A right of use is also reflected in the financial statements at an amount equal to the lease obligation, which is reflected in the statement of financial position immediately prior to the initial application date, adjusted for the amount of all prepayment or accrued lease payments.

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ACCOUNTING POLICIES (Continued)

XXIV. INFORMATION ON OTHER MATTERS (Continued)

The amounts recognized under IFRS 16 as of January 1, 2019 and September 30, 2020 are presented below.

September 30, 2020	Service Buildings	Vehicles	Total
Lease payables	1,337,908	23,752	1,361,660
Deferred rental expenses(-)	368,186	2,773	370,959
Lease payables (Net)	969,722	20,979	990,701
Right of use assets	903,656	19,650	923,306

December 31, 2019	Service Buildings	Vehicles	Total
Lease payables	1,405,301	19,792	1,425,093
Deferred rental expenses(-)	494,028	2,211	496,239
Lease payables (Net)	911,273	17,581	928,854
Right of use assets	871,107	16,473	887,580

Short term lease contracts with a duration of 12 months or less and lease contracts for ATMs that are determined to be of low value by the Bank have been evaluated within the scope of the exemption recognized by the standard, and payments for these contracts are recorded as expense in the period they occur. In this context, 53,152 thousand TL of lease payments were made in the related period. . (September 30, 2019: TL 68,714).

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT

I. INFORMATION ON EQUITY ITEMS

Total Capital amount and Capital Adequacy Standard Ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

Additionally, the recent revision changes considered are as follows:

In accordance with the BRSA regulation dated March 23, 2020 and numbered 3397, in the calculation of capital adequacy ratio, equity amount was used for the ones acquired before this date, excluding the negative valuation differences of securities in the “Fair Value of Financial Assets Through Other Comprehensive Income ” portfolio.

In accordance with the BRSA regulation dated March 23, 2020 and numbered 3397, in the calculation of TL equivalents of credit risks, which are subject to foreign currency and acquired before this date, the foreign exchange buying rate is taken into consideration, which was the basis in the preparation of the financial statements dated 31 December 2019.

In accordance with the BRSA regulation dated April 16, 2020, and numbered 3984, 0% risk weight was used in the calculation of the amount subject to credit risk for the receivables of the banks from the CBRT and in FX

As of September 30, 2020 Bank’s equity amount TL 62,709,999 (December 31, 2019: 51,694,358 TL) capital adequacy ratio is 17.19 % (December 31, 2019: 16.61 %).

Current Period - September 30, 2020	Amount	Amount as per the regulation before 1/1/2014(*)
COMMON EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	3,905,622	
Share Premium	6,303,277	
Reserves	25,754,720	
Income recognized under equity in accordance with TAS	2,979,004	
Profit	5,242,287	
Current Period’s Profit	4,341,416	
Prior Period’s Profit	900,871	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period’s profit	562,757	
Common Equity Tier 1 Capital Before Deductions	44,747,667	
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (i) item of first paragraph of Article 9	-	-
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS	376,527	-
Leasehold Improvements on Operational Leases	186,119	-
Goodwill netted with deferred tax liability	-	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	250,201	253,482
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Excess amount expressed in the law (Article 56 4th paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
The amount to be deducted from common equity tier 1 capital	-	-
Total regulatory adjustments to Common equity Tier 1	812,847	
Common Equity Tier 1 capital (CET1)	43,934,820	
Additional Tier 1 capital: instruments	11,364,275	
Premiums that are not included in Common Equity Tier 1 capital	-	
Bank’s borrowing instruments and related issuance premium	11,364,275	
Bank’s borrowing instruments and related issuance premium (Temporary Article 4)	-	
Additional Tier 1 Capital before deductions	-	
Deductions from Additional Tier 1 Capital		
Bank’s direct or indirect investment in Tier 1 Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%	-	-
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-

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I. INFORMATION ON EQUITY ITEMS (Continued)

Current Period - September 30, 2020	Amount	1/1/2014(*)	Amount as per the regulation before
Transition from the Core Capital to Continue to deduct Components			
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-	-
Total Deductions from Additional Tier 1 Capital	-	-	-
Total Additional Tier 1 Capital	11,364,275	-	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	55,299,095	-	-
TIER 2 CAPITAL			
Bank's borrowing instruments and related issuance premium	3,341,978	-	-
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	325,763	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	4,077,980	-	-
Tier 2 Capital Before Deductions	7,419,958	-	-
Deductions From Tier 2 Capital			
Bank's direct or indirect investment in Tier 2 Capital (-)	-	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by Financial Institutions with the conditions declared in Article 8	-	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% threshold of Common Equity Tier 1 Capital (-)	-	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-	-
Other Items Determined by BRSA (-)	-	-	-
Total Deductions From Tier 2 Capital	-	-	-
Tier 2 Capital	7,419,958	-	-
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	62,719,053	-	-
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)			
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years (-)	9,054	-	-
Other accounts to be defined by the BRSA (-)	-	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components			
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-	-
TOTAL CAPITAL			
Total Capital	62,709,999	-	-
Total Risk Weighted Amounts	364,814,687	-	-
Capital Adequacy Ratios			
Core Capital Adequacy Ratio (%)	12.04	-	-
Tier 1 Capital Adequacy Ratio (%)	15.16	-	-
Capital Adequacy Ratio (%)	17.19	-	-
BUFFERS			
Total buffer requirement (a+b+c)	2.507	-	-
a) Capital conservation buffer requirement (%)	2.500	-	-
b) Bank specific counter-cyclical buffer requirement (%)	0.007	-	-
c) Systemically important banks buffer requirement (%)**	0.000	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	7.54	-	-
Amounts below deduction thresholds			
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-	-
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-	-
Mortgage servicing rights	-	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-
Limits related to provisions considered in Tier 2 calculation			
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	8,211,148	-	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4,077,980	-	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)			
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-	-

*Represents the amounts taken into consideration according to transition clauses.

**According to the "Regulations on Systemically Important Banks" 4th paragraph of Article 4, the "systemically important banks buffer requirement (%)" is to be filled by the systemically important banks that are not obligated to prepare consolidated financial statements and should be reported as zero for by the other banks.

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

	Amount	1/1/2014(*)	Amount as per the regulation before
Prior Period - December 31, 2019			
COMMON EQUITY TIER I CAPITAL			
Paid-in capital to be entitled for compensation after all creditors	2,500,000		
Share Premium	723,918		
Reserves	22,952,429		
Income recognized under equity in accordance with TAS	3,908,655		
Profit	2,802,291		
Current Period's Profit	2,802,291		
Prior Period's Profit	-		
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	389,695		
Common Equity Tier 1 Capital Before Deductions	33,276,988		
Deductions from Common Equity Tier 1 Capital			
Valuation adjustments calculated as per the (i) item of first paragraph of Article 9	-	-	
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS	250,715	-	
Leasehold Improvements on Operational Leases	192,666	-	
Goodwill netted with deferred tax liability	-	-	
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	217,897	221,103	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-	
Gains arising from securitization transactions	-	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
Defined-benefit pension fund net assets	-	-	
Direct and indirect investments of the Bank in its own Common Equity	-	-	
Excess amount expressed in the law (Article 56 4th paragraph)	-	-	
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-	
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph)	-	-	
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-	
Amounts related to mortgage servicing rights	-	-	
Excess amount of deferred tax assets from temporary differences	-	-	
Other Items Determined by BRSA	-	-	
The amount to be deducted from common equity tier 1 capital	-	-	
Total regulatory adjustments to Common equity Tier 1	661,278		
Common Equity Tier 1 capital (CET1)	32,615,710		
Additional Tier 1 capital: instruments	9,670,380		
Premiums that are not included in Common Equity Tier 1 capital	-		
Bank's borrowing instruments and related issuance premium	9,670,380		
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-		
Additional Tier 1 Capital before deductions	-		
Deductions from Additional Tier 1 Capital			
Bank's direct or indirect investment in Tier 1 Capital	-	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%	-	-	
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-	
Other Items Determined by BRSA	-	-	

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

	Amount	Amount as per the regulation before 1/1/2014(*)
Prior Period - December 31, 2019		
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	9,670,380	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	42,286,090	-
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	5,873,555	-
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	488,644	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3,540,327	-
Tier 2 Capital Before Deductions	9,413,882	-
Deductions From Tier 2 Capital		
Bank's direct or indirect investment in Tier 2 Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by Financial Institutions with the conditions declared in Article 8	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions From Tier 2 Capital	-	-
Tier 2 Capital	9,413,882	-
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	51,699,972	-
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years (-)	5,614	-
Other accounts to be defined by the BRSA (-)	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital	51,694,358	-
Total Risk Weighted Amounts	311,140,871	-
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	10.48	-
Tier 1 Capital Adequacy Ratio (%)	13.59	-
Capital Adequacy Ratio (%)	16.61	-
BUFFERS		
Total buffer requirement (a+b+c)	2,521	-
a) Capital conservation buffer requirement (%)	2,500	-
b) Bank specific counter-cyclical buffer requirement (%)	0,007	-
c) Systemically important banks buffer requirement (%)**	0,000	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	5.98	-
Amounts below deduction thresholds		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Limits related to provisions considered in Tier 2 calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	3,609,523	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3,540,327	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-

*Represents the amounts taken into consideration according to transition clauses.

**According to the "Regulations on Systemically Important Banks" 4th paragraph of Article 4, the "systemically important banks buffer requirement (%)" is to be filled by the systemically important banks that are not obligated to prepare consolidated financial statements and should be reported as zero for by the other banks.

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Current Period - September 30, 2020						
Issuer	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	XS0849728190/ US90015NAB91	XS1551747733 / US90015WAE30	TRSVKFB92719	TRSVKFB0043	XS1984644812	TRSVKFB92925
Governing law(s) of the instrument	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity
Regulatory treatment						
Subject to 10% deduction as of 1/1/2015	Subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	325	1,766	525	4,994	6,371	725
Par value of instrument (in million)	4,838	1,766	525	4,994	6,371	725
Accounting classification	347011- Subordinated Liabilities	347011- Subordinated Liabilities	346011- Subordinated Liabilities	346001- Subordinated Liabilities	347001- Subordinated Liabilities	346011-Subordinated Liabilities
Original date of issuance	November 1, 2012	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Perpetual or dated	Dated (10 years) Maturity Date: November 1, 2022	Dated (10 years) Maturity Date: November 1, 2027	Dated (10 years) Maturity Date: September 6, 2027	Undated	Undated	Dated (10 years) Maturity Date: September 14, 2029
Issue date	November 1, 2012	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available
Call option dates, conditioned call dates and call amount	Not available.	Early call date at November 1, 2022 is available.	Early call date at the end of five years.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call date at the end of five years.
Subsequent call dates, if applicable	Not available.	Only one call option is available.	Only one call option is available.	September 27, 2023	April 24, 2024	Only one call option is available

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Coupons / dividends						
Fixed or floating dividend/coupon	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months	Fixed interest rate / Interest payment once in a year	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date
Coupon rate and any related index	6% fixed interest rate	8% fixed interest rate	5 years maturity “Indicator Government Debt Security” +350 basis points	12.62 % fixed interest rate	5.076 % fixed interest rate	TLREF + 150 basis points
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Nil	Nil	Nil	Nil	Nil	Nil
Existence of step up or other incentive to redeem	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible						
If convertible, conversion trigger (s)	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, fully or partially	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, conversion rate	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, mandatory or optional conversion	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify instrument type convertible into	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify issuer of instrument it converts into	Nil	Nil	Nil	Nil	Nil	Nil
Write-down feature						
If write-down, write-down trigger(s)	Not available.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank’s shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity.	Available. BRSA regulation on bank’s shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.
If write-down, full or partial	Not available.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.
If write-down, permanent or temporary	Not available.	Has permanent write down feature.	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature.
If temporary write-down, description of write-up mechanism	Not available.	Has no write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.
Whether conditions which stands in article of 7 and 8 of Banks’ shareholder equity law are possessed or not	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 8
According to article 7 and 8 of Banks’ shareholders equity law that are not possessed	Not Possess Article 7	Not Possess Article 7	Not Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2019							
Issuer	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	XS0849728190/ US90015NAB91	XS1175854923/ US90015WAC73	XS1551747733/ US90015WAE30	TRSVKFB92719	TRSVKFBA0043	XS1984644812	TRSVKFB92925
Governing law(s) of the instrument	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity
Regulatory treatment							
Subject to 10% deduction as of 1/1/2015	Subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	488	2,780	1,355	525	4,994	4,677	725
Par value of instrument (in million)	4,119	2,788	1,355	525	4,994	4,677	725
Accounting classification	347011- Subordinated Liabilities	347011- Subordinated Liabilities	347011- Subordinated Liabilities	346011- Subordinated Liabilities	346001- Subordinated Liabilities	347001- Subordinated Liabilities	346011-Subordinated Liabilities
Original date of issuance	November 1, 2012	February 2, 2015	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Perpetual or dated	Dated (10 years) Maturity Date: November 1, 2022	Dated (10 years) Maturity Date: February 3, 2025	Dated (10 years) Maturity Date: November 1, 2027	Dated (10 years) Maturity Date: September 6, 2027	Undated	Undated	Dated (10 years) Maturity Date: September 14, 2029
Issue date	November 1, 2012	February 2, 2015	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available	Available
Call option dates, conditioned call dates and call amount	Not available.	Early call date at February 3, 2020 is available.	Early call date at November 1, 2022 is available.	Early call date at the end of five years.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call date at the end of five years.
Subsequent call dates, if applicable	Not available.	Only one call option is available.	Only one call option is available.	Only one call option is available.	September 27, 2023	April 24, 2024	Only one call option is available

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Coupons / dividends							
Fixed or floating dividend/coupon	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months	Fixed interest rate / Interest payment once in a year	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date
Coupon rate and any related index	6% fixed interest rate	6.875% fixed interest rate	8% fixed interest rate	5 years maturity “Indicator Government Debt Security” +350 basis points	12.62 % fixed interest rate	5.076 % fixed interest rate	TLREF + 150 basis points
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Existence of step up or other incentive to redeem	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible							
If convertible, conversion trigger (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, fully or partially	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, conversion rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, mandatory or optional conversion	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify instrument type convertible into	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify issuer of instrument it converts into	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Write-down feature							
If write-down, write-down trigger(s)	Not available.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank’s shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity.	Available. BRSA regulation on bank’s shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.
If write-down, full or partial	Not available.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.
If write-down, permanent or temporary	Not available.	Has permanent write down feature.	Has permanent write down feature.	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature.
If temporary write-down, description of write-up mechanism	Not available.	Has no write-up mechanism.	Has no write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.
Whether conditions which stands in article of 7 and 8 of Banks’ shareholder equity law are possessed or not	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 8
According to article 7 and 8 of Banks’ shareholders equity law that are not possessed	Not Possess Article 7	Not Possess Article 7	Not Possess Article 7	Not Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Reconciliation of capital items to balance sheet:

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Shareholders' equity	44,186,112	33,026,273
Valuation differences of the marketable securities	185,028	-
Leasehold improvements on operational leases	(186,119)	(192,666)
Goodwill and intangible assets	(250,201)	(217,897)
General provision (1.25% of the amount that subject to credit risk)	4,077,980	3,540,327
Subordinated debt	14,706,253	15,543,935
Deductions from shareholders' equity	(9,054)	(5,614)
Capital	62,709,999	51,694,358

(*)In accordance with the BRSA regulation dated March 23, 2020, and numbered 3397, in calculating the capital adequacy ratio, the equity amount calculated without taking into consideration the negative valuation differences of the securities in the “Fair Value of Financial Assets Through Other Comprehensive Income” portfolio, which was obtained before this date, was used.

(**)In accordance with the BRSA regulation dated March 23, 2020 and numbered 3397, in the calculation of TL equivalents of credit risks, which are subject to foreign currency and acquired before this date, the foreign exchange buying rate is taken into consideration, which was the basis in the preparation of the financial statements dated 31 December 2019

(***)In accordance with the BRSA regulation dated April 16, 2020, and numbered 3984, 0% risk weight was used in the calculation of the amount subject to credit risk for the receivables of the banks from the CBRT and in FX.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. FOREIGN CURRENCY EXCHANGE RISK

Foreign exchange risk that the Bank exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the Bank for the positions being monitored on a daily basis

The Standard Method which is also used in the legal reporting is used in measuring the currency risk of the Bank.

All of the foreign currency assets and liabilities and the forward foreign-currency transactions are taken into consideration in calculating the capital obligation for the currency risk. The net long and short positions are calculated in Turkish Lira equivalent of the each currency. The position with the biggest absolute value is determined as the base amount for the capital obligation and the capital obligation is calculated at that amount.

The magnitude of hedging foreign currency debt instruments and net investment in foreign operations by using derivatives

As at September 30, 2020 and December 31, 2019 the Bank does not have derivative financial instruments held for risk management.

Foreign exchange risk management policy

The Bank manages the Turkish currency or foreign currency risks that may arise in domestic and international markets and follows the transactions that create these risks, and manages these risks at optimum levels within the framework of market expectations and within the scope of the Bank’s strategies by considering the balance with other financial risks.

Sensitivity analysis regarding the Bank’s exposure on the currency risk is explained in the related section II.

The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	US Dollar	Euro
The Bank’s foreign currency purchase rate at the balance sheet date	7.7600	9.10100
<u>Foreign currency purchase rates for the days before balance sheet date:</u>		
Day 1	7.8401	9.2040
Day 2	7.7791	9.0758
Day 3	7.6482	8.8920
Day 4	7.6307	8.8883
Day 5	7.7012	8.9889
Last 30-days arithmetical average rate	7.5046	8.8569

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Information on currency risk

Current Period - September 30, 2020	Euro	US Dollar	Other FC	Total
<i>Assets:</i>				
Cash and balances with the Central Bank of Republic of Turkey	13,670,058	22,108,091	3,207,011	38,985,160
Banks	499,610	1,957,381	264,442	2,721,433
Financial assets at fair value through profit or loss	-	153,441	9,451,672	9,605,113
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	9,640,947	40,691,267	-	50,332,214
Loans ⁽¹⁾	59,492,363	59,312,389	228,972	119,033,724
Associates, subsidiaries and joint-ventures	736,703	-	-	736,703
Financial assets measured at amortized cost	7,131,928	7,551,525	-	14,683,453
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	13,280	-	13,280
Intangible assets	-	-	-	-
Other assets ⁽²⁾	5,542,753	7,692,512	415	13,235,680
Total assets	96,714,362	139,479,886	13,152,512	249,346,760
<i>Liabilities:</i>				
Bank deposits	5,090,372	3,876,318	421,670	9,388,360
Foreign currency deposits	54,182,095	96,854,796	17,590,879	168,627,770
Interbank money market takings	3,337,545	8,820,071	-	12,157,616
Other funding	20,316,627	26,606,720	157,059	47,080,406
Securities issued ⁽³⁾	11,102,021	30,694,856	1,508,523	43,305,400
Miscellaneous payables	984,109	382,009	287	1,366,405
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities ⁽²⁾	457,634	3,138,684	14,999	3,611,317
Total liabilities	95,470,403	170,373,454	19,693,417	285,537,274
Net 'on balance sheet' position	1,243,959	(30,893,568)	(6,540,905)	(36,190,514)
Net 'off-balance sheet' position	245,040	17,813,087	6,778,466	24,836,593
Derivative assets ⁽⁴⁾	10,547,896	21,838,319	8,063,959	40,450,174
Derivative liabilities ⁽⁴⁾	10,302,856	4,025,232	1,285,493	15,613,581
Non-cash loans ⁽⁵⁾	25,989,708	28,115,782	775,761	54,881,251
Prior Period - December 31, 2019	Avro	ABD Doları	Diğer YP	Toplam
Total assets	74,513,706	79,781,752	4,770,857	159,066,315
Total liabilities	71,679,023	109,694,620	6,690,690	188,064,333
Net 'on balance sheet' position	2,834,683	(29,912,868)	(1,919,833)	(28,998,018)
Net 'off-balance sheet' position	(1,979,254)	23,696,865	1,937,708	23,655,319
Derivative assets ⁽⁴⁾	7,791,628	32,111,731	2,728,069	42,631,428
Derivative liabilities ⁽⁴⁾	9,770,882	8,414,866	790,361	18,976,109
Non-cash loans ⁽⁵⁾	18,289,781	21,058,283	466,265	39,814,329

- (1). Foreign currency indexed loans amounting to TL 630,504 (December 31, 2019: TL 1,041,327) which are presented in TL column in the balance sheet are included in the table above.
- (2). Other Derivative Financial Instruments Currency Income Costs TL 48,365 TL (31 December 2019: 122,743), Prepaid Expenses TL 150,658 (31 December 2019 : 122,696), 1st and 2nd stage expected loss provisions (13,172 TL) (31 December 2019: (26,257)), and derivative financial instruments currency expense accruals of TL 155,086 (31 December 2019: 63,478), Expected Credit Loss on Non-Cash Loans amounting to TL 8,067 (31 December 2019: 5,873) unearned income TL 225,806 (31 December 2019: 206,480) and shareholders' equity TL 120,517 (31 December 2019: 278,253) are not taken into consideration in the currency risk calculation.
- (3). Subordinated debt are shown under securities issued.
- (4). Asset purchase commitments amounting to TL 803,952 (December 31, 2019: TL 2,203,998) and asset sales commitments amounting to TL 785,417 (December 31, 2019: TL 3,357,796) are included.
- (5). Non-cash loans are not taken into consideration in the calculation of the net 'off-balance sheet' position.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Exposure to currency risk

10% appreciation of the TL against the following currencies as at and for the period ended September 30, 2020 and September 30, 2019 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

	Current Period- September 30, 2020		Prior Period- September 30, 2019	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	(1,309,376)	(1,309,376)	25,378	25,378
Euro	148,900	75,230	155,161	113,981
Other currencies	23,756	23,756	1,346	1,346
Total, net ^(**)	(1,136,720)	(1,210,390)	181,885	140,705

^(*) Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

^(**) Associates, subsidiaries and jointly controlled partnerships are included in the currency risk effect calculations on profit or loss, but not in the currency risk effect calculations on equity. Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

10% appreciation of the TL against the following currencies as at and for the period ended September 30, 2020 and September 30, 2019 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	Current Period - September 30, 2020		Prior Period- September 30, 2019	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	1,309,376	1,309,376	(25,378)	(25,378)
Euro	(148,900)	(75,230)	(155,161)	(113,981)
Other currencies	(23,756)	(23,756)	(1,346)	(1,346)
Total, net ^(**)	1,136,720	1,210,390	(181,885)	(140,705)

^(*) Equity effect also includes profit or loss effect of 10% revaluation of TL against related currencies.

^(**) Associates, subsidiaries and jointly controlled partnerships are included in the currency risk effect calculations on profit or loss, but not in the currency risk effect calculations on equity. Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. INTEREST RATE RISK

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

Bank’s interest rate risk is measured by the standard method.

Measurements for standard method are carried out monthly using the maturity ladder table.

Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates

Current Period - September 30, 2020	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<i>Assets:</i>							
Cash and balances with CBRT	2,206,117	-	-	-	-	41,382,737	43,588,854
Banks	-	886,880	-	72,812	-	1,761,790	2,721,482
Financial assets at fair value through profit/loss	3,302,786	-	3,956,885	2,192,001	-	322,924	9,774,596
Interbank money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	10,968,110	7,129,856	10,905,246	41,452,211	6,450,405	5,114	76,910,942
Loans and receivables ^(*)	131,047,480	71,343,514	89,770,262	71,881,579	47,173,487	15,916,874	427,133,196
Financial assets measured at amortized cost	31,821,163	1,809,538	2,965,141	15,920,935	5,497,679	-	58,014,456
Other assets ^(**)	1,532,027	3,226,145	4,561,102	312,844	2,247,461	8,046,623	19,926,202
Total assets	180,877,683	84,395,933	112,158,636	131,832,382	61,369,032	67,436,062	638,069,728
<i>Liabilities:</i>							
Bank deposits	7,057,440	4,359,610	31,095	-	-	1,383,612	12,831,757
Other deposits	241,658,449	50,965,787	12,332,423	237,571	129	76,179,639	381,373,998
Interbank money market takings	59,065,684	3,312,756	2,051,802	497,828	-	-	64,928,070
Miscellaneous payables	-	-	-	-	-	10,062,996	10,062,996
Securities issued ^(***)	1,887,921	4,351,374	10,120,445	39,940,724	5,219,004	-	61,519,468
Funds borrowed	1,723,339	29,483,930	10,328,893	4,543,657	459,060	1,464,520	48,003,399
Other liabilities ^(****)	648,626	2,103,074	3,214,483	189,566	2,382,380	50,811,911	59,350,040
Total liabilities	312,041,459	94,576,531	38,079,141	45,409,346	8,060,573	139,902,678	638,069,728
On balance sheet long position	-	-	74,079,495	86,423,036	53,308,459	-	213,810,990
On balance sheet short position	(131,163,776)	(10,180,598)	-	-	-	(72,466,616)	(213,810,990)
Off-balance sheet long position	3,492,899	9,025,672	-	-	-	-	12,518,571
Off-balance sheet short position	-	-	(2,055,556)	(1,323,970)	(2,192,164)	-	(5,571,690)
Net position	(127,670,877)	(1,154,926)	72,023,939	85,099,066	51,116,295	(72,466,616)	6,946,881

^(*) Non-performing loans are shown in the “Non-Interest Bearing” column.

^(**) Subsidiaries, associates and tangible and intangible assets, expected credit losses and deferred tax asset are included in non-interest bearing column.

^(***) Subordinated debts are shown under securities issued.

^(****) Equity is included in non-interest bearing column in other liabilities line.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. INTEREST RATE RISK (Continued)

Prior Period - December 31, 2019	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<i>Assets:</i>							
Cash and balances with CBRT	339,913	-	-	-	-	36,155,307	36,495,220
Banks	3,292,055	603,035	329,183	-	-	1,637,070	5,861,343
Financial assets at fair value through profit/loss	-	-	2,017,593	-	-	281,524	2,299,117
Interbank money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	2,262,635	1,864,878	7,690,645	7,541,293	4,339,160	3,924	23,702,535
Loans and receivables ^(*)	77,980,695	36,513,474	82,326,239	50,762,662	27,193,752	17,314,228	292,091,050
Financial assets measured at amortized cost	9,120,723	4,987,724	12,906,825	13,666,366	6,332,995	-	47,014,633
Other assets ^(**)	629,481	717,725	264,894	2,253,453	746,922	7,349,180	11,961,655
Total assets	93,625,502	44,686,836	105,535,379	74,223,774	38,612,829	62,741,233	419,425,553
<i>Liabilities:</i>							
Bank deposits	6,416,799	3,135,429	311,986	-	-	651,048	10,515,262
Other deposits	139,953,902	35,123,645	15,746,955	148,419	138	50,042,578	241,015,637
Interbank money market takings	21,402,308	2,582,471	221,363	740,233	-	-	24,946,375
Miscellaneous payables	-	-	-	-	-	8,531,664	8,531,664
Securities issued ^(***)	2,365,667	4,298,453	2,829,486	31,993,731	6,934,485	-	48,421,822
Funds borrowed	1,149,442	27,557,201	7,933,675	2,058,503	1,360,533	1,019,196	41,078,550
Other liabilities ^(****)	565,440	764,075	50,492	2,027,070	1,024,307	40,484,859	44,916,243
Total liabilities	171,853,558	73,461,274	27,093,957	36,967,956	9,319,463	100,729,345	419,425,553
On balance sheet long position	-	-	78,441,422	37,255,818	29,293,366	-	144,990,606
On balance sheet short position	(78,228,056)	(28,774,438)	-	-	-	(37,988,112)	(144,990,606)
Off-balance sheet long position	2,535,875	4,804,841	-	-	-	-	7,340,716
Off-balance sheet short position	-	-	(207,784)	(341,823)	(1,938,734)	-	(2,488,341)
Net position	(75,692,181)	(23,969,597)	78,233,638	36,913,995	27,354,632	(37,988,112)	4,852,375

^(*) Non-performing loans are shown in the “Non-Interest Bearing” column.

^(**) Subsidiaries, associates and tangible and intangible assets, expected credit losses and deferred tax asset are included in non-interest bearing column.

^(***) Subordinated debts are shown under securities issued.

^(****) Equity is included in non-interest bearing column in other liabilities line.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments (*):

	Euro	US Dollar	Yen	TL
Current Period - September 30, 2020	%	%	%	%
Assets:				
Cash and balance with CBRT	-	-	-	7.00
Banks	0.01	0.08	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	3.46	3.62	-	11.04
Loans and receivables	5.09	6.48	-	11.91
Financial assets measured at amortized cost	4.60	6.25	-	8.86
Liabilities:				
Bank deposits	0.75	1.72	-	11.91
Other deposits	0.93	2.29	-	10.31
Interbank money market takings	0.98	1.77	-	10.97
Miscellaneous payables	-	-	-	-
Securities issued (**)	4.04	5.99	-	12.89
Funds borrowed	1.39	2.46	-	7.66
Prior Period - December 31, 2019				
	%	%	%	%
Assets:				
Cash and balance with CBRT	-	-	-	10.00
Banks	0.01	1.67	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	3.29	6.90	-	15.79
Loans and receivables	5.49	7.57	-	16.41
Financial assets measured at amortized cost	4.62	6.73	-	12.82
Liabilities:				
Bank deposits	0.50	2.65	-	11.09
Other deposits	0.45	2.16	-	10.41
Interbank money market takings	0.88	2.86	-	11.21
Miscellaneous payables	-	-	-	-
Securities issued (**)	4.04	6.13	-	12.63
Funds borrowed	1.99	4.16	-	7.27

(*) The rates above are calculated over financial instruments with interest rates.

(**) Subordinated debts are shown under securities issued.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. STOCK POSITION RISKS

Stock position risks arising from banking book items

Information on separations of risks according to objectives including their relation with gains presented in equity and strategically reasons, accounting techniques and general information about valuation methods with the related assumptions and factors that affect the valuation and significant changes

The accounting applications regarding to share investment that qualifications in associate and subsidiary of are disclosed in Section 3 Note III and Note VII.

If carrying value is substantially different from fair value and for publicly traded shares if market value is substantially different from fair value, the comparison with the market prices are shown in the table below:

Current Period - September 30, 2020	Comparison		
Stock Investments	Carrying Value	Fair Value^(*)	Market Value^(*)
Stocks quoted in exchange^(*)	1,605,535	1,605,535	1,605,535
1.Stocks Investments Group A	1,605,535	1,605,535	1,605,535
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
Stocks unquoted in exchange^(**)	2,662,826	2,395,034	-

^(*) The values of stocks traded in Stock Exchange are included to both columns assuming the market value is approximate to fair value.

^(**) The values of stocks unquoted in exchange are determined according to December 31, 2019 valuation reports prepared by independent valuation companies.

Prior Period - December 31, 2019	Comparison		
Stock Investments	Carrying Value	Fair Value^(*)	Market Value^(*)
Stocks quoted in exchange^(*)	766,354	766,354	766,354
1.Stocks Investments Group A	766,354	766,354	766,354
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
Stocks unquoted in exchange^(**)	2,320,370	2,090,926	-

^(*) The values of stocks traded in Stock Exchange are included to both columns assuming the market value is approximate to fair value.

^(**) The values of stocks unquoted in exchange are determined according to valuation reports prepared by independent valuation companies.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. STOCK POSITION RISKS (Continued)

Total unearned gain or loss, total revaluation surplus and values included to principal and supplementary capital

Total unearned gain or loss, total appraisal surplus and values included to principal and supplementary capital are given in the below table:

Portfolio-Current Period- September 30, 2020	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total ^(*)	Included in Supplementary Capital	Total ^(*)	Included in Supplementary Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	843,519	843,519
3. Other Stocks	-	757,821	757,821	-	-
4. Total	-	757,821	757,821	843,519	843,519

^(*) Amounts are presented including the effect of deferred tax.

Portfolio-Prior Period - December 31, 2019	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total ^(*)	Included in Supplementary Capital	Total ^(*)	Included in Supplementary Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	203,193	203,193
3. Other Stocks	-	897,662	897,662	-	-
4. Total	-	897,662	897,662	203,193	203,193

^(*) Amounts are presented including the effect of deferred tax.

Explanations on Equity Shares Risk Arising from Banking Book

Portfolio-Current Period - September 30, 2020	Carrying Value	Total RWA	Minimum Capital Requirement
1. Private Equity Investments	-	-	-
2. Quoted	1,605,535	1,605,535	128,443
3. Other Stocks	2,662,826	2,430,065	194,405
4. Total	4,268,361	4,035,600	322,848

^(*) In accordance with the BRSA regulation dated March 23, 2020 and numbered 3397, in the calculation of TL equivalents of credit risks, which are subject to foreign currency, the foreign exchange buying rate is taken into consideration, which was the basis in the preparation of the financial statements dated 31 December 2019.

Portfolio-Prior Period - December 31, 2019	Carrying Value	Total RWA	Minimum Capital Requirement
1. Private Equity Investments	-	-	-
2. Quoted	766,354	766,354	61,308
3. Other Stocks	2,320,370	2,320,370	185,630
4. Total	3,086,724	3,086,724	246,938

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

Liquidity risk is defined as the risk of not fulfilling payment liabilities on time as a result of not having adequate cash or cash inflow to meet the cash outflow properly due to imbalance in cash flows of the bank. The framework of liquidity risk of the bank is specified with Liquidity Risk Management Document. In the framework of liquidity risk management, policies regarding liquidity risk management are written down by Risk Management Department and fundamental principles, analyses regarding measurement and monitoring risk, basic rudiments on early warning indicators, liquidity buffer and limits are included.

The Bank is managing liquidity risk according to risk capacity and the Bank’s risk appetite in the range envisioned by the regulations. Liquidity risk management approach is in general based on the principle of monitoring in-day liquidity risk. The Bank monitors the net liquidity position and liquidity requirements continuously and facing the future. The Bank takes precautions to increase diversity in fund sources to increase effectiveness and durability in liquidity risk management. On market basis and specific to the Bank (in consideration of market and funding liquidity) scenario and susceptibility analyses are performed and assumptions based on these analyses are reviewed regularly. It is aimed to protect the optimum liquidity level that can meet short – term liquidity needs not to remain inactive and maintain profitability – risk balance.

Liquidity management in the Bank is carried out under Treasury Department in regard to the Bank’s strategic goals and projections, decisions taken in Asset/Liability Committee, treasury policies, limits defined under market circumstances, Bank’s balance sheet and income goals and strategies defined to meet these goals. Daily, weekly, and monthly cash flow statements are prepared in accordance with principles of profitability and prudence in the Bank’s liquidity management. Cash flow statements are evaluated and the Bank’s liquidity is managed in line with Treasury Department policies, daily TL and FC liquidity position Bank balance sheet and income goals.

Scenarios about where to make replacement funding in case of high amount outflows in daily liquidity management are made regularly, effects of probable outflows on liquidity level and legal ratios are evaluated and liquidity management is carried out by taking necessary actions.

The Bank utilizes liquidity ratios, liquidity gap analysis, scenario analysis and stress tests in internal measurement of liquidity risk. In the liquidity gap analysis and liquidity stress scenarios, the level of meeting the Bank’s possible cash outflows in the short term of liquid assets is determined and the Bank’s concentration on funding sources and fund uses are analyzed. Liquidity risk measurements are carried out by the Risk Management Department and measurement results, liquidity risk limits and early warning levels are monitored and regularly reported to the executive units responsible for the management of the related risk, and to the senior management and the Board of Directors.

It is taken as a basis that the Bank consistently monitors TL and FC liquidity positions and funding strategies. Necessary precautions are taken in line with liquidity needs by following stress circumstances. “Liquidity Emergency Action Plan” which is an important part of liquidity risk management of our Bank, consists of early warning indicators which play an important role in monitoring increases in liquidity risk and the prevention of a possible crisis, action plans to prevent a possible crisis and to be applied during a crisis. Furthermore, to fulfill our banks reserve deposits liability that it has to allocate in the presence of CBRT, alternative fund sources to provide liquidity that is needed in various stress circumstances and under which circumstances to apply these sources, precautions to minimize time maturity mismatch and provide necessary funds on time, how the mechanism is going to operate in cases of crisis and stress is included in the plan.

In line with the Covid-19 outbreak, which caused a serious slowdown in global and regional economic activities, liquidity adequacy is constantly monitored through stress tests and scenario analyzes.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

In accordance with the "Regulation on the Calculation of the Liquidity Coverage Ratio of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948, the highest and lowest values of the Bank's Liquidity Coverage Ratio calculated weekly for the last three months and the weeks when these values were observed are given in the table below. In accordance with the related regulation, consolidated and non-consolidated total and foreign currency minimum liquidity coverage ratios are determined as one hundred percent and eighty percent, respectively. Pursuant to the BRSA's regulation numbered 3520 dated March 26, 2020, it has been decided that deposit and participation banks will be exempted from Article 32 of the LCR regulation until December 31, 2020.

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	21 August, 2020	100.13	11 September, 2020	141.43
The highest value	25 September, 2020	121.83	21 August, 2020	215.56

Liquidity Coverage Ratio

		Total unweighted value*		Total weighted value*	
		TL+FC	FC	TL+FC	FC
Current Period - September 30, 2020					
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			97,887,788	55,889,067
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	162,665,648	74,079,215	14,231,262	7,407,922
3	Stable deposits	40,706,070	-	2,035,304	-
4	Less stable deposits	121,959,578	74,079,215	12,195,958	7,407,922
5	Unsecured wholesale funding, of which:	185,826,175	74,417,819	75,527,246	30,144,025
6	Operational deposits	110,385,287	41,631,429	27,596,322	10,407,857
7	Non-operational deposits	62,695,309	29,113,569	35,267,842	16,144,845
8	Unsecured debt	12,745,579	3,672,821	12,663,082	3,591,323
9	Secured wholesale funding			-	-
10	Additional requirements of which:	17,085,923	9,194,448	17,085,923	9,194,448
11	Outflows related to derivative exposures and other collateral requirements	17,085,923	9,194,448	17,085,923	9,194,448
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	35,623,255	31,618,264	1,781,163	1,580,913
15	Other contingent funding obligations	99,720,941	23,887,350	8,467,566	1,950,794
16	TOTAL CASH OUTFLOWS			117,093,160	50,278,102
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Inflows from fully performing exposures	20,616,085	6,510,525	12,875,919	4,818,176
19	Other cash inflows	16,525,120	14,592,035	16,525,120	14,592,035
20	TOTAL CASH INFLOWS	37,141,205	21,102,560	29,401,039	19,410,211
Upper Limit Applied Amounts					
21	TOTAL HQLA			97,887,788	55,889,067
22	TOTAL NET CASH OUTFLOWS			87,692,121	30,867,891
23	LIQUIDITY COVERAGE RATIO (%)			112.07	184.66

(*) Simple arithmetic average, calculated for the last three months, of the values calculated by taking weekly simple arithmetic average.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

In accordance with the “Regulation On Calculation of Bank’s Liquidity Coverage Ratio”, published in Official Gazette no. 28948, dated 21 March 2014, liquidity coverage ratio is calculated for the last three months are presented below.

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	29 November 2019	122.57	27 December 2019	412.60
The highest value	01 November 2019	138.93	13 December 2019	597.07

Prior Period - December 31, 2019	Total unweighted value *		Total weighted value*		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			70,400,258	42,111,472
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	116,193,773	51,171,762	9,977,377	5,117,176
3	Stable deposits	32,840,015	-	1,642,001	-
4	Less stable deposits	83,353,758	51,171,762	8,335,376	5,117,176
5	Unsecured wholesale funding, of which:	110,342,019	41,392,522	49,934,723	19,017,309
6	Operational deposits	61,848,050	20,761,225	15,462,013	5,190,306
7	Non-operational deposits	35,335,440	15,461,064	21,400,781	8,738,032
8	Unsecured debt	13,158,529	5,170,233	13,071,929	5,088,971
9	Secured wholesale funding			-	-
10	Additional requirements of which:	27,523,585	5,879,539	27,523,585	5,879,539
11	Outflows related to derivative exposures and other collateral requirements	27,523,585	5,879,539	27,523,585	5,879,539
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	29,547,347	27,726,674	1,477,367	1,386,334
15	Other contingent funding obligations	85,261,350	19,512,051	7,965,067	1,794,320
16	TOTAL CASH OUTFLOWS			96,878,119	33,194,678
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Inflows from fully performing exposures	22,365,240	9,751,108	15,866,748	8,014,757
19	Other cash inflows	26,842,231	26,677,926	26,842,231	26,677,926
20	TOTAL CASH INFLOWS	49,207,471	36,429,034	42,708,979	34,692,683
Upper Limit Applied Amounts					
21	TOTAL HQLA			70,400,258	42,111,472
22	TOTAL NET CASH OUTFLOWS			54,169,140	8,298,670
23	LIQUIDITY COVERAGE RATIO (%)			130.19	510.41

(*) Simple arithmetic average, calculated for the last three months, of the values calculated by taking weekly simple arithmetic average.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

With the “Liquidity Coverage Rate” which is prepared under the framework of “Regulations Regarding Banks’ Calculations of Liquidity Coverage Rate” published by BRSA, the balance between banks’ net cash outflows and high quality liquid asset stock.

Bank’s high quality liquid asset stock consists of cash and debt instruments issued by CBRT and Republic of Turkey Undersecretariat of Treasury.

Whereas the Banks’ important fund sources are deposits, funds obtained from other financial institutions, marketable securities issued and funds obtained from repo transactions.

Derivatives transactions with 30 or less days to maturity are included into liquidity coverage calculation with cash outflows created by the transactions as of the calculated liquidity coverage rate. In case of a liability resulting from derivatives transactions and security fulfillment liability resulting from other liabilities, actions are taken accordingly to the related regulation.

Maturity analysis of assets and liabilities according to remaining maturities

Current Period – September 30, 2020	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (*)	Total
<i>Assets:</i>								
Cash and balance with CBRT	43,588,854	-	-	-	-	-	-	43,588,854
Banks	1,761,790	-	886,880	-	72,812	-	-	2,721,482
Financial assets at fair value through profit/loss	-	3,302,786	-	3,956,885	2,192,001	-	322,924	9,774,596
Interbank money market placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	268,733	947,472	11,733,278	53,051,997	10,904,348	5,114	76,910,942
Loans and receivables	-	29,988,068	8,461,159	53,443,293	217,865,351	101,458,451	15,916,874	427,133,196
Financial assets measured at amortized cost	-	155,208	980,929	3,699,554	30,897,313	22,281,452	-	58,014,456
Other assets (***)	4,713	2,641,018	1,846,307	4,728,447	1,662,199	3,715,802	5,327,716	19,926,202
Total assets	45,355,357	36,355,813	13,122,747	77,561,457	305,741,673	138,360,053	21,572,628	638,069,728
<i>Liabilities:</i>								
Bank deposits	1,383,612	7,057,440	4,359,610	31,095	-	-	-	12,831,757
Other deposits	76,179,639	241,658,449	50,965,787	12,332,423	237,571	129	-	381,373,998
Funds borrowed	-	993,085	5,582,396	17,811,807	14,208,946	9,407,165	-	48,003,399
Interbank money market takings	-	57,608,377	2,141,367	3,079,472	1,669,217	429,637	-	64,928,070
Securities issued (**)	-	1,558,520	3,857,582	7,340,410	39,123,412	9,639,544	-	61,519,468
Miscellaneous payables	-	7,047,286	-	-	-	-	3,015,710	10,062,996
Other liabilities	-	648,881	2,103,154	3,212,497	189,805	2,385,244	50,810,459	59,350,040
Total liabilities	77,563,251	316,572,038	69,009,896	43,807,704	55,428,951	21,861,719	53,826,169	638,069,728
Liquidity gap	(32,207,894)	(280,216,225)	(55,887,149)	33,753,753	250,312,722	116,498,334	(32,253,541)	-
Net Off Balance Sheet Position	-	49,463	533,683	993,906	2,592,594	1,915,458	-	6,085,104
Receivables from Derivative Financial Instruments	-	13,954,278	7,364,619	20,217,641	14,724,476	43,304,751	-	99,565,765
Payables from Derivative Financial Instruments	-	13,904,815	6,830,936	19,223,735	12,131,882	41,389,293	-	93,480,661
Non-cash Loans	46,199,744	3,766,540	7,646,639	20,759,060	13,996,455	2,356,289	-	94,724,727
Prior Period – December 31, 2019								
Total assets	38,135,282	30,250,429	11,193,887	49,349,729	167,126,514	100,678,409	22,691,303	419,425,553
Total liabilities	50,693,626	177,636,008	50,135,444	34,555,444	40,228,999	23,364,343	42,811,689	419,425,553
Liquidity gap	(12,558,344)	(147,385,579)	(38,941,557)	14,794,285	126,897,515	77,314,066	(20,120,386)	-
Net Off Balance Sheet Position	-	26,921	(195,176)	149,924	2,228,450	1,454,064	-	3,664,183
Receivables from Derivative Financial Instruments	-	16,752,759	7,618,261	6,901,026	24,983,777	33,008,190	-	89,264,013
Payables from Derivative Financial Instruments	-	16,725,838	7,813,437	6,751,102	22,755,327	31,554,126	-	85,599,830
Non-cash Loans	41,091,996	2,903,572	6,295,723	15,195,383	9,889,212	1,960,156	-	77,336,042

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed assets, associates and subsidiaries, stationery, pre-paid expenses and non-performing loans are shown in this column

(**) Subordinated debt are shown under securities issued.

(***) Subsidiaries, associates and tangible and intangible assets, expected losses and deferred tax asset are stated in undistributed column.

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VI. LEVERAGE RATIO

**Information on Issues that Cause Differences between Current Period and Previous Period
Leverage Ratios**

The Bank’s unconsolidated leverage rate which is calculated due to “Regulation on Banks’ Measurement and Evaluation of Leverage Level” actualised as 7.37 %. Increase in balance sheet assets and Tier I Capital transactions resulted in change in comparison with previous period (December 31, 2019: 7.92%) leverage rate. The Regulation adjudicated minimum leverage rate as 3%.

Leverage ratio common disclosure template

	Current Period – September 30, 2020 ^(*)	Prior Period – December 31, 2019 ^(*)
On-balance sheet exposures		
1. On-balance sheet items (excluding derivatives and SFTs; including collateral)	611,471,664	409,983,848
2. Assets deducted in determining Basel III Tier 1 capital	(431,084)	(404,048)
3. Total on-balance sheet exposures (excluding derivatives and SFTs)	611,040,580	409,579,800
Derivative exposures		
4. Replacement cost	9,884,071	4,110,907
5. Add-on amount	1,499,201	1,505,390
6. Total derivative exposures	11,383,272	5,616,297
Securities financing transaction exposures		
7. Gross SFT assets (with no recognition of accounting netting)	4,543,384	2,947,472
8. Agent transaction exposures	-	-
9. Total securities financing transaction exposures	4,543,384	2,947,472
Other off-balance sheet exposures		
10. Off-balance sheet exposures with gross nominal amount	190,111,596	152,808,834
11. Adjustment amount off-balance sheet exposures with credit conversion factor	(69,394,698)	(55,296,687)
12. Total off-balance sheet exposures	120,716,898	97,512,147
Capital and total exposures		
13. Tier 1 capital	55,115,035	40,823,047
14. Total exposures	747,684,134	515,655,716
Leverage ratio		
15. Leverage ratio	7.37	7.92

^(*) Calculated by using three month average of balances in Leverage Rate Notification table.

VII. SEGMENT REPORTING

The Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; time and demand deposit, accumulating account, repos, debtors current loans, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, overdraft facilities, gold loans, foreign currency loans, Eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfeiting, leasing, insurance, forward, futures, salary payments, investment account, cheques, safety boxes, bill payments, tax collections, payment orders.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network was built in order to serve customers’ needs effectively and efficiently.

Additionally, the Bank provides banking service to its personnel and enterprises which are active in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, TL and foreign currency deposits, investment accounts, internet banking and call-center, debit card, and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers’ needs are met by diversified consumer banking products through branches and alternative delivery channels.

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VII. SEGMENT REPORTING (Continued)

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	7,116,445	15,623,711	10,694,216	7,655	33,442,027
Interest Expense	4,364,172	5,714,971	7,507,072	79,207	17,665,422
Net Interest Income/Losses(Net)	2,752,273	9,908,740	3,187,144	(71,552)	15,776,605
Net Fees and Commissions Income	541,904	1,873,520	214,656	-	2,630,080
Dividend Income	-	-	167,668	-	167,668
Trading Income/ Losses (Net)	-	-	(2,576,953)	-	(2,576,953)
Other Income	-	-	-	5,282,977	5,282,977
Allowance for Expected Credit Losses	1,295,888	7,020,472	562,038	90,710	8,969,108
Other Expenses	-	-	-	6,828,193	6,828,193
Profit Before Taxes	1,998,289	4,761,788	430,477	(1,707,478)	5,483,076
Provision for taxes	-	-	-	-	(1,141,660)
Net Profit/ Loss					4,341,416
Segment Assets	108,493,836	237,794,628	270,005,785	17,835,156	634,129,405
Subsidiaries and Associates (Net)	-	-	3,940,323	-	3,940,323
TOTAL ASSETS	108,493,836	237,794,628	273,946,108	17,835,156	638,069,728
Segment Liabilities	150,060,239	233,796,308	190,772,065	19,255,004	593,883,616
Equity	-	-	-	44,186,112	44,186,112
TOTAL LIABILITIES	150,060,239	233,796,308	190,772,065	63,441,116	638,069,728
Prior Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	6,367,783	16,644,763	8,338,669	6,422	31,357,637
Interest Expense	7,598,843	6,329,724	9,004,210	8,122	22,940,899
Net Interest Income/Losses(Net)	(1,231,060)	10,315,039	(665,541)	(1,700)	8,416,738
Net Fees and Commissions Income	726,678	1,946,456	258,148	-	2,931,282
Dividend Income	-	-	50,804	-	50,804
Trading Income/ Losses (Net)	-	-	(2,021,808)	-	(2,021,808)
Other Income	-	-	-	3,248,643	3,248,643
Allowance for Expected Credit Losses	1,083,627	4,402,732	318,291	37,787	5,842,437
Other Expenses	-	-	-	4,846,395	4,846,395
Profit Before Taxes	(1,588,009)	7,858,763	(2,696,688)	(1,637,239)	1,936,827
Provision for taxes	-	-	-	-	(414,834)
Net Profit/ Loss					1,521,993
Segment Assets	68,103,522	166,636,656	166,443,387	15,440,712	416,624,277
Subsidiaries and Associates (Net)	-	-	2,801,276	-	2,801,276
TOTAL ASSETS	68,103,522	166,636,656	169,244,663	15,440,712	419,425,553
Segment Liabilities	108,989,156	134,098,155	126,205,337	17,106,632	386,399,280
Equity	-	-	-	33,026,273	33,026,273
TOTAL LIABILITIES	108,989,156	134,098,155	126,205,337	50,132,905	419,425,553

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. INFORMATION ON RISK MANAGEMENT

The footnotes and related explanations published in the Official Gazette No. 29511 dated October 23, 2015 and prepared in accordance with the “Explanations Communiqué on Explanations to the Public Regarding Banks Risk Management” entered into force as of March 31, 2016 are given in this section. Since the Bank uses a standardized approach to capital adequacy calculations, there is no disclosure within the scope of the internal rating-based approach.

In the face of sudden and unexpected changes that may arise regarding macroeconomic indicators and Bank-specific situations; Bank, reveals the risks that may be exposed such as income / expense effect, capital loss, economic value change, liquidity adequacy through various reports and stress tests conducted daily, weekly and monthly. The stress conditions that emerged with the Covid-19 outbreak were included in the evaluations in this period, and the possible effects on the Bank’s equity and capital adequacy ratios and liquidity adequacy level are closely monitored.

The development of the risk culture by the Bank in parallel with the changes in economic conjuncture and risk perception is considered as an important factor, and it aims to provide risk awareness and sensitivity in the actions to be taken. In this direction, the training given to the personnel, risk measurements and reporting, risk reporting to the Board of Directors, Senior Management and committees, the risk appetite framework created by the Bank and the internal capital adequacy assessment process make a significant contribution to the dissemination of the risk culture.

Risk Weighted Amounts

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period- September 30,2020	Prior Period – December 31,2019	Current Period- September 30, 2020
1 Credit Risk (excluding counterparty credit risk)^(*)	319,063,961	277,444,435	25,525,117
2 Standardised approach	319,063,961	277,444,435	25,525,117
3 Internal rating based approach	-	-	-
4 Counterparty Credit Risk	7,174,469	5,781,699	573,957
5 Standardised approach for counterparty credit risk	7,174,469	5,781,699	573,957
6 Internal model method	-	-	-
7 Equity position in banking book under basic risk weighting or internal rating based	-	-	-
8 Equity investments in funds – look-through approach	-	-	-
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – 1250% weighted risk approach	-	-	-
11 Settlement Risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory formula approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
16 Market risk	14,697,420	7,080,064	1,175,794
17 Standardised approach	14,697,420	7,080,064	1,175,794
18 Internal model approaches	-	-	-
19 Operational Risk	23,878,837	20,834,673	1,910,307
20 Basic Indicator Approach	23,878,837	20,834,673	1,910,307
21 Standardised approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	364,814,687	311,140,871	29,185,175

^(*) Except for the amount of the discount threshold under the equity

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SECTION FIVE

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS

1. Cash and balances with Central Bank

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Cash	1,666,247	1,571,783	1,450,294	1,003,880
Central Bank of the Republic of Turkey (*)	2,451,921	36,312,201	529,120	32,733,306
Other	485,526	1,101,176	408,346	370,274
Total	4,603,694	38,985,160	2,387,760	34,107,460

(*) TL 18,397,815 (December 31, 2019: TL 11,454,725) of the foreign currency deposit at Central Bank of the Republic of Turkey consists of foreign currency reserve deposits.

As per Communiqué on Required Reserve of CBRT, required reserve may be kept in TL, USD, EUR and standard gold. CBRT pays interest for required reserve kept in TL.

In accordance with "Announcement on Reserve Deposits" of CBRT numbered 2013/15, all banks operating in Turkey shall provide a reserve rate ranging from %1.0 to %4.0 (December 31, 2019: ranging from %1.0 to %7.0). For foreign currency liabilities, all banks shall provide a reserve rate ranging from %5 to %22 in US Dollar or Euro (December 31, 2019: ranging from %5 to %21). According to the principles of communiqué No. 2019/19 dated 9 December 2019, the CBRT pays interest to banks that provide credit growth for Turkish Lira required reserves.

Balances with the Central Bank of Republic of Turkey

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Unrestricted demand deposits	2,150,649	17,914,386	324,724	21,278,581
Restricted demand deposits	245,720	-	189,108	-
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Reserve Deposits	55,552	18,397,815	15,288	11,454,725
Total	2,451,921	36,312,201	529,120	32,733,306

2. Further information on financial assets at fair value through profit/loss

Financial assets at fair value through profit/loss given as collateral or blocked

As of September 30, 2020, the balance of financial assets at fair value through profit or loss given as collateral is 9,451,672 TL. (31 December 2019: None.)

Financial assets at fair value through profit/loss subject to repurchase agreements

None.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Positive differences on derivative financial assets held for trading purpose

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Forward transactions	173,030	8,794	64,165	1,418
Swap transactions	8,508,519	1,800,381	3,524,230	908,654
Futures	-	-	-	-
Options	-	1,970	205	2,689
Other	-	-	-	-
Total	8,681,549	1,811,145	3,588,600	912,761

The Bank has performed cross currency and interest rate swap transactions that can be canceled. Thus, swap transactions, in the event of certain conditions related to the loan (such as not making a payment) regarding the Bank, may be terminated by not realizing the amount to be paid and paid by any party according to the contract. As of 30 September 2020, the fair value of this transaction is TL 301,446, with a nominal amount of 120 million USD and an average maturity of 4.6 years. (As of 31 December 2019, the fair value of this transaction was 45,566 TL, with a nominal amount of 100 million USD, and an average maturity of 4.5 years.)

3. Information on banks

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Banks				
Domestic	49	-	57	445,369
Foreign	-	2,721,433	-	5,415,917
Foreign Head Offices and Branches	-	-	-	-
Total	49	2,721,433	57	5,861,286

4. Information on financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income given as collateral or blocked

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FP
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	110,398	40,276,952	397,624	2,528,365
Other	-	-	-	-
Total	110,398	40,276,952	397,624	2,528,365

Financial assets at fair value through other comprehensive income subject to repurchase agreements

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Government bonds	6,318,643	-	2,894,007	-
Treasury bills	-	-	-	-
Other debt securities	-	9,065,749	-	1,549,492
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	6,318,643	9,065,749	2,894,007	1,549,492

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on financial assets at fair value through other comprehensive income

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Debt securities	77,216,248	23,703,903
Quoted on a Stock Exchange	77,205,461	23,638,802
Unquoted	10,787	65,101
Equity securities	5,114	3,924
Quoted on a Stock Exchange	-	-
Unquoted	5,114	3,924
Provisions for impairment losses (-)	310,420	5,292
Total	76,910,942	23,702,535

5. Information on loans

Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders	-	32,084	-	29,783
Legal entities	-	32,084	-	29,783
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	477,488	-	323,645	-
Total	477,488	32,084	323,645	29,783

Information on loans classified as standart loans and under close monitoring loans that have been restructured

Current Period - September 30, 2020

	Loans and other receivables under close monitoring			
	Standard loans	Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	372,998,806	21,222,894	3,010,462	13,984,160
Loans given to enterprises	136,839,394	12,654,958	2,060,248	13,169,035
Export loans	12,961,581	310,285	178,691	-
Import loans	-	-	-	-
Loans given to financial sector	4,711,373	572	1	146
Consumer loans	94,617,560	345,583	137,022	720,003
Credit cards	13,349,927	142,696	75,068	-
Other	110,518,971	7,768,800	559,432	94,976
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	372,998,806	21,222,894	3,010,462	13,984,160

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

All creditors, including the Bank, have agreed that the loans provided in scope of loan agreements to Ojer Telekomünikasyon A.Ş. (OTAŞ), the main shareholder of Türk Telekomünikasyon A.Ş. (Türk Telekom) shall be restructured. All creditors shall be direct or indirect partners to Levent Yapılandırma Yönetimi A.Ş., a special purpose company established in Turkish Republic, and 192,500,000,000 of A group shares, owned by OTAŞ pledged to be the warranty of current loans, which make up the 55% of issued capital of Türk Telekom, were taken over by LYY Telekomünikasyon AŞ as December 21, 2018. The Bank participated in LYY Telekomünikasyon AŞ with a 4.2559% share. At the Ordinary General Assembly Meeting of LYY dated September 23, 2019, it was decided that a portion of the loan would be converted to capital and added to the capital of LYY. In this context, the nominal value of the Bank's shares in LYY increased from TL 2 to TL 169,483. This amount is presented under “Financial assets at fair value through profit or loss” in the financial statements. As of 30 September 2020, the amount is TL 1,092,909 (31 December 2019: TL 802,278) and the provision is TL 332,180 (31 December 2019: TL 65,100).

Prior Period - December 31, 2019

	Loans and other receivables under close monitoring			
	Standard loans	Agreement conditions modified		
		Loans not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	243,161,792	16,705,439	1,152,718	13,756,873
Loans given to enterprises	75,210,538	9,023,412	263,784	11,890,861
Export loans	9,567,565	597,917	106,759	4,283
Import loans	-	-	-	-
Loans given to financial sector	4,839,489	-	-	-
Consumer loans	55,352,529	825,615	22,482	798,447
Credit cards	10,512,442	226,655	85,665	-
Other	87,679,229	6,031,840	674,028	1,063,282
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	243,161,792	16,705,439	1,152,718	13,756,873

Current Period - September 30, 2020

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	2,646,777	-
Significant Increase in Credit Risk	-	5,214,335

Prior Period - December 31, 2019

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	1,602,198	-
Significant Increase in Credit Risk	-	1,859,729

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Consumer loans, retail credit cards, personnel loans and personnel credit cards

Current Period - September 30, 2020	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	1,195,344	89,802,391	90,997,735
Housing loans	3,867	40,244,930	40,248,797
Automobile loans	3,019	484,896	487,915
General purpose loans	1,188,458	49,072,565	50,261,023
Other	-	-	-
Consumer loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Retail credit cards – TL	10,239,329	97,678	10,337,007
With instalment	4,498,259	94,202	4,592,461
Without instalment	5,741,070	3,476	5,744,546
Retail credit cards – FC	14,405	-	14,405
With instalment	-	-	-
Without instalment	14,405	-	14,405
Personnel loans – TL	13,125	346,360	359,485
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	13,125	346,360	359,485
Other	-	-	-
Personnel loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards – TL	117,331	538	117,869
With instalment	46,234	522	46,756
Without instalment	71,097	16	71,113
Personnel credit cards – FC	134	-	134
With instalment	-	-	-
Without instalment	134	-	134
Overdraft Checking Accounts – TL (Real person)	4,462,555	-	4,462,555
Overdraft Checking Accounts – FC (Real person)	393	-	393
Total	16,042,616	90,246,967	106,289,583

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Consumer loans, retail credit cards, personnel loans and personnel credit cards (Continued)

Prior Period - December 31, 2019	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	988,803	52,052,993	53,041,796
Housing loans	10,656	23,605,477	23,616,133
Automobile loans	9,031	406,726	415,757
General purpose loans	969,116	28,040,790	29,009,906
Other	-	-	-
Consumer loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Retail credit cards – TL	8,274,740	83,237	8,357,977
With instalment	3,547,519	78,731	3,626,250
Without instalment	4,727,221	4,506	4,731,727
Retail credit cards – FC	20,464	-	20,464
With instalment	-	-	-
Without instalment	20,464	-	20,464
Personnel loans – TL	15,222	204,352	219,574
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	15,222	204,352	219,574
Other	-	-	-
Personnel loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards – TL	103,355	245	103,600
With instalment	37,687	195	37,882
Without instalment	65,668	50	65,718
Personnel credit cards – FC	471	-	471
With instalment	-	-	-
Without instalment	471	-	471
Overdraft Checking Accounts – TL (Real person)	3,737,396	-	3,737,396
Overdraft Checking Accounts – FC (Real person)	307	-	307
Total	13,140,758	52,340,827	65,481,585

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Installment based commercial loans and corporate credit cards

Current Period - September 30, 2020	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	2,106,540	120,420,820	122,527,360
Real estate loans	4,045	1,162,729	1,166,774
Automobile loans	75,876	2,354,883	2,430,759
General purpose loans	2,026,619	116,903,208	118,929,827
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	537,759	537,759
Real estate loans	-	-	-
Automobile loans	-	30,364	30,364
General purpose loans	-	507,395	507,395
Other	-	-	-
Instalment-based commercial loans – FC	221,954	22,410,459	22,632,413
Real estate loans	-	-	-
Automobile loans	-	11,923	11,923
General purpose loans	221,954	22,398,536	22,620,490
Other	-	-	-
Corporate credit cards – TL	3,022,024	73,538	3,095,562
With instalment	1,087,861	67,578	1,155,439
Without instalment	1,934,163	5,960	1,940,123
Corporate credit cards – FC	2,714	-	2,714
With instalment	-	-	-
Without instalment	2,714	-	2,714
Overdraft Checking Accounts – TL (Corporate)	876,888	-	876,888
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	6,230,120	143,442,576	149,672,696

Prior Period - December 31, 2019	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	2,035,959	62,592,816	64,628,775
Real estate loans	2,369	959,353	961,722
Automobile loans	58,230	1,635,806	1,694,036
General purpose loans	1,975,360	59,997,657	61,973,017
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	875,810	875,810
Real estate loans	-	-	-
Automobile loans	-	50,396	50,396
General purpose loans	-	825,414	825,414
Other	-	-	-
Instalment-based commercial loans – FC	349,039	14,850,278	15,199,317
Real estate loans	-	-	-
Automobile loans	-	13,585	13,585
General purpose loans	349,039	14,836,693	15,185,732
Other	-	-	-
Corporate credit cards – TL	2,326,315	13,189	2,339,504
With instalment	684,418	11,672	696,090
Without instalment	1,641,897	1,517	1,643,414
Corporate credit cards – FC	2,746	-	2,746
With instalment	-	-	-
Without instalment	2,746	-	2,746
Overdraft Checking Accounts – TL (Corporate)	1,335,373	-	1,335,373
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	6,049,432	78,332,093	84,381,525

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Allocation of domestic and overseas loans ()*

	Current Period- September 30, 2020	Prior Period - December 31, 2019
Domestic loans	410,538,167	274,272,452
Foreign loans	678,155	504,370
Total	411,216,322	274,776,822

(*) Non-performing loans are not included.

Loans to associates and subsidiaries

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Direct loans to associates and subsidiaries	1,282,819	921,932
Indirect loans to associates and subsidiaries	-	-
Total	1,282,819	921,932

Specific provisions accounted for loans (Stage 3)

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Loans and receivables with limited collectability	90,877	1,589,678
Loans and receivables with doubtful collectability	1,027,471	1,837,643
Uncollectible loans and receivables	10,818,305	8,754,214
Total	11,936,653	12,181,535

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current period - September 30, 2020			
Gross Amounts Before The Reserves	98,414	251,140	953,256
Loans Which Are Restructured	98,414	251,140	953,256
Prior Period - December 31, 2019			
Gross Amounts Before The Reserves	659,755	466,418	576,565
Loans Which Are Restructured	659,755	466,418	576,565

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Movements in non-performing loan groups

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
Current Period - September 30, 2020			
Balance at the beginning of the period	3,171,887	3,470,044	10,672,297
Additions (+)	2,163,798	4,517	1,085,310
Transfers from other categories of loans under follow-up (+)	-	4,893,007	4,567,815
Transfers to other categories of loans under follow-up (-)	4,893,007	4,567,815	-
Collections (-) ^(*)	284,270	1,971,818	1,504,102
Write-offs (-) ^(**)	-	-	890,789
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	158,408	1,827,935	13,930,531
Provision (-)	90,877	1,027,471	10,818,305
Net balance	67,531	800,464	3,112,226

^(*) Loans that are transferred from non-performing loans to restructured loans are presented in Transfers from and to other categories of loans under follow-up.

^(**) As of 30 September 2020, the Bank has written-off loans and provisions for these loans, which were classified in the “Group V Loans” (Loans Classified as Loss) amounting to 890,789 , unsecured, do not have reasonable expectations for recovery and with %100 provision, in accordance with the Amendments Regulation published in the Official Gazette dated 27 November 2019 and numbered 30961 by BRSA. Following the written-off loans, the Bank’s non-performing loan ratio decreased from 3.93% to 3.73%.

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Prior Period - December 31, 2019			
Balance at the beginning of the period	1,617,963	2,067,206	7,114,988
Additions (+)	8,122,630	224,898	802,672
Transfers from other categories of loans under follow-up (+)	-	7,115,093	3,995,707
Transfers to other categories of loans under follow-up (-) ^(*)	6,045,231	5,068,413	55,305
Collections (-)	523,475	868,740	1,185,765
Write-offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	3,171,887	3,470,044	10,672,297
Provision (-)	1,589,678	1,837,643	8,754,214
Net balance	1,582,209	1,632,401	1,918,083

^(*) Loans that are transferred from restructured loans to non-performing loans and from non-performing loans to restructured loans are presented in the Transfers from and to other categories of loans under follow-up lines.

Uncollectible loans and receivables are collected by liquidation of collaterals and legal follow-up.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on non-performing loans and other receivables in foreign currencies

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
Current Period - September 30, 2020			
Balance at the end of the period	76,447	248,692	3,002,406
Provision (-)	40,225	143,825	2,161,304
Net balance on balance sheet	36,222	104,867	841,102
Prior Period - December 31, 2019			
Balance at the end of the period	1,376,869	1,427,535	1,174,585
Provision (-)	696,734	729,691	937,437
Net balance on balance sheet	680,135	697,844	237,148

Non-performing foreign currency denominated loans are followed in TL accounts.

Loan customer concentration of gross and net amounts of non-performing loans

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
Current Period - September 30, 2020			
Current Period (Net)	67,531	800,464	3,112,226
Consumer and Commercial Loans (Gross)	157,015	1,826,136	13,908,484
Provision (-)	89,486	1,025,676	10,796,276
Consumer and Commercial Loans (Net)	67,529	800,460	3,112,208
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,393	1,799	22,047
Provision (-)	1,391	1,795	22,029
Other Loans and Receivables (Net)	2	4	18

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
Prior Period - December 31, 2019			
Current Period (Net)	1,582,209	1,632,401	1,918,083
Consumer and Commercial Loans (Gross)	3,170,083	3,469,979	10,639,149
Provision (-)	1,587,881	1,837,588	8,721,080
Consumer and Commercial Loans (Net)	1,582,202	1,632,391	1,918,069
Banks (Gross)	-	-	1,551
Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,804	65	31,597
Provision (-)	1,797	55	31,583
Other Loans and Receivables (Net)	7	10	14

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on interest accruals, discounts and valuation differences and their provisions for non-performing loans

	Group III	Group IV	Group V
	Loans With	Loans With	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	Loans
Current Period (Net) - September 30, 2020			
Interest accruals and valuation differences	12,408	202,337	1,594,653
Provision (-)	7,188	113,633	948,996
Prior Period (Net) - December 31, 2019			
Interest accruals and valuation differences	269,253	304,122	747,230
Provision (-)	134,980	163,251	502,001

6. Information on other financial assets measured at amortized cost

Information on measured at amortized cost government debt securities

	Current Period - September		Prior Period -	
	30, 2020		December 31, 2019	
	TL	FC	TL	FC
Government bonds	43,272,118	8,637,759	34,945,546	7,498,362
Treasury bills	-	-	-	-
Other securities issued by the governments	-	5,851,698	-	4,202,218
Total	43,272,118	14,489,457	34,945,546	11,700,580

Information on other financial assets measured at amortized cost

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Debt Securities	58,014,456	47,014,633
<i>Quoted at stock exchanges</i>	57,859,248	46,895,460
<i>Unquoted at stock exchanges</i>	155,208	119,173
Impairment losses (-)	-	-
Total	58,014,456	47,014,633

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

The movement table of other financial assets measured at amortized cost

	Current Period - September 30, 2020	Prior Period- December 31, 2019
Balances at the beginning of the period	47,014,633	39,980,510
Foreign currency differences on monetary assets	3,678,598	950,424
Purchases during the period	10,987,874	6,514,751
Disposals through sales/redemptions	(4,824,545)	(1,664,238)
Change in Impairment losses	-	-
Change in amortized costs of the securities (*)	1,157,896	1,233,186
Balances at the end of the period	58,014,456	47,014,633

(*) Changes in amortized costs of the marketable securities also include rediscount differences in marketable securities.

Information on accounts related to financial assets measured at amortized cost

Current Period - September 30, 2020	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	4,344,599	7,397,177	6,284,669	7,804,779
Investments subject to repurchase agreements	14,960,780	5,985,206	19,021,978	6,061,103
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	15,841,637	803,661	18,024,356	817,571
Total	35,147,016	14,186,044	43,331,003	14,683,453

(*) The securities held as free that are not subject to collateral/blockage or other transactions are presented in the “Other” line.

Prior Period - December 31, 2019	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	2,312,391	5,749,919	3,012,289	5,900,181
Investments subject to repurchase agreements	13,015,467	4,131,685	17,082,806	4,202,218
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	12,407,756	1,873,915	14,909,319	1,907,820
Total	27,735,614	11,755,519	35,004,414	12,010,219

(*) The securities held as free that are not subject to collateral/blockage or other transactions are presented in the “Other” line.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

7. Information on investments in associates

Information on investments in associates

Title	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Kıbrıs Vakıflar Bankası Ltd.	Lefkoşa/KKTC	15.00	15.00
2 Türkiye Sınai Kalkınma Bankası AŞ	İstanbul/Turkey	8.38	8.38
3 Roketsan Roket Sanayi ve Ticaret AŞ ^(*)	Ankara/ Turkey	9.93	9.93
4 Bankalararası Kart Merkezi AŞ ^(*)	İstanbul/ Turkey	4.75	4.75
5 KKB Kredi Kayıt Bürosu AŞ ^(*)	İstanbul/ Turkey	9.09	9.09
6 Güçbirliği Holding AŞ ^(*)	İzmir/ Turkey	0.07	0.07
7 İzmir Enternasyonel Otelcilik AŞ ^(*)	İstanbul/ Turkey	5.00	5.00
8 İstanbul Takas ve Saklama Bankası AŞ ^(*)	İstanbul/ Turkey	4.37	4.37
9 Kredi Garanti Fonu AŞ ^(*)	Ankara/ Turkey	1.49	1.49
10 Türkiye Ürün İhtisas Borsası AŞ	Ankara/ Turkey	3.00	3.00
11 Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ	İstanbul/ Turkey	33.33	33.33
12 JCR Avrasya Derecelendirme AŞ ^(*)	İstanbul/ Turkey	2.86	2.86
13 Birleşik İpotek Finansmanı AŞ ^(*)	İstanbul/Turkey	8.33	8.33
14 Keskinoglu Tavukçuluk ve Damızlık İşletmeleri San. Tic. AŞ	Manisa/Turkey	41.77	41.77
15 Tasfiye Halinde World Vakıf UBB Ltd. ^(**)	Lefkoşa/KKTC	82.00	82.59

(*)The financial statement information provided for these associates is taken from the financial statements dated June 30, 2020.

(**)The financial statement information provided for these associates is taken from the financial statements dated December 31, 2019.

Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Period's Profit/Loss	Fair Value
1 1,587,894	108,506	7,590	87,870	2,653	15,661	907	-
2 53,499,742	5,709,516	1,201,226	1,902,565	593,875	528,164	573,676	3,081,874
3 8,250,122	2,261,135	1,316,704	8,661	-	313,773	52,038	6,601,813
4 247,600	201,657	72,477	2,372	-	19,616	17,418	-
5 377,846	250,947	249,368	3,421	-	33,800	16,401	-
6 148,675	(117,125)	88,099	1	-	(14,211)	(16,451)	-
7 150,853	(183,191)	75,942	-	-	(48,284)	(24,956)	-
8 22,110,322	2,256,394	156,040	169,492	40,323	233,081	343,969	-
9 1,251,576	732,347	20,968	15,768	-	108,496	74,723	-
10 75,153	71,491	2,806	3,865	-	13,078	3,511	-
11 82,474	49,867	17,344	1,497	-	1,852	12,627	-
12 30,686	24,535	22,978	252	-	(483)	803	-
13 10,159	10,159	30	192	-	159	-	-
14 120,953	(1,427,655)	166,112	705	-	(339,200)	(172,237)	-
15 1,131	(220,178)	-	167	-	(24,010)	(18,232)	-

Movement table of investments in associates

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Balance at the beginning of the period	1,001,717	619,582
Movements during the period	5,299	382,135
Transfers	-	-
Acquisitions	32,335	1,750
Bonus shares received	5,522	2,762
Share of current year profit	-	-
Sales/liquidations	(700)	-
Fair value changes	-	377,623
Impairment losses	(31,858)	-
Balance at the end of the period	1,007,016	1,001,717
Capital commitments	3,150	7,500
Share percentage at the end of period (%)	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the current period, company's name, "Bileşim Alternatif Dağıtım Kanalları AŞ", has been changed to "Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ" and it was registered in the trade registry on 5 August 2020.

In the current period, it was decided to increase the capital of the Company from 30,000 TL to 177,493 TL at the Ordinary General Assembly meeting of Interbank Card Center Inc., one of the Bank affiliates, on April 30, 2020. The Company met 56,150 TL of 147,493 TL from internal resources; For the part of TL 90,543, it was decided to cover the pre-emptive rights of the current shareholders by the CBRT. The bonus share amounting to TL 5,522, which corresponds to the bank share, is shown in Bonus Shares in the transaction table of subsidiaries. The nominal share of the Bank in the company capital has increased from 2,909 TL to 8,431 TL, and its share has decreased from 9.70% to 4.75%.

In the current period, the Bank's subsidiaries in Türkiye Ürün İhtisas Borsası AŞ's Ordinary General Meeting held on March 2, 2020, it was decided to reduce the company's charter capital in the amount of TL 50,000 to TL 100,000. The company's capital of TL 50,000 was fully paid in cash, and it was registered on May 29, 2020, and transactions regarding capital reduction were completed. The nominal share of the bank decreased from 3,000 TL to 1,500 TL and the share ratio remained the same (3%). As of September 30, 2020, the Bank's remaining capital debt has been paid and 750 TL of shares have been included in the Purchases table of Affiliates.

In the current period, PTT AS joined the Platform Ortak Kartlı Sistemler A.Ş. on June 3, 2020. Nominal share of capital has decreased to TL 4,200 due to the transfer of the Bank's nominal share of TL 5,600 to PTT A.Ş. In addition, the Bank sold TL 350 shares from its paid-in capital share of TL 1,400, and the share amount of the Bank decreased from 1,400 TL to 1,050 TL, and its share ratio decreased from 26.67% to 20.00%. 350 TL shares sold are shown in Sales in the transaction table of subsidiaries. The Bank has a TL 3,150 capital commitment to the Company.

In the current period Platform Ortak Kartlı Sistemler AŞ joined to Türkiye Varlık Fonu on February 12, 2020, as a new partner. Due to the transfer of the Bank's nominal capital share from 7,000 TL to 1,400 TL to TVF, the nominal capital share has decreased to 5,600 TL. In addition, the Bank sold 350 TL shares from its paid-in capital share of 1,750 TL, and the share amount of the Bank decreased to 1,400 TL from the share of 33.33% to 26.67%. 350 TL shares sold are shown in the movement table of subsidiaries.

In the prior period, the Bank participated in Platform Ortak Kartlı Sistemler AŞ, which was established with a capital of TL 21,000. The nominal share of the Bank in the Company is TL 7,000 and its share rate is 33.33%. The Bank is required to pay one quarter of its shares in cash and the remaining three quarters within 24 months of the Company's registration. Transactions regarding the establishment of the Company were registered in the trade registry on 29 August 2019. As of 30 September 2019, the Bank paid one quarter of its share and shares amounting to TL 1,750 are presented under Purchases in the movement table of investments in associates.

In the prior period, decision has been made to increase the capital of the Bank from TL 318,281 to TL 497,817 at the Board of Directors meeting of Kredi Garanti Fonu AŞ. The shares amounting to TL 2,762 are shown in Bonus Shares Issued. In addition, the Bank's Board of Directors has decided to increase the capital to TL 513,134 as of 08 April 2019. The capital increase was realized with the participation of two new shareholders, the Bank's share amount remained unchanged and the share ratio decreased from 1.54% to 1.49%.

The title of World Vakıf Off Shore Banking Ltd, a subsidiary of the Bank, was changed as World Vakıf UBB Ltd. on February 4, 2009. Pursuant to the March 4, 2010 dated and 764 numbered decision of Board of Directors of Central Bank of Turkish Republic of Northern Cyprus, the official authorisation of World Vakıf UBB Ltd., operating in NCTR, is abrogated due to incompliance with the 7th and 9th articles of 41/2008 numbered Law of International Banking Units. According to May 24, 2010 dated decision of the Nicosia Local Court, World Vakıf UBB Ltd. will be liquidated and NCTR Company Registrar is appointed to carry out liquidation process. In year 2010, due to loss of control over Company, World Vakıf UBB Ltd. has been reclassified as "Investments in affiliates". The liquidation process of World Vakıf UBB Ltd, an associate of the Bank, has been carried out by NCTR Collecting and Liquidation Office. The application of the company for cancellation of the liquidation has been rejected and the decision of liquidation has been agreed on August 27, 2013. Thus, the company's title has been changed as "World Vakıf UBB Ltd in Liquidation".

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Sectoral distribution of investments in financial associates

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Banks	298,781	327,164
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	8,492	7,659
Total	307,273	334,823

Quoted associates

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Quoted at domestic stock exchanges	258,261	286,644
Quoted at international stock exchanges	-	-
Total	258,261	286,644

Investments in associates disposed during the period

There is not any associate disposed in the current period.

Investments in associates acquired during the period

In the current period, the Bank has become a shareholder of Keskinöglü Tavukçuluk ve Damızlık İşletmeleri Sanayi Ticaret AŞ with a 41.77% share on September 3, 2020.

In the current period, the Bank has participated in establishment of the Birleşik İpotek Finansmanı AŞ., which was established with a capital of 10,000 TL. The nominal share of the bank is 833 TL and the share rate is 8.33%. Transactions regarding the establishment of the company were registered in the trade registry on March 17, 2020. The Bank's shares amounting to 833 TL are shown in the Purchases in the movement table of the subsidiaries.

In the current period, the Bank has become a partner to Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ, in 7 February 2020, by the agreement signed with the People's Bank of Turkey to transfer nominal shares of 8,666 TL and which corresponds to 33.33% share ratio. The shares amounting to 27,997 TL corresponding to the Bank's share are shown in the movement table of the subsidiaries.

In the current period, the Bank became a partner of JCR Avrasya Derecelendirme AŞ. with a capital of 1,000 TL on January 17, 2020. The nominal share in the capital is 29 TL and the share rate is 2.86%. The Bank's share in the capital will be paid in two installments. 3/4 of the amount hitting the Bank's share has been paid in cash, and the remaining 1/4 must be paid within six months of the first installment closing date. The amount of 2,066 TL, which corresponds to 3/4 of the Bank's share in the current period, is shown in the movement table of the subsidiaries. The Bank has paid JCR Avrasya Rating A.Ş. the second remaining installment of the capital it has undertaken as of 30 June 2020. The amount of 689 TL, which corresponds to one fourth of the Bank's share, is shown under Purchases in the movement table of subsidiaries.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries

Information on financial subsidiaries

	Vakıfbank International AG	Vakıf Finansal Kiralama AŞ	Vakıf Yatırım Menkul Değerler AŞ	Vakıf Faktoring AŞ	Vakıf Gayrimenkul Yat. Ort. AŞ	Vakıf Menkul Kıymet Yat. Ort. AŞ
Current Period - September 30, 2020						
Paid in Capital	311,248	200,000	100,000	250,000	460,000	30,000
Share Premium	-	9,042	137	-	300,577	121
Equity share premiums	-	-	-	-	278,978	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	9,042	137	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	23,930	(211)	2,388	16	(19)
Other accumulated comprehensive income that will be reclassified in profit or loss	1,165,987	-	11,637	-	-	-
Profit Reserves	17,882	54,290	23,089	120,688	130,828	408
Legal Reserves	17,882	11,317	10,390	18,286	9,056	395
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	42,973	12,699	102,402	121,225	13
Other Profit Reserves	-	-	-	-	547	-
Profit/Loss	31,193	(21,491)	226,676	47,212	52,035	(2,390)
<i>Prior Period's Profit/Loss</i>	42,062	(57,263)	124,550	(18,796)	10,351	(1,737)
<i>Current Period's Profit/Loss</i>	(10,869)	35,772	102,126	66,008	41,684	(653)
Minority Rights	-	-	-	-	-	-
Total Core Capital	1,526,310	265,771	361,328	420,288	943,456	28,120
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
CAPITAL	1,526,310	265,771	361,328	420,288	943,456	28,120
NET AVAILABLE EQUITY	1,526,310	265,771	361,328	420,288	943,456	28,120

(*) Reviewed BRSA financial statements as of September 30, 2020 are considered.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries (Continued)

Prior Period - December 31, 2019	Vakıfbank International AŞ	Vakıf Finansal Kiralama AŞ	Vakıf Yatırım Menkul Değerler AŞ	Vakıf Faktoring AŞ	Vakıf Gayrimenkul Yat. Ort. AŞ	Vakıf Menkul Kıymet Yat. Ort. AŞ
Paid in Capital	311,248	175,000	75,000	170,000	230,000	20,000
Share Premium	-	5,343	10,017	-	268,330	93
Equity share premiums	-	-	-	-	246,731	-
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	5,343	10,017	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	28,099	(211)	2,388	558	(53)
Other accumulated comprehensive income that will be reclassified in profit or loss	732,735	-	119,930	-	-	-
Profit Reserves	11,854	48,049	12,316	69,570	130,281	395
Legal Reserves	11,854	10,006	8,601	11,730	9,056	395
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	38,043	3,715	57,840	121,225	-
Other Profit Reserves	-	-	-	-	-	-
Profit/Loss	48,090	(16,646)	38,984	110,248	10,351	(1,731)
Prior Period's Profit/Loss	342	(83,464)	2,136	(12,702)	14,255	(2,906)
Current Period's Profit/Loss	47,748	66,818	36,848	122,950	(3,904)	1,175
Minority Rights	-	-	-	-	-	-
Total Core Capital	1,103,927	239,845	256,036	352,206	639,520	18,704
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
CAPITAL	1,103,927	239,845	256,036	352,206	639,520	18,704
NET AVAILABLE EQUITY	1,103,927	239,845	256,036	352,206	639,520	18,704

(^e) Reviewed BRSA financial statements as of December 31, 2019 are considered.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Vakıf Yatırım Menkul Değerler AŞ, a subsidiary, measures the capital sufficiency status every six months as an independent audit, in line with the “Communiqué on the Principles of the Capital and Capital Adequacy of Intermediary Agencies” Serial: V, No:34 of the Capital Markets Board.

Information on investments in subsidiaries

Title	Address (City / Country)	Bank’s Share –If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1 Vakıf Faktoring AŞ	İstanbul/Turkey	78.39	80.62
2 Vakıf Finansal Kiralama AŞ	İstanbul/ Turkey	58.71	58.71
3 Vakıf Yatırım Menkul Değerler AŞ	İstanbul/ Turkey	99.25	99.40
4 Vakıfbank International AG	Vienna/Austria	100.00	100.00
5 Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ	İstanbul/ Turkey	17.37	17.37
6 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	İstanbul/ Turkey	45.71	45.71
7 Vakıf Enerji ve Madencilik AŞ	Ankara/ Turkey	65.50	80.48
8 Taksim Otelcilik AŞ	İstanbul/ Turkey	51.00	51.00
9 Vakıf Pazarlama Sanayi ve Ticaret AŞ	İstanbul/ Turkey	86.97	88.89
10 Vakıf Gayrimenkul Değerleme AŞ	İstanbul/ Turkey	97.14	97.14

Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year’s Profit/Loss	Prior Period’s Profit/Loss	Fair Value
1 2,459,113	448,376	2,415	236,456	-	75,300	102,561	279,386
2 3,767,577	333,921	24,813	199,917	-	50,612	15,915	823,231
3 1,548,258	361,828	38,991	10	5,158	127,087	26,186	293,992
4 8,066,059	1,459,834	1,633	118,994	-	34,831	30,653	736,703
5 28,460	28,111	216	1,025	574	(653)	936	253,590
6 2,403,503	1,371,372	1,103,438	16,655	-	45,470	(267)	1,793,540
7 338,889	224,979	245,125	4,325	-	(3,823)	854	25,743
8 416,980	402,663	198,585	11,547	-	11,787	22,686	453,745
9 85,177	63,950	39,572	2,228	1,151	1,396	6,067	59,392
10 45,625	37,323	583	2,276	77	(1,913)	(2,637)	39,744

Movement table of investments in subsidiaries

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Balance at the beginning of the period	1,799,559	2,431,635
Movements during the period	1,133,748	(632,076)
Transfers ^(*)	-	(1,547,479)
Acquisitions	223,782	179,826
Bonus shares received	102,205	384,233
Share of current year profit	-	(42,881)
Sales and liquidations	-	(1,342)
Fair value changes	862,390	577,799
Impairment losses	(54,629)	(182,232)
Balance at the end of the period	2,933,307	1,799,559
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

^(*) In the previous period, Güneş Sigorta AŞ and Vakıf Emeklilik ve Hayat AŞ started to be presented under fixed assets held for sale and discontinued operations, and are shown in Transfers.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the current period, it has been decided to increase the capital of Vakıf Faktoring AŞ from 170,000 TL to 250,000 TL. The bonus shares amounting to TL 62,714 corresponding to the share of the Bank are shown under Bonus Shares Received in the Movement Table of Investments in Subsidiaries. The nominal share of the Bank in the capital of the company increased from TL 133,268 to TL 195,982, and the share ratio remained the same (78.39%).

In the current period, the capital of "Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ" was increased from 20,000 TL to 30,000 TL. After the addition 3,314 VKFYO shares, the Bank's pre-emptive right was fully exercised for 3,473 TL nominal share in the company's capital. The shares amounting to TL 1,737 corresponding to the share of the bank are shown under Acquisitions in the Movement Table of Investments in Subsidiaries. The nominal share of the Bank in the capital of the company increased from TL 3,473 to TL 5,210, and its share ratio remained the same (17.37%).

In the current period, it has been decided to increase the capital of Vakıf Yatırım Menkul Değerler AŞ from 75,000 TL to 100,000 TL. Bonus shares amounting to TL 24,813 corresponding to the share of the Bank are shown under Bonus Shares Received in the Movement Table of Investments in Subsidiaries. The nominal share of the Bank in the capital of the company increased from TL 74,437 to TL 99,250, and its share ratio remained the same (99.25%).

In the current period, it has been decided to increase the capital of Vakıf Finansal Kiralama AŞ from TL 175,000 to TL 200,000. Bonus shares amounting to TL 14,678 corresponding to the share of the Bank are included under Bonus Shares Received in the Movement Table of Investments in Subsidiaries. The nominal share of the Bank in the capital of the company increased from TL 102,746 to TL 117,424, while its share ratio remained the same (58.71%).

In the Current period, the paid-in capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, which was TL 230,000 within the registered capital ceiling of TL 460,000, was increased to TL 460,000 with an increase of TL 230,000. In this context, the Bank's pre-emptive right was fully exercised in the Company's capital increase and the Bank's current nominal share reached TL 89,016. In addition, TL 15,275 has been paid for pre-emptive rights in return for 8,229,723 shares and TL 44,450 has been paid through the demand collection method in return for 24,027,174 shares. Total shares amounting to TL 148,741 are presented under Purchases in the movement table of subsidiaries. Thus, the nominal share of the Bank in Vakıf Gayrimenkul Yatırım Ortaklığı AŞ increased from TL 89,016 to TL 210,289 and its share ratio increased from 38.70% to 45.71%.

In the current period, one of the Vakıfbank International AG partners, all of the 10% shares of Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı was acquired by the Bank for 57.083 per share, in March 24 2020. Shares are shown in themovement table relating to subsidiaries. In the company's capital, the Bank's nominal share increased from 90,000 EUR to 100,000 EUR, and its share increased from 90% to 100%.

In the current period, the paid-in capital of Vakıf Gayrimenkul Değerleme A.Ş., which was 14,000 TL, is increased by 16,000 TL to 30,000 TL. The share of the bank is TL 15,543 shown in purchases in the movement table of subsidiaries. In the company's capital, the Bank's nominal share increased from 13,600 TL to 29,143 TL and the Bank's share ratio remained the same (97.14%).

In the current period, The Bank has paid 678 TL for 400 TL nominal share of Vakıf Emeklilik ve Hayat AŞ , one of the partners of Vakıf Gayrimenkul Değerleme AŞ, on January 16, 2020. The shares are shown in the movement table related to subsidiaries in the purchases. In the company's capital, the Bank's nominal share increased from 13,200 TL to 13,600 TL, and its share increased from 94.29% to 97.14%.

In the prior period, Vakıf Emeklilik ve Hayat AŞ, which was classified in the subsidiary account of the Bank, has been decided to be removed from the subsidiaries and the 874,650 TL share corresponding to the share of the Bank is shown in Transfers in the Act of Affiliates table.

In the prior period, Güneş Sigorta AŞ, which is in the subsidiary account of the Bank, has been decided to be removed from the subsidiaries and the 672,829 TL share corresponding to the share of the Bank is shown in the Affiliates table.

In the prior period, it was decided to sell 1,556,292 shares of Güneş Sigorta AŞ traded in the BİAŞ share market. The share of TL 1,122 that the bank sold was shown under Sales in Act of Affiliates table. After the transaction, the nominal share of the Bank in Güneş Sigorta AŞ has decreased from 304,496 TL to 302,940 TL and share ratio has decreased from 56.39% to 56.10%.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the current period, the paid-in capital of Güneş Sigorta AŞ, which was TL 270,000 within the registered capital ceiling of TL 540,000, was increased to TL 540,000 with an increase of TL 270,000. In this context, the Bank's pre-emptive right was fully exercised in the Company's capital increase and the Bank's current nominal share reached TL 129,643. In addition, TL 50,183 has been paid for pre-emptive rights (shares offered to public in the BIAS stock market) which are not exercised by other shareholders against nominal 45,210,297 shares purchased from the prices formed in the BIST Primary Market. Total shares amounting to TL 179,826 are presented under Purchases in the movement table of subsidiaries. Thus, the nominal share of the Bank in Güneş Sigorta AŞ increased from TL 129,643 to TL 304,496 and its share ratio increased from 48.02% to 56.39%.

In the current period, it's been decided to sell 220,000 shares of Vakıf Menkul Değerler A.Ş has been. After the sale, the Bank's share decreased from TL 4,578 to TL 3,693. TL 220 of the Bank's sales is presented under Sales in the movement table of subsidiaries. After the sale of shares, the Bank's share in Vakıf Menkul Değerler Yatırım Ortaklığı A.Ş. decreased from 18.47% to 17.37%.

At the Ordinary General Assembly of Vakıfbank International AG held on June 28, 2019, it was decided to increase the Company's capital from EUR 70,000 to EUR 100,000. TRY 177,089 of bonus shares amounting to EUR 27,000 corresponding to the Bank's share are shown under Bonus Shares in the movement table of subsidiaries. The nominal share of the Bank in the Company's capital has increased from EUR 63,000 to EUR 90,000 and the share ratio remains the same 90.00%.

At the Ordinary General Assembly of Vakıf Finansal Kiralama AŞ held on June 26, 2019, it was decided to increase the Company's capital from TRY 140,000 to TRY 175,000. TRY 20,549 of bonus corresponding to the Bank's share are shown under Bonus Shares in the movement table of subsidiaries. The nominal share of the Bank in the Company's capital has increased from TRY 82,197 to TRY 102,746 and the share ratio remains the same 58.71%.

At the Ordinary General Assembly of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ held on June 24, 2019, it was decided to increase the Company's capital from TRY 225,000 to TRY 230,000. TRY 1,935 of bonus corresponding to the Bank's share are shown under Bonus Shares in the movement table of subsidiaries. The nominal share of the Bank in the Company's capital has increased from TRY 87,081 to TRY 89,016 and the share ratio remains the same 38.70%.

At the Ordinary General Assembly of Vakıf Yatırım Menkul Değerler AŞ held on June 19, 2019, it was decided to increase the Company's capital from TRY 35,000 to TRY 75,000. TRY 39,700 of bonus corresponding to the Bank's share are shown under Bonus Shares in the movement table of subsidiaries. The nominal share of the Bank in the Company's capital has increased from TRY 34,738 to TRY 74,438 and the share ratio remains the same 99.25%.

At the Ordinary General Assembly of Vakıf Emeklilik ve Hayat AŞ held on June 19, 2019, it was decided to increase the Company's capital from TRY 26,500 to TRY 150,000. TRY 66,567 of bonus corresponding to the Bank's share are shown under Bonus Shares in the movement table of subsidiaries. The nominal share of the Bank in the Company's capital has increased from TRY 14,284 to TRY 80,851 and the share ratio remains the same 53.90%.

At the Ordinary General Assembly of Vakıf Faktoring AŞ held on June 18, 2019, it was decided to increase the Company's capital from TRY 70,000 to TRY 170,000. TRY 78,393 of bonus corresponding to the Bank's share are shown under Bonus Shares in the movement table of subsidiaries. The nominal share of the Bank in the Company's capital has increased from TRY 54,875 to TRY 133,268 and the share ratio remains the same 78.39%.

In the prior period, all of the shares of Vakıf Portföy Yönetimi AŞ, which was presented in the "Assets Held for Sale and Discontinued Operations and Related Liabilities" account, were sold to Ziraat Portföy Yönetim AŞ for a price of TL 52,500. As of January 2, 2019, the Bank has no remaining shares in Vakıf Portföy Yönetimi AŞ.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Methods to measure investments in subsidiaries

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Measured at cost	-	-
Measured at fair value	2,933,307	1,799,559
Equity method of accounting	-	-
Total	2,933,307	1,799,559

(*) Valuation amounts of 31 December 2019 have been taken for the unquoted subsidiaries.

Sectoral distribution of investments in financial subsidiaries

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Banks	736,703	486,740
Factoring companies	219,011	219,011
Leasing companies	483,319	249,776
Financing companies	-	-
Other financial subsidiaries	1,155,742	521,721
Total	2,594,775	1,477,248

Quoted subsidiaries

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Quoted at domestic stock exchanges	1,347,274	479,711
Quoted at international stock exchanges	-	-
Total	1,347,274	479,711

Investments in subsidiaries disposed during the period

In the current period all Güneş Sigorta AŞ 51.10% shares, which was owned by the Bank and accounted Non-current Assets Held for Sale – Subsidiaries, were transferred to TVF Finansal Yatırımlar AŞ as of 22 April 2020. The bank has no shares left.

In the current period all Vakıf Emeklilik AŞ 53.90% shares, which was owned by the Bank and accounted Non-current Assets Held for Sale – Subsidiaries, were transferred to TVF Finansal Yatırımlar AŞ as of 22 April 2020. The bank has no shares left.

In the prior period, all of the shares of Vakıf Portföy Yönetimi AŞ., were sold to Ziraat Portföy Yönetimi AŞ. With an amount of TL 52,500. As of January 2, 2019, the Bank has no shares in Vakıf Portföy Yönetimi AŞ.

Investments in subsidiaries acquired during the period

The Bank has no subsidiaries acquired in the current period.

9. Investments in joint-ventures

None.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

10. Information on finance lease receivables (net)

None.

11. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

12. Information on investment properties

None.

13. Information on deferred tax assets

As at September 30, 2020 and December 31, 2019, items generating deferred tax assets or liabilities are listed below:

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Deferred tax assets	2,137,263	1,323,711
Provision for employee termination benefits and unused vacations	154,257	140,208
Other provisions	13,068	14,034
Valuation differences of associates and subsidiaries	23,456	23,456
Provision (General Provision)	1,617,886	702,720
Valuation differences of financial assets and liabilities	312,223	431,120
Other differences	16,373	12,173
Deferred tax liabilities	1,220,708	576,388
Valuation differences of financial assets and liabilities	1,043,210	425,250
Valuation difference for associates and subsidiaries	89,264	60,048
Valuation differences of properties	71,488	72,592
BRSA - Tax Code depreciation differences	16,746	18,498
Deferred tax assets, (net)	916,555	747,323

The deferred tax asset / liability schedule as of September 30, 2020 and December 31, 2019 is as follows:

	Current Period - September 30, 2020	Prior Period - December 31, 2019
As of January 1	747,323	29,776
Deferred tax income/(loss)	91,784	905,204
Deferred tax that is accounted under Equity	84,251	(176,280)
Other	(6,803)	(11,377)
Deferred tax asset/(Liability)	916,555	747,323

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

14. Information on assets held for sale and assets related to the discontinued operations

As of September 30, 2020, the cost of property and equipment held for sale purpose and related to discontinued operations are TL 1,308,078 (December 31, 2019: TL 3,125,112) and the provision for impairment is TL 7,587 (December 31, 2019: TL 12,981). The amount of other assets held for sales and discontinued operations is 3 TL (31 December 2019: None.)

As per the Board of Directors decision in December 13th, 2019, the Bank has started the process of transfer of 56.39% and 53.90% of shares held in subsidiaries Güneş Sigorta and Vakıf Emeklilik ve Hayat A.Ş. respectively, including publicly held shares, to a new company to be established by Türkiye Varlık Fonu Yönetimi A.Ş. Güneş Sigorta AŞ and Vakıf Emeklilik ve Hayat AŞ have been removed from the Subsidiaries account and started to be disclosed in the Assets Held for Sale and Discontinued Operations account.

On April 22, 2020, a share transfer agreement was signed between TVF Financial Investments as the buyer and the Bank as the seller, in order to transfer the Banks shares which represent 51.1% of Güneş Sigorta AŞ's capital and 53.9% of Vakıf Emeklilik ve Hayat AŞ's capital to TVF Financial Investments AŞ ("TVF Financial Investments"). Accordingly, the price to be paid to the Bank for Güneş Sigorta AŞ shares is determined as 2.22 TL per share, and the total sales price is 612,586 TL. The sales price has been totally paid with a special issue government bond. The amount to be paid to the Bank for Vakıf Emeklilik ve Hayat AŞ shares is determined as 0.0896 TL per share, and the total sales price is 724,584 TL. The sales price has been totally paid with a special issue government bonds. After the aforementioned sale, 900,871 TL was transferred to retained earnings and 151,021 TL dividend income was obtained from related companies.

15. Information on other assets

As at September 30, 2020 and December 31, 2019 other assets are as follows:

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Receivables from credit card payments	2,451,118	1,695,301
Prepaid expenses	1,608,978	850,421
Guarantees given for repurchase agreements	372,049	9,922
Receivables from term sale of assets	521,298	112,364
Guarantees given for repurchase agreements	11,703,970	7,996,486
Other	1,884,851	1,005,618
Total	18,542,264	11,670,112

16. Information on expected loss provisions for financial assets and financial assets measured at amortized cost financial assets measured at amortized cost

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Balances with the Central Bank	437	374
Banks	3,021	8,900
Total	3,458	9,274
Financial Assets Measured at Amortized Cost	6,688	5,054
Total	10,146	14,328

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period September 30, 2020	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	12,157,591	-	11,557,130	45,338,238	1,632,181	417,688	549,879	8,855	71,661,562
Foreign currency deposits	23,655,509	-	22,137,293	90,386,554	5,555,881	2,592,889	7,860,901	-	152,189,027
Residents in Turkey	22,368,461	-	21,690,264	87,173,322	4,405,627	1,436,181	2,577,490	-	139,651,345
Residents in abroad	1,287,048	-	447,029	3,213,232	1,150,254	1,156,708	5,283,411	-	12,537,682
Public sector deposits	10,048,331	-	30,215,998	7,115,666	937,949	468,913	35,285	-	48,822,142
Commercial deposits	6,658,460	-	21,211,803	32,639,881	737,946	694,456	240,808	-	62,183,354
Other	8,592,143	-	2,626,242	17,079,604	1,060,033	122,954	594,927	-	30,075,903
Precious metal deposits	15,067,605	-	-	18,954	-	1,205,199	150,252	-	16,442,010
Bank deposits	1,383,612	-	4,827,943	6,295,626	96,276	31,095	197,205	-	12,831,757
Central Bank	2,369	-	-	-	-	-	-	-	2,369
Domestic banks	690,433	-	4,587,586	229,202	96,276	-	-	-	5,603,497
Foreign banks	321,160	-	240,357	6,066,424	-	31,095	197,205	-	6,856,241
Participation banks	369,650	-	-	-	-	-	-	-	369,650
Other	-	-	-	-	-	-	-	-	-
Total	77,563,251	-	92,576,409	198,874,523	10,020,266	5,533,194	9,629,257	8,855	394,205,755

Prior Period December 31, 2019	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	8,578,245	-	8,388,452	37,058,056	2,528,253	276,512	1,890,243	8,620	58,728,381
Foreign currency deposits	15,621,867	-	15,618,203	51,465,995	5,398,393	1,857,362	6,379,869	-	96,341,689
Residents in Turkey	14,649,556	-	15,322,762	49,178,166	4,631,421	978,319	2,235,416	-	86,995,640
Residents in abroad	972,311	-	295,441	2,287,829	766,972	879,043	4,144,453	-	9,346,049
Public sector deposits	8,186,969	-	6,028,510	6,735,622	2,793,367	485,159	29,121	-	24,258,748
Commercial deposits	4,513,944	-	14,278,824	14,138,249	1,767,183	482,234	316,449	-	35,496,883
Other	7,545,083	-	1,391,353	7,096,658	3,183,311	379,849	690,573	-	20,286,827
Precious metal deposits	5,596,470	-	-	13,780	-	243,446	49,413	-	5,903,109
Bank deposits	651,048	-	4,541,612	4,525,538	455,074	174,319	167,671	-	10,515,262
Central Bank	661	-	-	-	-	-	-	-	661
Domestic banks	299,252	-	4,234,529	619,030	321,218	12,880	-	-	5,486,909
Foreign banks	104,250	-	307,083	3,906,508	133,856	161,439	167,671	-	4,780,807
Participation banks	246,885	-	-	-	-	-	-	-	246,885
Other	-	-	-	-	-	-	-	-	-
Total	50,693,626	-	50,246,954	121,033,898	16,125,581	3,898,881	9,523,339	8,620	251,530,899

Information on saving deposits insured by Saving Deposit Insurance Fund and the total amounts of the deposits exceeding the insurance coverage limit

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	Covered by the Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Covered by the Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
Saving deposits	38,461,953	33,199,609	33,649,429	25,078,952
Foreign currency saving deposits	23,725,447	54,673,230	16,583,167	33,677,608
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
Total	62,187,400	87,872,839	50,232,596	58,756,560

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Saving deposits out of insurance coverage limits

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Deposits and other accounts at foreign branches	74,236	62,900
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	11,110	10,395
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9/2004	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	-	-

2. Information on derivative financial liabilities held for trading purpose

Negative differences related to the derivative financial liabilities held for trading purpose

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Forwards	169,249	21,403	57,018	1,379
Swaps	3,069,538	2,705,611	2,168,868	1,081,826
Futures	-	-	-	-
Options	-	3,066	213	2,645
Other	-	-	-	-
Total	3,238,787	2,730,080	2,226,099	1,085,850

3. Information on funds borrowed

a) *Information on banks and other financial institutions*

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	70,400	1,299,462	-	988,160
Domestic banks and institutions	266,024	5,365,606	326,451	2,757,681
Foreign banks, institutions and funds	586,569	40,415,338	570,839	36,435,419
Total	922,993	47,080,406	897,290	40,181,260

b) *Maturity information of funds borrowed*

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Short-term ^(*)	328,706	2,083,344	326,451	3,450,038
Medium and Long-term ^(*)	594,287	44,997,062	570,839	36,731,222
Total	922,993	47,080,406	897,290	40,181,260

^(*) Maturity profile of funds borrowed is prepared in accordance to their original maturities.

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for %8.08 ((December 31, 2019: % 10,63) of the Bank's liabilities. There is no risk concentration on funding sources of the Bank.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Syndicated Loans Receive

Beginning From	Maturity (Days)	Currency	Amount (Millions)	Interest rate	Coordinator Bank	Agent Bank
26 November 2019	367	USD	239.5	Libor+% 2.25	The Commercial Bank (P.S.Q.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C)
	367	EUR	309.3	Euribor+% 2.10	The Commercial Bank (P.S.Q.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C)
4 May 2020	367	USD	312	Libor+% 2.25	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C)	Mizuho Bank, LTD.
	367	EUR	589.5	Euribor+% 2.00	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C)	Mizuho Bank, LTD.

Securitisation Loans Received

Beginning From	Due date	Currency	Amount (USDMillions)	Loan Type
13 May 2011	15 June 2023	USD	346.5	Based on international remittance flows
19 December 2014	15 December 2021	USD/EUR	428.6	Based on international remittance flows / Based on treasury financing transactions
4 October 2016	15 September 2021	USD/EUR	354.4	Based on international remittance flows
	15 June 2023	USD/EUR	535.7	Based on international remittance flows / Based on treasury financing transactions
4 May 2018	15 March 2023	USD/EUR	380	Based on international remittance flows
5 October 2018	15 September 2028	USD	300	Based on international remittance flows / Based on treasury financing transactions
15 October 2019	15 December 2026	USD	417	Based on international remittance flows / Based on treasury financing transactions

As of September 30, 2020, the total securitization balance is equivalent of USD 1,247 million and EUR 187 million (31 December 2019: USD 1,453 million and EUR 227 million).

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on securities issued

Within the context of Global Medium Term Notes (GMTN), the Bank has issued Eurobond. The bond has been issued in GMTN programme on October 27, 2016 has a nominal value of USD 500 million, maturity date on October 27, 2021 with fixed rate, 5 years maturity and semi-annually coupon paid and coupon rate 5.50%.

Within the context of Global Medium Term Notes (GMTN), the Bank has issued Eurobond. The bond has been issued in GMTN programme on May 30, 2017 has a nominal value of USD 500 million, maturity date on May 30, 2022 with fixed rate, 5 years maturity and semi-annually coupon paid and coupon rate 5.625%.

At January 30, 2018, bank has issued a new bond with a maturity of 5 years with a coupon rate of 5.75%, and a final yield of 5.85% amounting to USD 650 million. This transaction has been the highest consistent bond issuance transaction the Bank has ever undertaken. The total demand from over 150 investors in the export has exceeded 1.5 billion dollars.

On March 28, 2019, a new bond issue with a coupon rate of 8.125% and a final return rate of 8.200% was realized in the amount of USD 600 million. More than 150 international investors showed interest in the issue. The issuance amount was swapped to EUR on the same day and the transaction was closed at a cost of less than 5%.

The bank has issued Turkey's first EUR covered bond on May 4, 2016. The bond has been issued on May 4, 2016 has nominal value of EUR 500 million, maturity date on May 4, 2021 with fixed rate, 5 years maturity and annually interest paid with coupon rate 2.375% and 2.578% return.

On October 9, 2017, the bank had issued covered bond for the qualified investors abroad within the context of Global Medium Term Notes (GMTN), with 5.5 years of maturity, and a nominal value of 1,333 million Turkish Liras.

The bank had issued the second covered bond of 2017 on December 14, 2017 with HSBC Bank Plc with with 5 years of maturity, and a nominal value of 1,333 million Turkish Liras.

The bank had issued covered bond on December 7, 2018 with 5 years of maturity, and a nominal value of 1,000 million Turkish Liras.

On 22 January 2019, two separate transactions amounting to TL 396.3 million and TL 1,118 million on February 12, 2019, are subject to 8-year maturity. Thus, the Covered Bond issuences reached TL 9.3 billion.

On 5 February 2020, a new bond issuance amounting to USD 750 million with 5-year maturity, 5.25 percent coupon rate and 5.375 percent final return rate was realized. In the transaction, the largest bond issue in the history of the bank, US \$ 4.3 billion has been collected worldwide.

	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Current Period - September 30, 2020				
Nominal	6,635,833	5,180,500	1,637,753	28,095,892
Cost	6,415,460	5,180,500	1,636,351	27,966,394
Net Book Value	6,526,372	5,438,828	1,640,572	28,344,518

	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Prior Period - December 31, 2019				
Nominal	6,338,874	5,182,186	-	17,364,600
Cost	6,173,352	5,182,186	-	17,289,083
Net Book Value	6,289,792	5,297,752	-	17,588,825

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

4. Components of “other external resources payable” in the financials that comprise at least 20% of the account, if the account exceeds 10% of total liabilities and equity excluding off-balance sheet commitments

Other external resources payable in the financials do not exceed 10% of total liabilities and equity.

5. Information on lease payables (net)

Obligations under financial leasing

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	Gross	Net	Gross	Net
Under 1 year	32,915	31,551	20,101	19,103
1-4 Years	332,420	286,283	457,151	367,996
Over 4 years	996,325	672,867	947,841	541,755
Total	1,361,660	990,701	1,425,093	928,854

With the “IFRS 16 Leases” standard, effective as of January 1, 2019, the difference between operational lease and financial lease has been eliminated, and leasing transactions have started to be disclosed under the “liabilities from leasing transactions” line.

6. Information on derivative financial liabilities held for risk management purpose

Negative fair values of hedging purpose derivatives

None.

7. Information on Provision

Information on employee rights

The Bank calculates provisions and recognizes its liabilities regarding severance pay and leave rights in accordance with the TAS 19-Employee Benefits Standard.

As of September 30, 2020, TL 694,880 (31 December 2019: TL 598,412) provision for severance pay and TL 76,404 (31 December 2019: TL 102,631) provision for vacation pay has been reserved, and it is shown in the item of reserves for employee benefits in the financial statements.

Provision for currency exchange loss on foreign currency indexed loans

None.

Provisions for non-cash loans that are not indemnified and not converted into cash

As of September 30, 2020, Bank has recorded TL 61,639 (December 31, 2019: TL 57,760) as provisions for non-cash loans that are not indemnified or converted into cash.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on provision for probable risks

As of September 30, 2020, the Bank provided free provision amounting TL 852,000 (December 31, 2019: TL 852,000).

8. Taxation

Current taxes

Tax provision

As of September 30, 2020, the Bank's corporate tax payable is TL 1,946 (December 31, 2019: TL 574,107).

Information on taxes payable

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Corporate taxes payable	1,946	574,107
Taxation on securities	301,117	257,672
Capital gains tax on property	1,529	3,515
Banking and Insurance Transaction Tax (BITT)	140,450	199,659
Taxes on foreign exchange transactions	31,503	4,428
Value added tax payable	4,833	6,210
Other	37,848	65,971
Total	519,226	1,111,562

Information on premiums payable

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Social security premiums- employee share	-	-
Social security premiums- employer share	-	-
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	1,486	1,607
Unemployment insurance- employer share	2,972	3,213
Other	-	-
Total	4,458	4,820

Information on deferred tax liabilities

Information on deferred tax liabilities is presented in disclosure 13 of information and disclosures related to assets.

9. Information on payables for assets held for resale and tangible assets related to discounted activities

None.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

10. Information on subordinated loans

The Bank has issued bond having the secondary subordinated loan quality to be sold to non-resident natural and legal persons. The bond has been issued at the nominal value of US Dollar 500 million with the maturity of 10 years and 6.0% coupon rate. In addition to the bond issued on November 1, 2012, on December 3, 2012 the Bank has realized second tranche at nominal value of US Dollar 400 million, has the same due date and maturity of 10 years and 5.5% coupon rate.

The Bank has issued secondary subordinated loan (Tier II bond) as at January 2015 which contains Basel-III criteria. In this context, the bond has been issued at the nominal value of US Dollar 500 million with the maturity date of February 3, 2025 and early call option date of February 3, 2020. The bond has fixed interest, 10 years and one day maturity, two times interest payment in a year with coupon rate of 6.875% and issue yield of 6.95%. The Bank used the early redemption option for this bond and received BRSA approval on 9 December 2019. An investor notification was made on 23 December 2019, and the bond was repaid on 3 February 2020 and the recall was completed.

In 2012, the Bank carried out the sale of bond issued abroad with a maturity of 2022 maturities of USD 900 million. Regulations and amendments made within the scope of BRSA's Regulation on Equities of Banks have made it possible to comply with Basel III regulations in the capital adequacy calculations of banks as contributions capital. In this context, the effect on the capital of the Bank which has issued Basel II compliant subordinated loan provisions issued in 2012 has decreased. In this context, the operational process of the swap transaction of bonds with a total nominal value of USD 227.6 million which issued abroad, with the new Basel III compliant conditions, was completed on 13 February 2017 and the redemption date of the bonds to be exchanged was determined as November 1, 2027, with a maturity of 10 years (recall option in 2022) and coupon rate as 8.00%.

On September 18, 2017, the bank had issued a floating rated subordinated bond (secondary capital) for the qualified domestic institutional investor with nominal value of 525 million Turkish Liras that has the maturity of 10 years that is callable in 5 years, and has quarterly coupon payments.

On September 27, 2018, the bank had issued a fixed rate subordinated bond (Additional Tier 1 capital) with nominal value of 4,994 million Turkish Liras that is undated and callable at the end of 5 years and has semiannual coupon payments.

On April 24, 2019, in the scope of GMTN Program, the Bank issued bonds amounting to EUR 700 million with additional capital requirements. In this context; Turkey Wealth Funds within the Market Stability and Balance Fund investors that allocated to bonds that have performed in the form of sales indefinite term, 5 years at the end of the qualities that can be redeemed early, fixed-rate and interest paid 700 million per year EUR bonds will be included in additional core capital in the nominal value of the voucher The ratio is determined as 5.076%.

On September 27, 2019, TLREF indexed subordinated bonds amounting to TL 725 million were issued to qualified investors in the domestic capital markets. The issued bond has a maturity of 10 years and has the option of early redemption at the end of the fifth year. Bonds with floating interest rates are priced at an additional 150 basis points above the Turkish Lira Overnight Reference Interest Rate (RE TLREF an) announced by the BIST every day. The debt instrument will make a variable coupon payment every 91 days from the beginning date to the amortization date (including the amortization date).

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

10. Information on subordinated loans (Continued)

Stated bonds' total balance sheet value is TL 19,569,178 as of September 30, 2020 (December 31, 2019: TL 19,245,453).

	Current Period – September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	4,993,575	6,512,454	5,139,810	4,839,684
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	4,993,575	6,512,454	5,139,810	4,839,684
Debt instruments to be included in the additional capital calculation	1,255,293	6,807,856	1,255,067	8,010,892
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	1,255,293	6,807,856	1,255,067	8,010,892
Total	6,248,868	13,320,310	6,394,877	12,850,576

11. Information on equity

Paid-in capital

	Current Period - September 30, 2020	Prior Period - December 31, 2019
Common Stock	3,905,622	2,500,000
Preferred Stock	-	-

Paid-in capital of the Bank amounted to TL 3,905,622 TL is divided into groups comprised of 27.52% Group (A), 10.00% Group (B), 10.35% Group (C) and 52.13% Group (D).

Board of Directors' members; three members representing Group (A), one member representing Group (B), and two members representing Group (C); among the nominees shown by the majority of each group, and one member among the nominees offered by the shareholders at the General Assembly are selected. Preference of Group (D) is primarily taken into account in the selection of the last mentioned member.

Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital.

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Registered capital system	3,905,622	10,000,000

At the resolutions of Board of Directors dated January 2, 2015 and 61st Ordinary Meeting of the General Assembly dated March 30, 2015, Bank's ceiling per registered share capital has been increased from TL 5,000,000 to TL 10,000,000.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Share Premium Subject to Increase
9 June 2020	1,405,622	1,405,622	-	-

The Bank increased its paid-in capital from TL 2,500,000 to TL 3,905,622, provided that it is within the registered capital ceiling, based on the decision taken at the Board of Directors meeting dated 11 May 2020. Accordingly, the amendment made in the related article of the Articles of Association was registered on 09 June 2020.

Information on share capital increases from revaluation funds

None.

Capital commitments for current financial year and following period and the general purpose of these commitments and the estimated resources required for these commitments

None.

Prior period indicators of the Bank’s income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators

None.

Information on the privileges given to stocks representing the capital

None.

Valuation differences of the marketable securities

	Current Period - September 30, 2020		Prior Period - December 31, 2019	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	1,718,486	(197,873)	1,164,678	(144,550)
Financial assets at fair value through other comprehensive income	268,649	72,663	543,624	242,412
Foreign exchange differences	80,727	-	80,727	-
Total	2,067,862	(125,210)	1,789,029	97,862

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Period – September 30, 2020	Prior Period – December 31, 2019
Commitments for credit card limits	20,651,329	17,293,741
Loan granting commitments	24,388,093	18,076,739
Commitments for cheque payments	5,344,163	3,528,150
Asset purchase sale commitments	1,629,146	7,968,985
Other	2,468,627	1,627,217
Total	54,481,358	48,494,832

Type and amount of possible losses from off-balance sheet items including those referred to below

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The Bank provided specific provision amounting to TL 694,874 (December 31, 2019: TL 689,503) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 61,639 (December 31, 2019: TL 57,760).

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period – September 30, 2020	Prior Period – December 31, 2019
Provisional letters of guarantee	1,721,503	1,366,139
Final letters of guarantee	25,015,268	20,929,135
Letters of guarantee for advances	6,838,948	5,608,940
Letters of guarantee given to custom offices	1,973,532	1,322,033
Other letters of guarantee	35,498,861	29,698,034
Total	71,048,112	58,924,281

2. Non-cash loans

	Current Period – September 30, 2020	Prior Period – December 31, 2019
Non-cash loans given for cash loan risks	23,613,376	17,026,869
With original maturity of 1 year or less	4,631,137	6,070,706
With original maturity of more than 1 year	18,982,239	10,956,163
Other non-cash loans	71,111,351	60,309,173
Total	94,724,727	77,336,042

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS
(Continued)**

3. Sectoral risk concentrations of non-cash loans

	Current Period - September 30, 2020				Prior Period - December 31, 2019			
	TL	%	FC	%	TL	%	FC	%
Agricultural	81,717	0.20	285,732	0.52	56,955	0.15	253,240	0.64
Farming and Cattle	76,300	0.19	234,903	0.43	52,735	0.14	231,174	0.58
Forestry	4,331	0.01	-	-	4,190	0.01	-	-
Fishing	1,086	-	50,829	0.09	30	-	22,066	0.06
Manufacturing	12,852,100	32.26	29,572,328	53.88	11,788,946	31.42	20,327,094	51.05
Mining	335,990	0.84	459,604	0.84	236,923	0.63	165,044	0.41
Production	7,847,951	19.70	26,498,871	48.28	7,030,835	18.74	19,172,563	48.15
Electric, gas and water	4,668,159	11.72	2,613,853	4.76	4,521,188	12.05	989,487	2.49
Construction	9,055,378	22.73	8,953,959	16.32	7,620,745	20.31	5,912,307	14.85
Services	17,088,597	42.89	14,292,499	26.04	17,244,512	45.96	10,489,650	26.35
Wholesale and retail trade	6,961,914	17.47	8,102,082	14.76	6,037,803	16.09	6,341,737	15.93
Hotel, food and beverage Services	380,085	0.95	820,064	1.49	314,844	0.84	412,217	1.04
Transportation and telecommunication	3,296,679	8.27	3,853,339	7.02	2,804,464	7.47	2,178,605	5.47
Financial institutions	3,217,437	8.08	208,666	0.38	4,729,573	12.60	173,797	0.44
Real estate and renting Services	1,010,555	2.54	866,684	1.58	1,139,197	3.04	465,306	1.17
Self-employment services	1,923,151	4.83	425,886	0.78	1,962,573	5.23	321,924	0.81
Education services	66,208	0.17	3,254	0.01	56,442	0.15	4,464	0.01
Health and social services	232,568	0.58	12,524	0.02	199,616	0.54	591,600	1.48
Other	765,684	1.92	1,776,733	3.24	810,555	2.16	2,832,038	7.11
Total	39,843,476	100.00	54,881,251	100.00	37,521,713	100.00	39,814,329	100.00

4. Information on the first and second group of non-cash loans

Current Period - September 30, 2020	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	37,858,961	29,984,448	1,458,915	1,063,936
Confirmed Bills of Exchange and Acceptances	4,258	5,234,046	-	-
Letters of Credit	272,283	17,890,983	-	141,005
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	121,018	-	-
Non-Cash Loans	38,135,502	53,230,495	1,458,915	1,204,941

Prior Period - December 31, 2019	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	35,943,263	20,621,695	1,104,761	574,064
Confirmed Bills of Exchange and Acceptances	7,842	4,562,605	-	3,382
Letters of Credit	141,830	13,517,542	-	73,273
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	96,282	-	-
Non-Cash Loans	36,092,935	38,798,124	1,104,761	650,719

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS
(Continued)

5. Contingent assets and liabilities

Bank allocates TL 37,141 as provision for lawsuits against the Bank (December 31, 2019: TL 37,141).

6. Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts. The Bank’s custody services and banking transactions on behalf of individuals and corporate customers does not present a material portion.

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME

1. Interest income

Information on interest income received from loans

	Current Period - September 30, 2020		Prior Period - September 30, 2019	
	TL	FC	TL	FC
Short-term Loans	4,098,635	480,030	7,508,252	562,223
Medium and Long-Term Loans	17,231,986	4,312,319	13,615,451	3,752,711
Non-performing Loans	517,697	-	416,121	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	21,848,318	4,792,349	21,539,824	4,314,934

Information on interest income received from banks

	Current Period - September 30, 2020		Prior Period - September 31, 2019	
	TL	FC	TL	FC
Central Bank of Republic of Turkey	-	-	-	1,297
Domestic Banks	2,530	6,627	28,292	27,190
Foreign Banks	-	28,164	-	96,810
Foreign Head Office and Branches	-	-	-	-
Total	2,530	34,791	28,292	125,297

Information on interest income received from marketable securities portfolio

	Current Period - September 30, 2020		Prior Period - September 30, 2019	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss	-	246,131	-	-
Financial assets at fair value through other comprehensive income	2,248,325	563,303	1,425,757	115,321
Financial assets measured at amortized cost	3,094,695	514,127	3,126,695	394,623
Total	5,343,020	1,323,561	4,552,452	509,944

As stated in Section 3 Note VII, “Fair value through other comprehensive income” and “measured at amortized cost” securities portfolios of the Bank include Consumer Price Indexed (CPI) Bonds. The estimated inflation rate used is updated as needed within the year. In this context, as of September 30, 2020, the valuation of the related securities was based on an annual inflation forecast of 8.90 %. If the valuation of these securities indexed to CPI was made according to the reference index valid for September 30, 2020, the Bank’s equity valuation differences on equity would decrease by TL 429 million (full TL) and the net profit for the period would increase 334 million TL (full TL).

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME
(Continued)

Information on interest income received from associates and subsidiaries

	Current Period - September 30, 2020	Prior Period - September 30, 2019
Interest Received from Associates and Subsidiaries	62,994	93,637

2. Interest expense

Interest expense on funds borrowed

	Current Period - September 30, 2020		Prior Period - September 30, 2019	
	TL	FC	TL	FC
Banks	67,291	877,873	66,910	987,573
Central Bank of Republic of Turkey	-	2,158	-	1,412
Domestic Banks	21,474	76,550	21,129	70,141
Foreign Banks	45,817	799,165	45,781	916,020
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	54,216	-	64,814
Total	67,291	932,089	66,910	1,052,387

Interest expense paid to associates and subsidiaries

	Current Period - September 30, 2020	Prior Period - September 30, 2019
Interest Paid to Associates and Subsidiaries	117,662	231,255

Interest expense on securities issued

Interest paid to securities issued as at for the period ended September 30, 2020 is TL 3,394,904 (TL 1,749,280 and 1,645,624 FC). (September 30, 2019: TL 3,009,877 (TL 1,849,608 and 1,160,269 FC)).

Maturity structure of the interest expense on deposits

Current Period September 30, 2020	Demand Deposits	Time Deposits					Cumulative deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<i>TL</i>								
Interbank deposits	-	-	-	-	-	342,571	-	342,571
Saving deposits	-	733,164	2,847,021	153,699	22,923	191,555	656	3,949,018
Public sector deposits	8,627	600,048	361,444	82,049	41,599	2,145	-	1,095,912
Commercial deposits	-	1,199,714	1,550,544	65,844	59,359	78,507	-	2,953,968
Other deposits	-	122,535	662,185	116,549	15,809	10,814	-	927,892
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	8,627	2,655,461	5,421,194	418,141	139,690	625,592	656	9,269,361
<i>FC</i>								
Foreign currency deposits	8,928	104,852	710,854	41,229	13,819	65,074	-	944,756
Interbank deposits	4,767	-	-	-	-	62,189	-	66,956
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	58	-	2,365	610	-	3,033
Total	13,695	104,852	710,912	41,229	16,184	127,873	-	1,014,745
Grand Total	22,322	2,760,313	6,132,106	459,370	155,874	753,465	656	10,284,106

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**IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME
(Continued)**

Prior Period - September 30, 2019	Time Deposits						Cumulative deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<i>TL</i>								
Interbank deposits	-	90,654	111,260	-	69,967	115,893	-	387,774
Saving deposits	-	1,030,228	4,875,887	709,770	98,981	164,298	464	6,879,628
Public sector deposits	18,359	414,443	812,059	91,746	56,388	29,861	-	1,422,856
Commercial deposits	-	1,072,991	1,360,151	192,617	85,740	42,314	-	2,753,813
Other deposits	-	131,548	598,168	460,401	67,713	23,665	-	1,281,495
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	18,359	2,739,864	7,757,525	1,454,534	378,789	376,031	464	12,725,566
<i>FC</i>								
Foreign currency deposits	26,180	140,527	947,482	92,849	38,917	135,764	-	1,381,719
Interbank deposits	8,808	42,316	51,934	-	32,659	54,097	-	189,814
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	407	60	-	467
Total	34,988	182,843	999,416	92,849	71,983	189,921	-	1,572,000
Grand Total	53,347	2,922,707	8,756,941	1,547,383	450,772	565,952	464	14,297,566

3. Information on trading income/loss

	Current Period - September 30, 2020	Prior Period - September 30, 2019
Profit	32,239,111	20,739,058
Income from capital market operations	1,444,290	272,803
Income from derivative financial instruments	23,640,020	14,764,768
Foreign exchange gains	7,154,801	5,701,487
Losses	(34,816,064)	(22,760,866)
Loss from capital market operations	(8,410)	(33,718)
Loss from derivative financial instruments	(24,819,976)	(17,445,724)
Foreign exchange loss	(9,987,678)	(5,281,424)
Net trading profit/loss	(2,576,953)	(2,021,808)

Net loss arising from changes in foreign exchange rates that relate to the Bank's foreign exchange rate based derivative financial instruments is amounting to TL 968,634 as at and for the nine-month period ended September 30, 2020 (September 30, 2019: TL 2,560,934 net loss).

4. Information on other operating income

	Current Period - September 30, 2020	Prior Period - September 30, 2019
Income from reversal of the specific provisions for loans from prior periods ^(*)	4,579,567	2,768,670
Communication income	11,960	29,346
Gain on sale of assets	574,740	204,533
Rent income	6,151	5,687
Other income	110,559	240,407
Total	5,282,977	3,248,643

^(*) As of 30 September 2020, the Bank has written-off loans and provisions, which were classified in the "Group V Loans" (Loans Classified as Loss) and which do not have reasonable expectations for recovery in accordance with the Amendments Regulation published in the Official Gazette dated 27 November 2019 and numbered 30961 by BRSA

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**IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME
(Continued)**

5. Expected Credit Loss and Other Provision Expenses

	Current Period - September 30, 2020	Prior Period - September 30, 2019
Expected Credit Loss	8,937,694	5,807,804
12 month expected credit loss (stage 1)	2,188,590	1,013,913
Significant increase in credit risk (stage 2)	4,030,929	1,870,015
Non-performing loans (stage 3)	2,718,175	2,923,876
Marketable Securities Impairment Expense	7,414	34,633
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	7,414	34,633
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	24,000	-
Total	8,969,108	5,842,437

6. Information on other operating expenses

	Current Period - September 30, 2020	Prior Period - September 30, 2019
Reserve for Employee Termination Benefits	96,468	79,614
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	344,934	313,062
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortization Expenses on Intangible Assets	26,051	23,895
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses on Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	1,941,553	1,565,844
<i>Leasing expenses related to TFRS 16 exceptions</i>	53,152	68,714
<i>Repair and maintenance expenses</i>	51,343	40,880
<i>Advertisement expenses</i>	122,290	120,412
<i>Other expenses</i>	1,714,768	1,335,838
Loss on sale of assets	6,479	2,826
Other ^(*)	1,921,308	769,988
Total	4,336,793	2,755,229

(*) Other operating expenses amounting to TL 1,921,308 (September 30, 2019: TL 769,988) is comprised of provision expenses for dividends to the personnel amounting to TL 245,152 (September 30, 2019: TL 216,674), 890,789 TL (September 30, 2019: None) written off loans and receivables, tax, fees and funds expenses amounting to TL 227,783 (September 30, 2019: TL 186,752), "Saving Deposits Insurance Fund" expenses amounting to TL 335,839 (September 30, 2019: TL 219,694) and other operating expenses amounting to TL 221,745 (September 30, 2019: TL 146,868).

7. Information on income/loss from discontinued and continuing operations

The Bank has no discontinued operations. Information and detailed tables on profit before tax from continuing operations are presented in disclosures 1-6 in this section.

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**IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF INCOME
(Continued)**

8. Information on tax provision from discontinued and continuing operations

The Bank has no discontinued operations. Information on provision for taxes on income from continuing operations is presented in disclosure 11 in this section.

9. Information on net profit/loss from discontinued and continuing operations

The Bank has no discontinued operations. Information on net profit/loss from continuing operations is presented in disclosures 1-12 in this section.

10. Provision for taxes

Current period taxation benefit or charge and deferred tax benefit or charge

In the current period, the Bank has recorded a tax charge of TL 1,233,444 (September 30, 2019: TL 1,212,212) from the net taxable profit calculated in accordance the laws and regulations in effect.

Deferred tax benefit of the Bank is detailed in the table below.

Deferred tax charge arising from temporary differences, tax losses and unused tax credits

Sources of deferred tax benefit/charge	Current Period - September 30, 2020	Prior Period - September 30, 2019
Arising from Origination / (Reversal) of Deductible Temporary Differences	812,660	327,820
Arising from (Origination)/ Reversal of Taxable Temporary Differences	(720,876)	469,558
Arising from Origination / (Reversal) of Tax Losses	-	-
Arising from Tax Rate Change	-	-
Total	91,784	797,378

11. Information on net profit and loss

The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

The Bank has earned TL 33,442,027 interest income, incurred TL 17,665,422 interest expenses and TL 2,630,080 net fees and commissions income from ordinary banking transactions (September 30, 2019: TL 31,357,637 interest income, TL 22,940,899 interest expenses, TL 2,931,282 net fees and commissions income).

Any changes in estimations that might have a material effect on current and subsequent period results

None.

12. Information related to the 20% of the sub-accounts belonging to components of other items in the statement of income exceeding 10% of the group total

Banks' other commissions income mainly consists of credit card fee and commissions, insurance commissions and intelligence commissions.

Banks' other commissions expense mainly consists of credit card fee and commissions and commissions given for foreign banks credits.

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V. INFORMATION AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

Information on loans and other receivables held by the Bank's risk group

	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Current Period - September 30, 2020						
Loans and other receivables						
Balance at the beginning of the year	921,932	868,629	-	29,783	334,910	57,317
Balance at the end of the year	1,282,819	641,306	-	32,084	72,140	62,159
Interest and commission income	62,994	2,131	-	-	18,161	50

	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Prior Period - December 31, 2020						
Loans and other receivables						
Balance at the beginning of the year	519,633	606,551	-	44,668	193,297	91,969
Balance at the end of the year	921,932	868,629	-	29,783	334,910	57,317
Interest and commission income	93,637	2,361	-	2	37,996	106

Information on deposits held by the Bank's risk group

	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the year	1,443,641	1,847,693	298,861	1,079,621	89,490	623,318
Balance at the end of the year	1,827,134	1,443,641	1,271,710	298,861	134,075	89,490
Interest on deposits	117,662	231,255	36,463	159,266	5,652	12,634

Information on forwards and option agreements and other similar agreements made with the Bank's risk group

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	34,629	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total profit/loss	-	(2,115)	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total income/loss	-	-	-	-	-	-

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V. INFORMATION AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP (Continued)

2. Disclosures of transactions with the Bank's risk group

Relations with entities in the risk group of/ or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

Pricing policy and other conditions of transactions with the risk group of the Bank are determined and applied on arm's length basis. The ratio of cash and non-cash loans given to the Bank's risk group to total cash and non-cash loans are 0.32 (December 31, 2019: 0.43) and 0.78 (December 31, 2019: 1.24), respectively.

Current Period - September 30, 2020	Amount	Compared with the Financial Statement	
		Amount	%
Cash Loans	1,354,959		0.32
Non-Cash Loans	735,549		0.78
Deposits	3,232,919		0.82
Forward and Option Agreements	-		0.00

Prior Period - December 31, 2019	Amount	Compared with the Financial Statement	
		Amount	%
Cash Loans	1,256,842		0.43
Non-Cash Loans	955,729		1.24
Deposits	1,831,992		0.73
Forward and Option Agreements	-		0.00

Information on Benefits Provided to Directors

In the accounting period ending on September 30, 2020, a total amount of TL 25,152 was paid to the Bank's top management. (September 30, 2019: 22,635 TL).

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SECTION SIX

OTHER DISCLOSURES

I. OTHER DISCLOSURES ON THE BANK'S ACTIVITY

As per the resolution of 66th Annual General Assembly held on June 12, 2020, the net profit of year 2019 has been decided to be distributed as follows:

Profit Distribution Table of Year 2019	
Bank's unconsolidated profit in its statutory financial statements	2,802,291
Deferred tax credits	-
Net profit of the year subject to distribution	2,802,291
Legal reserves	189,709
<i>First Legal Reserves</i>	94,855
<i>Reserves allocated according to banking law and articles of association.</i>	94,854
Net profit of the year subject to distribution	1,707,378
Gain on sale of immovable and shares of associates and subsidiaries	72,815
Extraordinary reserves	1,634,563
Dividends to shareholders	-

II. INFORMATION ON THE BANK'S RATING GIVEN BY INTERNATIONAL CREDIT RATING INSTITUTIONS

September 2020^(*)	Fitch Ratings
Long Term Foreign Currency	B+
Short Term Foreign Currency	B
Foreign Currency Outlook	Negative
Long Term Local Currency	BB-
Short Term Local Currency	B
Local Currency Outlook	Negative
National Long Term	AA (tur)
National Outlook	Stable
Support	4
Support Rating Floor	B
Viability Note	b+

September 2020^(*)	Moody's Investors' Service
Baseline Credit Assessment	caa2
Local Currency Deposit Rating	B2/NP
Local Currency Outlook	Negative
Foreign Currency Deposit Rating	Caa1/NP
Foreign Currency Outlook	Negative

August 2018^(*)	JCR Eurasia
Long Term International FC	BBB- (Negative)
Short Term International FC	A-3 (Negative)
Long Term International TL	BBB-
Short Term International TL	A-3
Long Term NSR	AAA (Stable)
Short Term NSR	A-1 + (Stable)
Support	1
Independancy from Shareholders	A

(*) The dates indicate the last grade change dates.

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OTHER DISCLOSURES (Continued)

III. SIGNIFICANT EVENTS AND MATTERS SUBSEQUENT TO BALANCE SHEET DATE THAT ARE NOT RESULTED

The Bank issued a Turkish Lira Overnight Reference Interest Rate (TLREF) indexed Vakıfbank financing bill with a term of 91 days, a nominal value of TL 621,120,000 (full TL), with the maturity date Nov 13, 2020 and an ISIN code of TRFVKFBK2059 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Aug 14, 2020.

The Bank issued a Vakıfbank financing bill with a term of 63 days, a nominal value of TL 101,286,336 (full TL), with the maturity date Oct 16, 2020 and an ISIN code of TRFVKFBE2040 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Aug 14, 2020.

The Bank issued a Vakıfbank financing bill with a term of 63 days, a nominal value of TL 101,286,336 (full TL), with the maturity date Oct 16, 2020 and an ISIN code of TRFVKFBE2040 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Aug 14, 2020.

The Bank issued a Vakıfbank financing bill with a term of 63 days, a nominal value of TL 101,286,336 (full TL), with the maturity date Oct 16, 2020 and an ISIN code of TRFVKFBE2040 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Aug 14, 2020.

The Bank issued a Vakıfbank financing bill with a term of 45 days, a nominal value of TL 654,500,000 (full TL), with the maturity date Oct 16, 2020 and an ISIN code of TRFVKFBE2057 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 1, 2020.

The Bank issued a Vakıfbank financing bill with a term of 45 days, a nominal value of TL 654,500,000 (full TL), with the maturity date Oct 16, 2020 and an ISIN code of TRFVKFBE2057 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 1, 2020.

The Bank issued a Vakıfbank financing bill with a term of 32 days, a nominal value of TL 50,389,003 (full TL), with the maturity date Oct 5, 2020 and an ISIN code of TRFVKFBE2065 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 3, 2020.

The Bank issued a Vakıfbank financing bill with a term of 150 days, a nominal value of TL 50,000,000 (full TL), with the maturity date Feb 5, 2021 and an ISIN code of TRFVKFB22127 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 8, 2020.

The Bank issued a Vakıfbank financing bill with a term of 84 days, a nominal value of TL 209,000,000 (full TL), with the maturity date Dec 4, 2020 and an ISIN code of TRFVKFBA2069 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 11, 2020.

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OTHER DISCLOSURES (Continued)

III. SIGNIFICANT EVENTS AND MATTERS SUBSEQUENT TO BALANCE SHEET DATE THAT ARE NOT RESULTED

The Bank issued a Vakıfbank financing bill with a term of 77 days, a nominal value of TL 416,910,000 (full TL), with the maturity date Dec 4, 2020 and an ISIN code of TRFVKFBA2077 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 18, 2020.

The Bank issued a Vakıfbank financing bill with a term of 92 days, a nominal value of TL 30,000,000 (full TL), with the maturity date Dec 25, 2020 and an ISIN code of TRFVKFBA2085 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Sep 24, 2020.

The Bank issued a Turkish Lira Overnight Reference Interest Rate (TLREF) indexed Vakıfbank financing bill with a term of 364 days, a nominal value of TL 113,000,000 (full TL), with the maturity date Oct 11, 2021 and an ISIN code of TRFVKFBE2115 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Oct 12, 2020.

The Bank issued a Turkish Lira Overnight Reference Interest Rate (TLREF) indexed Vakıfbank financing bill with a term of 93 days, a nominal value of TL 609,200,000 (full TL), with the maturity date Jan 21, 2021 and an ISIN code of TRFVKFB12169 to be sold to qualified investors following the approval of the TL 30,000,000,000 (full TL) debt instruments issue cap application. The amount was transferred to customer accounts on Oct 20, 2020.

**SECTION SEVEN
INDEPENDENT AUDITORS’ REVIEW REPORT**

I. INFORMATION ON INDEPENDENT AUDITORS’ REVIEW REPORT

The Bank’s unconsolidated financial statements and footnotes as at and for nine-month period ended September 30, 2020 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. It was noted in their review report dated November 9, 2020 that nothing material has come to their attention that caused them to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the Bank’s financial position and results of its operations.

II. EXPLANATIONS AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.

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SECTION EIGHT

INFORMATION ON THE INTERIM ANNUAL REPORT

Assessment of the Board Chairman

Our dear stakeholders,

In the third quarter of 2020, the focus of developments in global markets was the new type of Coronavirus (Covid-19) pandemic that has affected the entire world since the first quarter of the year. The Covid-19 pandemic has affected global economic activity with a force that is rare in history. Borders were closed, travel restrictions were introduced, and curfews were imposed. Many workplaces and production facilities had to cease their activities. New decisions were implemented by policy makers in order to minimize the adverse effects of the pandemic on social and economic life.

As a result of these developments, having an economic shrinkage of 31.4% in the second quarter of 2020, which is the sharpest contraction since World War II, the US economy showed a record growth of 33.1% in the third quarter. Similarly, the Euro Zone grew by 12.7% and the Chinese economy by 4.9%. The growth figures announced have shown that the countries' economies have begun to recover. However, the fact that no vaccine has yet been found and the second wave of the pandemic has started has led to an increase in uncertainties regarding the coming period.

Turkey's economy experienced the negative effects of the Covid-19 pandemic the most in the second quarter. Turkey's economy contracted by 9.9% in the second quarter of 2020 compared to the same period of the previous year. However, in this period, the negative effects of the pandemic were minimized with support packages put into effect under the leadership of the economy management in order not to interrupt the production and supply chain, to protect employment and to maintain the healthy functioning of the financial system in our country. As a result of all these steps, the country's economy entered a rapid recovery in the third quarter.

Despite the fluctuations in financial markets, the Turkish Banking sector maintained its strong structure. In the third quarter of 2020, the size of assets of the sector reached TL 6,003 billion with an increase of 33.69% since the end of 2019. Loans increased by 33.86% to TL 3,555 billion and bank deposits increased by 34.18% to TL 3,444 billion. As of the end of September, the capital adequacy ratio of the Turkish Banking sector with 19.42% remained well above international standards. The sector continued to support the country's economy while it kept its healthy grow.

In the third quarter of the year, our Bank also continued to support the national economy. During this period, our assets reached TL 638,070 million with an increase of 52.13% compared to the end of 2019. Our cash loans, which have the largest share among our assets, increased by 49.65% and reached TL 411,216 million. Our deposit, which is our main funding source, increased by 56.72% and reached TL 394,206 million. We, as VakıfBank, will continue to be a supporting force for Turkey in the coming period as in the past. I would like to take this occasion to thank our valued customers, our shareholders and investors for their trust, and our employees for their efforts.

Truly yours,

Abdülkadir AKSU
Chairman of the Board

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Assessment of the General Manager

Our dear stakeholders,

Started in the shade of the Covid-19 pandemic, the year 2020 has continued with uncertainties regarding the global economy and trade. Various social and economic measures were implemented in many countries to limit the negative effects of the pandemic. During this period, central banks of developed and developing countries continued their expansionary monetary policies. The economies of many developed countries experienced sharp contractions in the second quarter of the year due to the Covid-19 pandemic. However, with the loosening of tight measures in the third quarter of the year, the growth figures turned positive.

Turkey's economy began to recover with the partial normalization steps taken in May and June. However, with the impact of the recession on our economy in April, Turkey's economy shrank by 9.9% in the second quarter by presenting an outlook similar to OECD countries which contracted 9.8% in the same period. With the lifting of restrictions and the implementation of rapid normalization steps in July, a significant recovery was experienced in the country's economy. Precautions and supportive measures taken by public authorities in order to limit the effects of the pandemic continued to be implemented during this period, as well. With the contribution of the measures taken, leading indicators such as consumer confidence index, economy confidence index and industrial production index show that the recovery has accelerated. At the end of September 2020, the New Economy Program (NEP) for 2021-2023 was announced by our Minister of Treasury and Finance. Accordingly, our new themes were determined as "New Balancing", "New Normal" and "New Economy".

We, as VakıfBank, worked hard during this period to ensure that the financial system works and that resources are used in the right areas. In the third quarter of 2020, we increased our assets by 52.13% and reached TL 638,070 million. So, we became Turkey's third largest bank. Loans provided the most important contribution to our asset growth. Our commercial loans increased by 45.69% and reached TL 304,927 million and retail loans increased by 62.32% and reached TL 106,290 million. We increased the total support we provide to our national economy through cash and non-cash loans to TL 505,941 million.

In the third quarter of 2020, our main funding source continued to be deposits. We increased our total deposits by 56.72% and reached TL 394,206 million. Continuing to provide long-term and cost-effective funds from abroad, our Bank signed a loan agreement of USD 250 million with the World Bank under the guarantee of the Ministry of Treasury and Finance in the third quarter of 2020. With this loan, we will support the sectors most affected by the pandemic and continue to finance the real economy.

We, as VakıfBank, have witnessed how valuable our investments in technology and digitalization are during this period. Our customers were able to easily perform many banking transactions through our digital channels whenever they wanted. During this period, the number of our mobile banking customers reached 5.8 million and the number of our internet banking customers exceeded 6 million. We have been continuing to work and invest in this area to provide our customers with a perfect customer experience.

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INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)

The prizes we have been awarded for the products and services we have developed honour us. Our bank made a name for itself in the international arena with its innovative product SKY Limit, which allows customers to determine limit management, and received the Bronze Stevie Award. On the other hand, as an indicator of the importance we attach to sustainability, we balanced more than all greenhouse gas emissions calculated for 2019 in line with our strategic goal in this period and became a Carbon Negative organization. We will continue our efforts in the field of sustainability in the upcoming periods.

VakıfBank will continue to grow from now on as in this period, support the real sector and households, and contribute to the sustainable growth of the national economy in all areas. I would like to take this occasion to sincerely thank our customers and shareholders who trust us, our employees who worked hard in this difficult period and made great efforts in our success, our Board of Directors and all our other social stakeholders for their contributions.

Truly yours,

Abdi Serdar ÜSTÜNSALİH
General Manager and Executive Board Member

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INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)

Significant Financial Indicators

BALANCE SHEET (Million TL)	SEPTEMBER 2020	DECEMBER 2019	CHANGE (%)
TOTAL ASSETS	638,070	419,426	52.13
SECURITIES PORTFOLIO	144,700	73,016	98.17
LOANS (*)	411,216	274,777	49.65
- Commercial Loans	304,926	209,295	45.69
- Retail Loans	106,290	65,482	62.32
DEPOSITS	394,206	251,531	56.72
- Term deposits	316,643	200,837	57.66
- Demand deposits	77,563	50,694	53.00
FUNDS BORROWED	48,003	41,079	16.86
SUBORDINATED DEBT INSTRUMENTS	19,569	19,245	1.68
SECURITIES ISSUED (NET)	41,950	29,176	43.78
EQUITY	44,186	33,026	33.79
NON-CASH LOANS	94,725	77,336	22.48

INCOME STATEMENT SUMMARY (Million TL)	SEPTEMBER 2020	SEPTEMBER 2019	CHANGE (%)
Financial period's Net Profit/ Loss	4,341	1,522	185.25

INDICATOR RATIOS (%)	SEPTEMBER 2020	DECEMBER 2019
TOTAL LOANS/ ASSETS (*)	64.45	65.51
LOAN/DEPOSIT (*)	104.32	109.24
NON-PERFORMING LOANS RATIO	3.73	5.93
CAPITAL ADEQUACY RATIO	17.19	16.61
RETURN ON AVERAGE ASSETS (ROAA) (**)	1.09	0.75
RETURN ON AVERAGE EQUITY (ROAE) (**)	14.99	9.13

(*) Excluding non-performing loans

(**) Calculations are annualized.

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An assessment of 3rd Quarter in 2020

Continuing its growth in the third quarter of 2020, our Bank increased its total assets by 52.13% to TL 638,070 million. During this period, our performing loans increased by 49.65% and reached TL 411,216 million, and the share of performing loans in total assets was 64.45%. When the sub-distribution of loans is analysed, it is seen that our commercial loans reached TL 304,926 million and our retail loans reached TL 106,290 million.

In the third quarter of 2020, our Bank increased its deposits by 56.72% to TL 394,206 million.

Apart from deposits, our Bank issued financing bills with a total nominal value of TL 15,973 million as of the third quarter of 2020 through public offering home and to be sold to qualified investors. The amount of funds we obtained from abroad reached the level of USD 3,204 million during the year.

On September 9, 2020, the "Turkey Emergency Firm Support Project" loan agreement amounting to USD 250 million with a total term of 23 years and with a grace period of seven (7) years was signed between our Bank and the World Bank under the guarantee of the Ministry of Treasury and Finance. The Project aims to finance small and medium-sized private sector enterprises (SMEs) that are economically affected by the COVID-19 pandemic or trying to adapt to pandemic conditions.

In the third quarter of 2020, our Bank achieved a net profit of TL 4,341 million. The capital adequacy ratio of our Bank was 17.19%.

As of September 30, 2020, the number of branches of our Bank was 938 and the number of personnel was 16,714.

Fitch Ratings, an international credit rating agency, revised Turkey's long-term rating outlook from stable to negative on August 21, 2020. Subsequently, VakıfBank confirmed all ratings on September 1, 2020 and revised its long-term local currency rating outlook from stable to negative.

Following the lowering by Moody's, an international rating agency, of Turkey's rating from "B1" to "B2" on September 11, 2020, VakıfBank's long-term FX rating was lowered from B3 (negative outlook) to Caa1 (negative outlook) on September 15, 2020.

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Other Important Developments

- With the decision of the Bank's Board of Directors dated July 8, 2020, Arif ÇOKÇETİN was appointed as Executive Vice President.
- With the decision of the Bank's Board of Directors dated August 13, 2020, it was decided to retire Hüseyin Uğur BİLGİN, Executive Vice President, and to appoint Kadir KARATAŞ, the Bank's Head of Support Services, as Executive Vice President.

Amendments to Articles of Association

The Bank's Articles of Association have been amended, and these amendments were registered on 09/06/2020 and published in the Turkish Trade Registry Gazette, dated 11.06.2020. Our Bank's Articles of Association can be found at <https://www.kap.org.tr/tr/Bildirim/851574>.

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