

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT MARCH 31, 2022
TOGETHER WITH LIMITED REVIEW REPORT**

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



**Building a better
working world**

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Convenience Translation of the Auditor’s Limited Review Report Originally Issued in Turkish (See Note I in Section Three)

Independent Auditors’ Report on Review of Unconsolidated Interim Financial Information

To the Board of Directors of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Introduction

We have reviewed the unconsolidated statement of financial position of Türkiye Vakıflar Bankası T.A.O. (“the Bank”) at March 31, 2022 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 three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by Banking Regulation and Supervision Authority (“BRSA”) and Turkish Accounting Standard (“TAS”) 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on these interim financial statements 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 of Qualified Conclusion

As explained in Section Five Part II.7, the accompanying unconsolidated financial statements as at March 31, 2022 include a free provision at an amount of TL 2,000,000 thousands of which TL 1,772,000 thousands was provided in prior years and TL 228,000 thousands provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Türkiye Vakıflar Bankası T.A.O. at March 31, 2022 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects 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 VIII, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation, 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.



May 10, 2022
İstanbul, Türkiye

**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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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The unconsolidated financial report as at and for the three-month period ended March 31, 2022, 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 APLIED 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 three-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.

May 10, 2022

Mustafa SAYDAM
Chairman of the Board

Abdülkadir AKSU
Board and Audit
Committee Member

Sadık YAKUT
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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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 March 31, 2022, the Bank’s paid-in capital is TL 7,111,364; (December 31,2021: TL 3,905,622) divided into 711,136,411,675 shares with each has a nominal value of Kr 1.(December 31,2021: 390,562,248,996)

The Bank’s shareholders structure as at March 31, 2022 and December 31, 2021 are as stated below:

	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Shareholders - March 31, 2022			
Türkiye Varlık Fonu (D Grubu)	4,611,364,117	4,611,364	64.85
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	15.12
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	5.66
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	5.45
Other appendant foundations (Group B)	2,591,250	2,591	0.04
Other real persons and legal entities (Group C)	1,527,393	1,528	0.02
Publicly traded (Group D)	630,596,723	630,597	8.86
Total	7,111,364,117	7,111,364	100.00

	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Shareholders – December 31, 2021			
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

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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.

By the Decision of the Bank's Board of Directors dated February 9, 2022, provided that the Bank will remain within the registered capital ceiling, the Bank's paid-in capital of TL 3,905,622 will be increased through the method of cash increase of capital to be obtained from the allocated and cash total sales revenue of TL 13,400,000 by completely restricting the rights of the existing shareholders, and all shares to be issued due to this capital increase will be increased within the framework of the relevant legislation of the Capital Market Board, the Banking Regulation and Supervision Agency, and Borsa İstanbul's Procedure for Wholesale Transactions, it has been decided to sell to the Turkish Wealth Fund by allocated sales method without a public offering.

In the special circumstances disclosure issued by the Bank on February 25, 2022, it was announced that the sale price of the shares to be issued was determined as TL 4.18 for 1 TL nominal value share and that the capital paid as a result of the capital increase would be increased from TL 3,905,622 to TL 7,111,364.

Shares of the nominal value of TL 3,205,741 issued by the Bank was sold to the Turkish Wealth Fund on March 9, 2022, through a wholesale transaction in the Stock Exchange share market with the private placement method with a total sales revenue of TL 13,400,000 at a price of TL 4.18 for a nominal value share of TL 1, and that capital increase transactions were completed.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
(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>				
Mustafa SAYDAM	Chairman	March 26, 2021	Bachelor's	28 years
Dr.Cemil Ragıp ERTEM	Deputy Chairman	June 12, 2020	PhD	24 years
Abdi Serdar ÜSTÜNSALİH	Member – General Manager	May 27, 2019	Master's	31 years
Dr. Adnan ERTEM	Member	28 October, 2010	PhD	34 years
Şahin UĞUR	Member	June 9, 2017	Bachelor's	36 years
Sadık YAKUT	Member	May 27, 2019	Bachelor's	3 years
Abdülkadir AKSU	Member	May 27, 2019	Bachelor's	3 years
Prof.Dr.Mehmet Hüseyin BİLGİN	Member	March 25, 2022	PhD	17 years
Haydar Kemal KURT	Member	Msrch 25, 2022	Bachelor's	-
<u>Audit Committee</u>				
Abdülkadir AKSU	Member	March 25, 2022	Bachelor's	3 years
Sadık YAKUT	Member	March 25, 2022	Bachelor's	3 years
<u>Auditor</u>				
Hasan TÜRE	Auditor	June 9, 2017	Bachelor's	38 years
Mehmet Emin BAYSA	Auditor	June 12, 2020	Master's	3 years
<u>Assistant General Managers</u>				
Metin Recep ZAFER	Credit, Customer and Account Operations Department, Core Banking Software Development Department, Treasury Operations Department, Foreign Operations Department, It System and Software Support Department, R&D, Marketing and Infrastructure Software Development Department, System Management Department, It Planning and Coordination Department	June 13, 2006	PhD	27 years
Muhammet Lütfü ÇELEBİ	Human Resources Department Organsisation Development, Performance Management and Academy Department	October 23, 2013	Bachelor's	27 years
Şuayyip İLBİLGİ	General Accounting and Financial Affairs, Strategy and Planning, Subsidiaries and Affiliates	August 1, 2017	Bachelor's	25 years
Mikail HIDİR	Office of Chief Legal Counsel Department ,Credit Risk Liquidation Department	December 26, 2018	Bachelor's	18 years
Hazım AKYOL	Corporate Loans Allocation Management, Commercial Loans Allocation Management 1-2, Special Loans Management Retail and SME Loans Allocation Management	May 31, 2019	Bachelor's	28 years
Alaattin ŞİMŞEK	Corporate Banking Marketing, Commercial Banking Marketing, SME Banking Marketing Retail Banking Marketing Corporate Branches Cash Management Product Development and Foreign Trade Marketing, Corporate Branches	May 31, 2019	Bachelor's	27 years
Ferkan MERDAN	Payment Systems, Digital Banking and Distribution Channels, Corporate Communication Customer Experience and Management	May 31, 2019	Master's	25 years
Muhammed Onay ÖZKAN	Treasury Management., International Banking and Investor Relations Treasury Middle Office	May 31, 2019	Bachelor's	22 years
Arif ÇOKÇETİN	Credit Risk Planning and Monitoring, Financial Analysis and Rating Department	July 8, 2020	Bachelor's	27 years
Kadir KARATAŞ	Support Services	August 13, 2020	Bachelor's	25 years
Mustafa TURAN	Individual Banking Marketing, Deposit Management and Marketing Department, Payment Systems Banking Marketing Department	January 4, 2022	Bachelor's	17 years

The persons mentioned above do not have a significant share in the non-public portion of the Bank's shares.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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)

Credit Policies and Processes Implementation Departments, Secure Banking Departments and Board of Directors Affairs Unit are working dependent to the General Manager.

Regarding the election of the Members of the Board of Directors at the Bank’s 68th Ordinary General Assembly Meeting of the Bank held on March 25 2022; it was decided by majority of votes to be elected Prof. Dr.Mehmet Hüseyin BİLGİN and Haydar Kemal KURT for 3 years.

At the Board of Directors Meeting held on 25 March 2022, in accordance with the Related Articles of our Bank's Articles of Association:

- Mr. Mustafa Saydam 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.

IV. INFORMATION ON THE BANK’S QUALIFIED SHAREHOLDERS

Current Period - March 31, 2022

Shareholders	Nominal Value of Shares	Share Percentage	Paid Shares (Nominal)	Unpaid Shares
Türkiye Varlık Fonu (Group D)	4,611,364	64.85	4,611,364	-
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058	15.12	1,075,058	-
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,553	5.66	402,553	-
TC Hazine ve Maliye Bakanlığı (Group B)	387,673	5.45	387,673	-

Prior Period - December 31, 2021

Shareholders	Nominal Value of Shares	Share Percentage	Paid Shares (Nominal)	Unpaid Shares
Türkiye Varlık Fonu (Group D)	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	-

With the Decree Law No. 696 published in the Official Gazette dated December 24, 2017, the Presidential decision dated December 3, 2019 and the material event disclosure made by the Bank on February 25 2022, the material event disclosure made by the Bank and the changes brought about the Bank's capital structure are explained in detail in the I. Section General Information section of the report, under heading II.

**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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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 March 31, 2022, the Bank has 933 domestic, 4 foreign, in total 937 branches (December 31, 2021: 936 domestic, 4 foreign, in total 940 branches). As at March 31, 2022, the Bank has 16,876 employees (December 31, 2021: 16,929 employees).

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

None.

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 MARCH 31, 2022**

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

ASSETS	Notes	Current Period March 31, 2022			Prior Period December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		93,569,841	255,124,544	348,694,385	101,014,790	242,702,869	343,717,659
1.1 Cash and cash equivalents	V-I-1	12,643,309	144,101,085	156,744,394	30,466,068	141,889,415	172,355,483
1.1.1 Cash and balances at Central Bank	V-I-1	11,993,821	120,838,141	132,831,962	29,359,910	114,789,077	144,148,987
1.1.2 Banks	V-I-3	666,045	23,262,944	23,928,989	1,120,400	20,185,938	21,306,338
1.1.3 Receivables from Money Markets		-	-	-	-	6,914,400	6,914,400
1.1.4 Allowance for expected credit losses (-)	V-I-16	16,557	-	16,557	14,242	-	14,242
1.2 Financial assets at fair value through profit or loss	V-I-2	59,171	14,682,692	14,741,863	177,289	16,226,214	16,403,503
1.2.1 Public debt securities		-	14,361,526	14,361,526	-	15,939,741	15,939,741
1.2.2 Equity instruments		58,284	321,166	379,450	169,483	286,473	455,956
1.2.3 Other financial assets		887	-	887	7,806	-	7,806
1.3 Financial assets at fair value through other comprehensive income	V-I-4	69,348,592	94,783,485	164,132,077	50,957,221	82,514,082	133,471,303
1.3.1 Public debt securities		68,825,903	94,483,273	163,309,176	50,435,798	82,233,247	132,669,045
1.3.2 Equity instruments		-	7,938	7,938	-	7,246	7,246
1.3.3 Other financial assets		522,689	292,274	814,963	521,423	273,589	795,012
1.4 Derivative financial assets	V-I-2	11,518,769	1,557,282	13,076,051	19,414,212	2,073,158	21,487,370
1.4.1 Derivative financial assets at fair value through profit or loss		11,518,769	1,557,282	13,076,051	19,414,212	2,073,158	21,487,370
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST		456,321,491	269,456,810	725,778,301	402,569,743	237,367,487	639,937,230
2.1 Loans	V-I-5	419,697,397	242,119,315	661,816,712	380,005,846	212,004,025	592,009,871
2.2 Receivables from leasing transactions	V-I-10	-	-	-	-	-	-
2.3 Factoring receivables	-	-	-	-	-	-	-
2.4 Financial assets measured at amortised cost	V-I-6	65,855,506	27,420,591	93,276,097	48,417,140	25,444,843	73,861,983
2.4.1 Public debt securities		65,796,555	26,951,021	92,747,576	48,358,190	25,176,782	73,534,972
2.4.2 Other financial assets		58,951	469,570	528,521	58,950	268,061	327,011
2.5 Allowance for expected credit losses (-)	-	29,231,412	83,096	29,314,508	25,853,243	81,381	25,934,624
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"	V-I-14	597,956	-	597,956	755,033	-	755,033
3.1 Held for sale purpose		597,956	-	597,956	755,033	-	755,033
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		5,532,648	1,465,270	6,997,918	5,328,755	1,369,078	6,697,833
4.1 Investments in associates (Net)	V-I-7	2,118,335	-	2,118,335	2,047,712	-	2,047,712
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		2,118,335	-	2,118,335	2,047,712	-	2,047,712
4.2 Investments in subsidiaries (Net)	V-I-8	3,414,313	1,465,270	4,879,583	3,281,043	1,369,078	4,650,121
4.2.1 Non-consolidated financial subsidiaries		2,905,827	1,465,270	4,371,097	2,772,557	1,369,078	4,141,635
4.2.2 Non-consolidated non-financial subsidiaries		508,486	-	508,486	508,486	-	508,486
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)		5,100,460	31,330	5,131,790	4,838,056	28,796	4,866,852
VI. INTANGIBLE ASSETS AND GOODWILL (Net)		276,743	-	276,743	276,221	-	276,221
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		276,743	-	276,743	276,221	-	276,221
VII. INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	V-I-13	6,018,090	-	6,018,090	-	-	-
X. OTHER ASSETS	V-I-15	8,199,039	3,610,032	11,809,071	7,964,715	2,998,154	10,962,869
TOTAL ASSETS		575,616,268	529,687,986	1,105,304,254	522,747,313	484,466,384	1,007,213,697

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 MARCH 31, 2022**

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

LIABILITIES AND EQUITY	Notes	Current Period March 31, 2022			Prior Period December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	346,265,289	337,946,557	684,211,846	255,395,817	335,547,570	590,943,387
II. BORROWINGS	V-II-3	1,943,173	92,373,170	94,316,343	1,060,376	90,370,154	91,430,530
III. MONEY MARKET FUNDS		78,518,586	26,998,929	105,517,515	123,441,143	20,439,641	143,880,784
IV. MARKETABLE SECURITIES (Net)	V-II-3	8,347,936	56,300,426	64,648,362	10,566,317	51,408,580	61,974,897
4.1 Bills		4,069,274	1,317,132	5,386,406	5,264,846	871,154	6,136,000
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		4,278,662	54,983,294	59,261,956	5,301,471	50,537,426	55,838,897
V. FUNDS		3,005	-	3,005	3,005	-	3,005
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,005	-	3,005	3,005	-	3,005
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	1,266,800	3,087,773	4,354,573	1,609,212	3,881,066	5,490,278
7.1 Derivative financial liabilities at fair value through profit or loss		1,266,800	3,087,773	4,354,573	1,609,212	3,881,066	5,490,278
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	V-II-5	962,724	4,444	967,168	949,708	4,204	953,912
X. PROVISIONS	V-II-7	3,843,235	19,376	3,862,611	3,832,161	17,687	3,849,848
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		1,515,464	-	1,515,464	1,751,607	-	1,751,607
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		2,327,771	19,376	2,347,147	2,080,554	17,687	2,098,241
XI. CURRENT TAX LIABILITIES	V-II-8	10,758,943	9,413	10,768,356	933,094	10,846	943,940
XII. DEFERRED TAX LIABILITIES	V-II-8	-	-	-	-	46,378	46,378
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	6,253,030	24,781,532	31,034,562	6,404,751	22,563,676	28,968,427
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		6,253,030	24,781,532	31,034,562	6,404,751	22,563,676	28,968,427
XV. OTHER LIABILITIES	V-II-4	21,501,156	8,867,929	30,369,085	19,825,574	6,949,997	26,775,571
XVI. SHAREHOLDERS' EQUITY	V-II-11	74,891,233	359,595	75,250,828	51,370,487	582,253	51,952,740
16.1 Paid-in capital	V-II-11	7,111,364	-	7,111,364	3,905,622	-	3,905,622
16.2 Capital reserves		16,824,191	439,444	17,263,635	6,658,909	410,596	7,069,505
16.2.1 Equity share premiums		16,468,559	-	16,468,559	6,303,277	-	6,303,277
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		355,632	439,444	795,076	355,632	410,596	766,228
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		3,749,194	(195,770)	3,553,424	3,617,240	(182,919)	3,434,321
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		8,362,792	115,921	8,478,713	1,347,205	354,576	1,701,781
16.5 Profit reserves		35,841,511	-	35,841,511	31,666,047	-	31,666,047
16.5.1 Legal reserves		3,828,329	-	3,828,329	3,410,783	-	3,410,783
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		30,522,271	-	30,522,271	25,635,005	-	25,635,005
16.5.4 Other profit reserves		1,490,911	-	1,490,911	2,620,259	-	2,620,259
16.6 Profit or loss		3,002,181	-	3,002,181	4,175,464	-	4,175,464
16.6.1 Prior years' profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		3,002,181	-	3,002,181	4,175,464	-	4,175,464
16.7 Minority interests		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		554,555,110	550,749,144	1,105,304,254	475,391,645	531,822,052	1,007,213,697

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 OFF - BALANCE SHEET ITEMS AS AT MARCH 31, 2022**

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

	Notes	Current Period March 31, 2022			Prior Period December 31, 2021		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		213,419,051	516,833,406	730,252,457	210,908,100	496,587,816	707,495,916
I. GUARANTEES AND SURETIES	V-III-2	72,279,057	149,912,400	222,191,457	61,729,875	130,409,453	192,139,328
1.1. Letters of guarantee	V-III-1	71,366,142	84,307,158	155,673,300	61,156,815	72,361,867	133,518,682
1.1.1. Guarantees subject to State Tender Law		3,685,587	26,318,477	30,004,064	3,507,026	19,605,204	23,112,230
1.1.2. Guarantees given for foreign trade operations		3,304,106	-	3,304,106	2,542,604	-	2,542,604
1.1.3. Other letters of guarantee		64,376,449	57,988,681	122,365,130	55,107,185	52,756,663	107,863,848
1.2. Bank acceptances		4,258	8,417,937	8,422,195	4,258	9,575,050	9,579,308
1.2.1. Import letter of acceptance		-	907,355	907,355	-	969,051	969,051
1.2.2. Other bank acceptances	V-III-4	4,258	7,510,582	7,514,840	4,258	8,605,999	8,610,257
1.3. Letters of credit	V-III-4	908,657	56,934,588	57,843,245	568,802	48,276,760	48,845,562
1.3.1. Documentary letters of credit		908,657	56,934,588	57,843,245	568,802	48,276,760	48,845,562
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Pre-financing given as guarantee		-	11,675	11,675	-	10,657	10,657
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Republic of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Purchase guarantees for Securities issued		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	241,042	241,042	-	185,119	185,119
1.9. Other warranties		-	-	-	-	-	-
II. COMMITMENTS		106,521,373	96,464,257	202,985,630	91,039,887	74,486,878	165,526,765
2.1. Irrevocable commitments	V-III-1	94,264,576	16,838,762	111,103,338	77,587,362	10,106,329	87,693,691
2.1.1. Asset purchase and sales commitments	V-III-1	8,705,977	16,838,762	25,544,739	2,924,429	10,106,329	13,030,758
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		3,150	-	3,150	34,255	-	34,255
2.1.4. Loan granting commitments	V-III-1	38,653,717	-	38,653,717	34,013,637	-	34,013,637
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for checks payments	V-III-1	7,797,810	-	7,797,810	7,029,711	-	7,029,711
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits	V-III-1	36,126,805	-	36,126,805	30,687,962	-	30,687,962
2.1.10. Commitments for credit cards and banking services promotions		613,281	-	613,281	524,897	-	524,897
2.1.11. Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12. Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12. Other irrevocable commitments		2,363,836	-	2,363,836	2,372,471	-	2,372,471
2.2. Revocable commitments		12,256,797	79,625,495	91,882,292	13,452,525	64,380,549	77,833,074
2.2.1. Revocable loan granting commitments		12,256,797	79,625,495	91,882,292	13,452,525	64,380,549	77,833,074
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		34,618,621	270,456,749	305,075,370	58,138,338	291,691,485	349,829,823
3.1. Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	-	-	-	-	-
3.1.3. Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2. Trading transactions		34,618,621	270,456,749	305,075,370	58,138,338	291,691,485	349,829,823
3.2.1. Forward foreign currency purchase and sale transactions		6,888,323	8,362,977	15,251,300	6,266,455	8,227,370	14,493,825
3.2.1.1. Forward foreign currency purchase transactions		4,507,486	3,298,606	7,806,092	3,142,731	4,115,500	7,258,231
3.2.1.2. Forward foreign currency sale transactions		2,380,837	5,064,371	7,445,208	3,123,724	4,111,870	7,235,594
3.2.2. Currency and interest rate swaps		19,125,587	201,126,021	220,251,608	40,925,228	215,893,398	256,818,626
3.2.2.1. Currency swap purchase transactions		273,013	42,572,468	42,845,481	849,742	69,892,062	70,741,804
3.2.2.2. Currency swap sale transactions		16,742,574	19,219,029	35,961,603	37,905,486	20,580,683	58,486,169
3.2.2.3. Interest rate swap purchase transactions		1,055,000	69,666,969	70,721,969	1,085,000	62,710,327	63,795,327
3.2.2.4. Interest rate swap sale transactions		1,055,000	69,667,555	70,722,555	1,085,000	62,710,326	63,795,326
3.2.3. Currency, interest rate and security options		697,888	3,038,134	3,736,022	2,536,251	4,745,424	7,281,675
3.2.3.1. Currency purchase options		497,836	1,402,618	1,900,454	1,664,791	1,939,892	3,604,683
3.2.3.2. Currency sale options		200,052	1,635,516	1,835,568	871,460	2,805,532	3,676,992
3.2.3.3. Interest rate purchase options		-	-	-	-	-	-
3.2.3.4. Interest rate sale options		-	-	-	-	-	-
3.2.3.5. Security purchase options		-	-	-	-	-	-
3.2.3.6. Security sale options		-	-	-	-	-	-
3.2.4. Currency futures		2,071,069	1,769,674	3,840,743	-	-	-
3.2.4.1. Currency purchases futures		-	1,769,674	1,769,674	-	-	-
3.2.4.2. Currency sales futures		2,071,069	-	2,071,069	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate purchases futures		-	-	-	-	-	-
3.2.5.2. Interest rate sales futures		-	-	-	-	-	-
3.2.6. Other		5,835,754	56,159,943	61,995,697	8,410,404	62,825,293	71,235,697
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		7,500,663,332	8,856,456,845	16,357,120,177	6,536,087,428	7,929,123,346	14,465,210,774
IV. ITEMS HELD IN CUSTODY		76,712,408	36,481,407	113,193,815	74,480,687	29,968,276	104,448,963
4.1. Assets under management		-	-	-	-	-	-
4.2. Securities held in custody		48,758,751	17,992,049	66,750,800	48,632,002	15,941,897	64,573,899
4.3. Checks received for collection		22,219,083	5,488,158	27,707,241	20,996,825	4,284,423	25,281,248
4.4. Commercial notes received for collection		2,559,043	1,539,269	4,098,312	2,240,089	1,384,626	3,624,715
4.5. Other assets received for collection		2,152	587	2,739	2,152	536	2,688
4.6. Securities received for public offering		-	-	-	-	-	-
4.7. Other items under custody		309	5,662,858	5,663,167	309	4,131,708	4,132,017
4.8. Custodians		3,173,070	5,798,486	8,971,556	2,609,310	4,225,086	6,834,396
V. PLEDGED ITEMS		1,425,601,485	482,298,223	1,907,899,708	1,176,944,808	445,151,990	1,622,096,798
5.1. Marketable securities		395,428	824,643	1,220,071	415,988	555,091	971,079
5.2. Guarantee notes		2,416,199	9,678,453	12,094,652	1,435,450	7,150,950	8,586,400
5.3. Commodity		134,769,292	6,453,176	141,222,468	129,796,090	5,966,459	135,762,549
5.4. Warrant		-	-	-	-	-	-
5.5. Immovables		1,111,749,197	395,991,840	1,507,741,037	879,409,988	363,737,452	1,243,147,440
5.6. Other pledged items		175,842,520	71,540,131	247,382,651	165,412,990	67,579,365	232,992,355
5.7. Depositories receiving pledged items		428,849	226,179	655,028	474,302	162,673	636,975
VI. ACCEPTED GUARANTEES AND WARRANTS		5,998,349,439	8,337,677,215	14,336,026,654	5,284,661,933	7,454,003,080	12,738,665,013
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		7,714,082,383	9,373,290,251	17,087,372,634	6,746,995,528	8,425,711,162	15,172,706,690

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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

	Notes	Current Period January 1, 2022- March 31, 2022	Prior Period January 1, 2021- March 31, 2021
I.	INTEREST INCOME	24,801,113	14,435,815
1.1	Interest on loans	16,256,314	11,189,155
1.2	Interest received from reserve deposits	234,086	138,136
1.3	Interest received from banks	10,131	5,637
1.4	Interest received from money market transactions	453	1,719
1.5	Interest received from marketable securities portfolio	8,285,511	3,097,286
1.5.1	Financial assets at fair value through profit or loss	80,159	24,765
1.5.2	Financial assets at fair value through other comprehensive income	3,984,576	1,529,689
1.5.3	Financial assets measured at amortised cost	4,220,776	1,542,832
1.6	Finance lease interest income	-	-
1.7	Other interest income	14,618	3,882
II.	INTEREST EXPENSES	15,595,373	11,755,491
2.1	Interest on deposits	9,770,290	7,340,961
2.2	Interest on funds borrowed	610,802	278,768
2.3	Interest on money market transactions	3,155,209	2,722,713
2.4	Interest on securities issued	1,740,415	1,322,106
2.5	Leasing interest income	48,145	31,644
2.6	Other interest expenses	270,512	59,299
III.	NET INTEREST INCOME/EXPENSE (I - II)	9,205,740	2,680,324
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES	1,736,323	874,355
4.1	Fees and commissions received	2,218,289	1,141,867
4.1.1	Non-cash loans	359,638	219,104
4.1.2	Other	1,858,651	922,763
4.2	Fees and commissions paid	481,966	267,512
4.2.1	Non-cash loans	74	64
4.2.2	Other	481,892	267,448
V.	DIVIDEND INCOME	122,358	15,764
VI.	TRADING PROFIT/LOSS (Net)	1,125,038	(505,334)
6.1	Profit/losses from capital market transactions	520,920	398,765
6.2	Profit/losses from derivative financial transactions	(262,436)	(1,036,208)
6.3	Foreign exchange profit/losses	866,554	132,109
VII.	OTHER OPERATING INCOME	2,995,506	3,512,861
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)	15,184,965	6,577,970
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	6,661,003	3,024,128
X.	OTHER PROVISION EXPENSES (-)	405,800	401,934
XI.	PERSONNEL EXPENSES (-)	1,359,429	936,967
XII.	OTHER OPERATING EXPENSES (-)	1,683,422	1,212,528
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)	5,075,311	1,002,413
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)	5,075,311	1,002,413
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(2,073,130)	(252,289)
18.1	Current tax provision	(9,841,777)	-
18.2	Expense effect of deferred tax (+)	(943,755)	(1,362,617)
18.3	Income effect of deferred tax (-)	8,712,402	1,110,328
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	3,002,181	750,124
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)	3,002,181	750,124
25.1	Equity holders of the Bank	-	-
25.2	Non-controlling interest (-)	-	-
	Profit/Loss per 100 shares (full TL)	I-XXIV	0.6825
			0.1921

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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

	Current Period January 1, 2022- March 31, 2022	Prior Period January 1, 2021- March 31, 2021
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. PROFIT (LOSS)	3,002,181	750,124
II. OTHER COMPREHENSIVE INCOME	6,896,035	738,522
2.1. Other comprehensive income that will not be reclassified to profit or loss	119,103	1,780,207
2.1.1. Gains (Losses) on Revaluation of Property, Plant and Equipment	-	-
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	125,371	1,873,916
2.1.5. Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(6,268)	(93,709)
2.2. Other Comprehensive Income That Will Be Reclassified to Profit or Loss	6,776,932	(1,041,685)
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	8,469,304	(1,302,373)
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	(1,692,372)	260,688
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	9,898,216	1,488,646

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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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			Current Period Net Income (Loss)		Total Shareholders' Equity			
Notes	Paid in Capital	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Net Income (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity		
Current Period March 31, 2022															
I.	Prior Period End Balance	3,905,622	6,303,277	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	4,175,464	-	51,952,740
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)	3,905,622	6,303,277	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	4,175,464	-	51,952,740
IV.	Total Comprehensive Income	-	-	-	-	-	-	119,103	-	6,776,932	-	-	-	3,002,181	9,898,216
V.	Capital Increase by Cash	3,205,742	10,165,282	-	-	-	-	-	-	-	-	-	-	-	13,371,024
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	-	-	-	28,848	-	-	-	-	-	-	188,919	(188,919)	-	28,848
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	3,986,545	(3,986,545)	-	-
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3,986,545	(3,986,545)	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+...X+XI)		7,111,364	16,468,559	-	795,076	845,324	(230,911)	2,939,011	80,727	8,397,986	-	35,841,511	-	3,002,181	75,250,828

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
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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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			Prior Period Net Income	Current Period Net Income	Total Shareholders' Equity	
Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	(Loss)	(Loss)		
Prior Period March 31, 2021															
I.	Prior Period End Balance	3,905,622	6,303,277	-	496,202	848,320	(180,215)	2,516,168	80,727	848,510	-	25,754,720	5,911,327	-	46,484,658
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)	3,905,622	6,303,277	-	496,202	848,320	(180,215)	2,516,168	80,727	848,510	-	25,754,720	5,911,327	-	46,484,658
IV.	Total Comprehensive Income	-	-	-	-	-	-	1,780,207	-	(1,041,685)	-	-	-	750,124	1,488,646
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	-	-	-	14,335	-	-	-	-	-	-	818,133	(818,133)	-	14,335
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	5,093,194	(5,093,194)	-	-
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	5,093,194	(5,093,194)	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance (I+II+...X+XI)	3,905,622	6,303,277	-	510,537	848,320	(180,215)	4,296,375	80,727	(193,175)	-	31,666,047	-	750,124	47,987,639

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

	Notes	Current Period March 31, 2022	Prior Period March 31, 2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		3,449,194	1,562,379
1.1.1 Interests received		14,916,932	14,047,260
1.1.2 Interests paid		(14,772,414)	(11,597,962)
1.1.3 Dividends received		122,358	15,764
1.1.4 Fee and commissions received		1,722,287	1,170,614
1.1.5 Other income		139,233	47,919
1.1.6 Collections from previously written-off loans and other receivables		944,354	1,219,397
1.1.7 Cash payments to personnel and service suppliers		(1,439,040)	(991,891)
1.1.8 Taxes paid		(133,010)	(599,495)
1.1.9 Other		1,948,494	(1,749,227)
1.2 Changes in operating assets and liabilities		(5,721,681)	(13,636,134)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		1,585,134	(1,478,414)
1.2.2 Net increase (decrease) in due from banks		2,693,550	(5,447,654)
1.2.3 Net increase (decrease) in loans		(52,374,372)	(34,288,531)
1.2.4 Net increase (decrease) in other assets		(1,174,192)	11,070,890
1.2.5 Net increase (decrease) in bank deposits		1,803,855	147,888
1.2.6 Net increase (decrease) in other deposits		67,577,092	15,706,288
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		9,397,233	10,089,148
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(35,229,981)	(9,435,749)
I. Net cash flow provided from banking operations		(2,272,487)	(12,073,755)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(27,537,699)	(7,477,969)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(64,994)	-
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		-	-
2.3 Cash paid for the purchase of tangible and intangible asset		(825,172)	(792,885)
2.4 Cash obtained from the sale of tangible and intangible asset		755,265	654,569
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(3,821,857)	(12,263,976)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		(9,483,243)	3,435,649
2.7 Cash paid for the purchase of financial assets at amortized cost		(14,599,060)	-
2.8 Cash obtained from sale of financial assets at amortized cost		512,412	1,492,981
2.9 Other		(11,050)	(4,307)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		17,195,074	2,860,952
3.1 Cash obtained from funds borrowed and securities issued		8,485,628	6,872,143
3.2 Cash outflow from funds borrowed and securities issued		(4,572,921)	(3,919,851)
3.3 Equity instruments issued		13,400,000	-
3.4 Dividends paid		-	-
3.5 Payments for finance lease liabilities		(117,633)	(91,340)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(205,900)	615,437
V. Net increase/decrease in cash and cash equivalents		(12,821,012)	(16,075,335)
VI. Cash and cash equivalents at beginning of the period		98,641,540	55,051,595
VII. Cash and cash equivalents at end of the period		85,820,528	38,976,260

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 FINANCIAL REPORT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(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, communiqués, 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, 2020. 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 March 31,2022, in the following sections.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from 1 January 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance. The process for the Benchmark Interest Rate Reform is expected to be completed by December 31, 2021, and the Bank's efforts to adapt to the changes continue. As of 31 March 2022, the Bank has no hedging transactions based on the benchmark interest rate.

**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 FINANCIAL REPORT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

According to the statement declared by POA on January 20, 2022, it has been stated that there is no requirement for entities that apply TFRS to make any adjustments within the scope of TAS 29 Financial Reporting Standard in High Inflation Economies in the financial statements of 2021 . In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements as of March 31, 2022. In this respect, no inflation adjustment was made in accordance with TAS 29 while preparing the unconsolidated financial statements as of 31 March 2022.

Tensions between Russia and Ukraine have turned into a crisis and heated conflict within Ukraine as of the date of the report. The Bank does not have direct activity in the relevant geography and the crisis is not expected to have a direct impact on bank operations. However, the course of the crisis is uncertain as of the date of the report, developments are monitored and its estimated effects are evaluated within the scope of the relevant accounting standards and taken into account in the preparation of financial statements.

The accounting policies applied in the current period are in line with the previous period financial statements. The accounting policies followed and the valuation principles used in the preparation of financial statements are presented in detail below.

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.

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.

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ACCOUNTING POLICIES (Continued)

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

Strategy for the use of financial instruments(Continued)

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

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 expense to be reclassified through profit or loss 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, 76 Million EUR portion of the securities issued by the Bank on 24 April 2019 with a nominal amount of 700 million Euros and the redemption date of 24 April 2024, 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. In this context, , as of March 31, 2022, the foreign exchange income presented in the income statement is 80,871 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 March 31, 2022, 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.

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ACCOUNTING POLICIES (Continued)

III. INFORMATION OF ASSOCIATES AND SUBSIDIARIES

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

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 "TFRS 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.

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 TFRS 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 TFRS 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 assessment assesses whether the financial asset contains a contractual clause that could change the timing or amount of contractual cash flow.

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 a financial asset that is measured at fair value through profit or loss, at amortized cost or at fair value other comprehensive income.

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.

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 includes 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.

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.

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS(Continued)

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". 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.

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.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

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:

- 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 individual 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 in the year of 2020 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 same approach has been continued in 2021 and March 2022. The future macroeconomic expectations taken into account into TFRS 9 are in line with the Bank's current budget and ISEDES forecasts.

In the calculation of the expected credit loss in accordance with TFRS 9, a certain part of commercial and corporate loans are subject to individual assesment on a customer basis in accordance with internal evaluations. As of the date of the report, the Bank has reviewed its provisions on a customer and industry basis and reflected them in its financial statements, taking into account its sustainability approach to the expected credit loss provisions calculations under TFRS 9. The models and methodologies used for TFRS 9 are evaluated by the relevant teams responsible for model and methodology in terms of accuracy and suitability at least once a year. Models and other issues created within the scope of TFRS 9 that need updates are periodically reviewed and revised to reflect in the financial statements when necessary.

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.

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.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

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.

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.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Significant Increase in Credit Risk(Continued)

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.

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.

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. 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 707,518 for which 100% provision has been made. (December 31, 2021: TL 834,885)

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 March 31 ,2022 and December 31, 2021, 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.

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.

The Bank, 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%.

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ACCOUNTING POLICIES (Continued)

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 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.

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”. 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.

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ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON LEASING ACTIVITIES(Continued)

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.

Footnotes on right-of-use assets and liabilities are presented in Note 5, Part II of Section V.

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 March 31, 2022 is TL 10,849 (full TL) (December 31, 2021: TL 8,285 (full TL)).

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.

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ACCOUNTING POLICIES (Continued)

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

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 whose 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, 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.

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 March 31, 2022 in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against as at December 31, 2021.

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION

Corporate tax

The publication of the Law No. 7394 in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market leasing companies, electronic payment and money corporations, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, the corporate tax rate has been permanently increased to 25%, and the said change will be valid for declarations to be submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be taken into account in the calculation of corporate tax is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be taken into account as 25. 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 10%. 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.

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.

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION(Continued)

Corporate tax (Continued)

As the end of 2021 calendar year , the necessary conditions for inflation adjustment have been fulfilled in the calculation of corporate tax, within the framework of the repetitive provision of Article 298/A of the Tax Procedure Law. However, with the regulation made with the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" numbered 7352 published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. Accordingly, TPL financial statements for the 2021 and 2022 accounting periods including the provisional tax periods will not be subject to inflation adjustment , 2023 accounting period will not be subject to inflation adjustment as of the temporary tax periods and it will be subject to inflation adjustment regardless of whether the TPL financial statements inflation adjustments conditions have been met.

Corporation tax legislation for the foreign branches

Bahrain

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.

Erbil

Erbil branch is taxable according to the country's law legislation. Declaration of financial records and their tax payments are differing 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.

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.

Qatar

The branch of the Bank operating in Qatar is taxed according to the legislation of this country. Since the branch is located in the Qatar Financial Center, there is a withholding tax exemption. In addition, although the branch is subject to the corporate tax of the relevant country, the Double Taxation Agreements signed between the two countries are based.

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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 deferred 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.

For the deferred tax assets and liabilities calculated within the scope of TAS 12, deferred tax calculations were made by considering the enacted rates (23%, 20%) in accordance with the terms specified in the tax legislation as of the end of the reporting period.

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.

Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements only if the Bank has a legal right to offset current tax assets with current tax liabilities and deferred tax assets and liabilities are related to the income tax 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.

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.

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ACCOUNTING POLICIES (Continued)

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 issued 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.

With the decision of the Bank's Board of Directors dated February 9, 2022, provided that the Bank's registered capital ceiling is limited, the Bank's paid-in capital of TL 3,905,622 will be increased by way of cash capital increase, which will result in a total sales revenue of 13,400,000 TL in cash and allocated, by completely restricting the pre-emption rights of the existing shareholders. and all of the shares to be issued due to this capital increase, within the framework of the relevant legislation of the Capital Markets Board, the relevant legislation of the Banking Regulation and Supervision Agency and Borsa İstanbul's Procedure on Wholesale Purchases and Sales Transactions, by the Turkish Wealth Fund by private sale method without public offering. It has been decided to sell to Türkiye Varlık Fonu.

In the material event statement published by the Bank on February 25, 2022, it was announced that the selling price of the shares to be issued was determined as TL 4.18 for the share with a nominal value of TL 1, and the paid-in capital would be increased from TL 3,905,622 to TL 7,111,364 as a result of the capital increase.

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ACCOUNTING POLICIES (Continued)

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES(Continued)

The shares with a nominal value of TL 3,205,742 issued by the Bank were sold to the Turkish Wealth Fund through a wholesale transaction on the stock market on March 9, 2022, with a total sales revenue of TL 13,400,000 for a share with a nominal value of TL 1, with a total sales revenue of TL 13,400,000. The capital increase transactions have been completed.

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 March 31, 2022 and December 31, 2021, the Bank does not have any government incentives.

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 X.

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 March 31, 2022, earnings per 100 shares are full TL 0.6825 (March 31, 2021: full TL 0.1921)

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.

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ACCOUNTING POLICIES (Continued)

XXIV. INFORMATION ON OTHER MATTERS(Continued)

Classifications

In the profit or loss statement of the Bank dated March 31, 2022, a netting has been made between “Other Operating Expenses” and “Other Operating Income” in line with the write-off policy, and the comparative previous periods of the relevant period profit or loss statement have been shown in line with the current period.

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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 December 21, 2021 and numbered 9996, in the calculation of the amount subject to credit risks, simple arithmetic average of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date is taken into consideration.

In accordance with the BRSA's regulation dated December 21, 2021 and numbered 9996, prior to this date used in the calculation of the capital adequacy ratio, the equity amount calculated omitting the negative valuation differences related to the securities in the portfolio "Securities at Fair Value Reflected in Other Comprehensive Income".

As of March 31, 2022 Bank's equity amount TL 104,757,668 (December 31, 2021: 79,523,759 TL) capital adequacy ratio is 17.50% (December 31, 2021: 14.85%).

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	7,111,364	3,905,622
Share Premium	16,468,559	6,303,277
Reserves	35,841,511	31,666,047
Income recognized under equity in accordance with TAS	14,494,108	7,418,705
Profit	3,002,181	4,175,464
Current Period's Profit	3,002,181	4,175,464
Prior Period's Profit	-	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	795,076	766,228
Common Equity Tier 1 Capital Before Deductions	77,712,799	54,235,343
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	426,681	413,830
Leasehold Improvements on Operational Leases	181,143	183,441
Goodwill netted with deferred tax liability	-	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	274,950	274,111
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	882,774	871,382
Common Equity Tier 1 capital (CET1)	76,830,025	53,363,961
Additional Tier 1 capital: instruments	-	15,638,650
Premiums that are not included in Common Equity Tier 1 capital	-	-
Bank's borrowing instruments and related issuance premium	16,386,572	15,638,650
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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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

	Current Period	Prior Period
Transition from the Core Capital to Continue to deduce 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	16,386,572	15,638,650
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	93,216,597	69,002,611
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	4,591,241	4,299,907
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	6,961,068	6,232,034
Tier 2 Capital Before Deductions	11,552,309	10,531,941
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	11,552,309	10,531,941
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	104,768,906	79,534,552
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 (-)	11,238	10,793
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	104,757,668	79,523,759
Total Risk Weighted Amounts	598,579,312	535,633,275
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	12.84	9.96
Tier 1 Capital Adequacy Ratio (%)	15.57	12.88
Capital Adequacy Ratio (%)	17.50	14.85
BUFFERS		
Total buffer requirement (a+b+c)	2.509	2.506
a) Capital conservation buffer requirement (%)	2.500	2.500
b) Bank specific counter-cyclical buffer requirement (%)	0.009	0.006
c) Systemically important banks buffer requirement (%)**	0.000	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 (%)	8.34	5.46
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 tenthousandandtwentyfive limitation)	15,006,523	12,065,932
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	6,961,068	6,232,034
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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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio

Current Period - March 31, 2022						
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	TRSVKFBFA0043	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)	-	3,341	525	4,994	11,393	725
Par value of instrument (in million)	9,151	3,341	525	4,994	11,393	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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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- March 31, 2022		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

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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, 2021						
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	TRSVKFBFA0043	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)	-	3,050	525	4,994	10,645	725
Par value of instrument (in million)	8,353	3,050	525	4,994	10,645	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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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, 2021		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)

Reconciliation of capital items to balance sheet:

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Shareholders' equity	75,250,828	51,952,740
Valuation differences of the marketable securities ^(*)	2,035,290	1,868,773
Leasehold improvements on operational leases	(181,143)	(183,441)
Goodwill and intangible assets	(274,950)	(274,111)
General provision (1.25% of the amount that subject to credit risk) ^(**)	6,961,068	6,232,034
Subordinated debt	20,977,813	19,938,557
Deductions from shareholders' equity	(11,238)	(10,793)
Capital	104,757,668	79,523,759

(*) In accordance with the BRSA regulation dated December 21, 2021, and numbered 9996, 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's regulation dated 21 December 2021 and numbered 9996, the simple arithmetic average of the Central Bank's foreign exchange buying rates of 252 business days for 2021 has been taken into account in calculating the amount subject to credit risk.

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 March 31, 2022 and December 31, 2021 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 currency risk that the Bank is exposed to 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	14.6800	16.2757
<u>Foreign currency purchase rates for the days before balance sheet date:</u>		
Day 1	14.6413	16.3504
Day 2	14.6092	16.2166
Day 3	14.8368	16.2784
Day 4	14.8588	16.3511
Day 5	14.8368	16.2938
Last 30-days arithmetical average rate	14.4301	15.9918

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. FOREIGN CURRENCY EXCHANGE RISK(Continued)

Information on currency risk

Current Period - March 31, 2022	Euro	US Dollar	Other FC	Total
<i>Assets:</i>				
Cash and balances with the Central Bank of Republic of Turkey	53,327,139	54,596,261	12,914,741	120,838,141
Banks	2,300,986	15,338,400	5,623,558	23,262,944
Financial assets at fair value through profit or loss	-	321,166	14,361,526	14,682,692
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	17,940,213	76,843,272	-	94,783,485
Loans ⁽¹⁾	121,646,633	120,712,163	239,752	242,598,548
Associates, subsidiaries and joint-ventures	1,465,270	-	-	1,465,270
Financial assets measured at amortized cost	14,864,443	12,556,148	-	27,420,591
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	27,115	4,215	31,330
Intangible assets	-	-	-	-
Other assets ⁽²⁾	1,241,890	3,070,582	24,488	4,336,960
Total assets	212,786,574	283,465,107	33,168,280	529,419,961
<i>Liabilities:</i>				
Bank deposits	9,897,237	5,605,393	871,345	16,373,975
Foreign currency deposits	119,507,258	165,914,274	36,151,050	321,572,582
Interbank money market takings	12,572,735	14,426,194	-	26,998,929
Other funding	35,149,987	49,845,464	7,377,719	92,373,170
Securities issued ⁽³⁾	11,934,864	67,829,962	1,317,132	81,081,958
Miscellaneous payables	5,141,040	1,398,265	435	6,539,740
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities ⁽²⁾	808,096	4,103,226	81,031	4,992,353
Total liabilities	195,011,217	309,122,778	45,798,712	549,932,707
Net ‘on balance sheet’ position	17,775,357	(25,657,671)	(12,630,432)	(20,512,746)
Net ‘off-balance sheet’ position	(16,711,754)	26,972,473	12,333,014	22,593,733
Derivative assets ⁽⁴⁾	4,453,363	37,906,996	14,682,031	57,042,390
Derivative liabilities ⁽⁴⁾	21,165,117	10,934,523	2,349,017	34,448,657
Non-cash loans ⁽⁵⁾	58,831,385	86,231,710	4,849,305	149,912,400
Prior Period - December 31, 2021	Euro	US Dollar	Other FC	Total
Total assets	192,824,189	264,632,977	26,874,842	484,332,008
Total liabilities	181,135,361	309,571,652	39,918,809	530,625,822
Net ‘on balance sheet’ position	11,688,828	(44,938,675)	(13,043,967)	(46,293,814)
Net ‘off-balance sheet’ position	(9,205,089)	47,522,011	12,990,072	51,306,994
Derivative assets ⁽⁴⁾	10,562,912	57,049,916	21,148,983	88,761,811
Derivative liabilities ⁽⁴⁾	19,768,001	9,527,905	8,158,911	37,454,817
Non-cash loans ⁽⁵⁾	49,879,695	77,774,961	2,754,797	130,409,453

- (1). Foreign currency indexed loans amounting to TL 479,233 (December 31, 2021: TL 522,078) 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 354,488 TL (31 December 2021: 388,490), Prepaid Expenses TL 406,295 (31 December 2021 : 285,522 1st and 2nd stage expected loss provisions (13,525TL) (31 December 2021: (17,558)), and derivative financial instruments currency expense accruals of TL 123,877 (31 December 2021: 290,286), Expected Credit Loss on Non-Cash Loans amounting to TL 10,307 (31 December 2021: 9,409) unearned income TL 322,658 (31 December 2021: 267,904) and shareholders' equity TL 359,595 (31 December 2021: 582,253 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 8,370,803 (December 31, 2021: TL 4,512,599) and asset sales commitments amounting to TL 8,467,959 (December 31, 2021: TL 5,593,730) are included.
- (5). Non-cash loans are not taken into consideration in the calculation of the net ‘off-balance sheet’ position.
- (6). The amount in other FX consists of gold-based bonds.

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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 March 31, 2022 and March 31, 2021 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- March 31, 2022		Prior Period- March 31, 2021	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	128,769	128,769	(38,681)	(38,681)
Euro	83,040	83,040	96,027	96,027
Other currencies	(30,163)	(30,163)	(693)	(693)
Total, net (**)	181,646	181,646	56,653	56,653

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

(**) 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 March 31, 2022 and March 31, 2021 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	Current Period - March 31, 2022		Prior Period- March 31, 2021	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	(128,769)	(128,769)	38,681	38,681
Euro	(83,040)	(83,040)	(96,027)	(96,027)
Other currencies	30,163	30,163	693	693
Total, net (**)	(181,646)	(181,646)	(56,653)	(56,653)

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

(**) 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 - March 31, 2022	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	7,570,005	-	-	-	-	125,261,957	132,831,962
Banks	2,742,498	1,122,416	-	130,219	-	19,933,856	23,928,989
Financial assets at fair value through profit/loss	-	740,263	-	13,621,263	-	380,337	14,741,863
Interbank money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	33,374,265	15,051,693	31,062,895	74,101,646	10,533,640	7,938	164,132,077
Loans and receivables ⁽¹⁾	170,265,580	124,371,894	195,347,135	81,033,450	71,807,260	18,991,393	661,816,712
Financial assets measured at amortized cost	56,580,083	641,806	4,699,258	23,026,889	8,328,061	-	93,276,097
Other assets ⁽²⁾	3,313,647	8,679,762	445,310	984,654	1,572,116	(418,935)	14,576,554
Total assets	273,846,078	150,607,834	231,554,598	192,898,121	92,241,077	164,156,546	1,105,304,254
<i>Liabilities:</i>							
Bank deposits	24,678,633	5,635,022	464,524	-	-	4,258,020	35,036,199
Other deposits	316,998,401	108,214,347	65,084,999	100,652	634	158,776,614	649,175,647
Interbank money market takings	82,414,741	5,063,463	12,630,921	5,408,390	-	-	105,517,515
Miscellaneous payables	-	-	-	-	-	21,714,162	21,714,162
Securities issued ⁽³⁾	2,229,170	10,932,151	24,385,479	52,621,594	5,514,530	-	95,682,924
Funds borrowed	2,563,672	56,662,616	10,852,515	19,997,381	714,265	3,525,894	94,316,343
Other liabilities ⁽⁴⁾	1,392,982	14,406,510	867,645	1,088,863	1,853,397	84,252,067	103,861,464
Total liabilities	430,277,599	200,914,109	114,286,083	79,216,880	8,082,826	272,526,757	1,105,304,254
On balance sheet long position	-	-	117,268,515	113,681,241	84,158,251	-	315,108,007
On balance sheet short position	(156,431,521)	(50,306,275)	-	-	-	(108,370,211)	(315,108,007)
Off-balance sheet long position	2,782,790	13,652,911	444,026	1,389,596	-	-	18,269,323
Off-balance sheet short position	-	-	-	-	(912,973)	-	(912,973)
Net position	(153,648,731)	(36,653,364)	117,712,541	115,070,837	83,245,278	(108,370,211)	17,356,350

⁽¹⁾ Non-performing loans are shown in the “Non-Interest Bearing” column.

⁽²⁾ Subsidiaries, associates and tangible and intangible assets, expected credit losses and deferred tax asset are included in non-interest bearing column.

⁽³⁾ Subordinated debts are shown under securities issued.

⁽⁴⁾ 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, 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Non-Interest Over	Bearing	Total
<i>Assets:</i>							
Cash and balances with CBRT	25,401,559	-	-	-	-	118,747,428	144,148,987
Banks	-	812,580	307,252	121,663	-	20,064,843	21,306,338
Financial assets at fair value through profit/loss	3,611,441	-	631,572	11,696,728	-	463,762	16,403,503
Interbank money market placements	-	-	-	-	-	6,914,400	6,914,400
Financial assets at fair value through other comprehensive income	11,369,433	9,631,299	40,457,150	64,212,470	7,793,705	7,246	133,471,303
Loans and receivables ⁽¹⁾	155,124,137	146,467,816	123,424,740	82,034,755	66,648,862	18,309,561	592,009,871
Financial assets measured at amortized cost	14,842,974	3,763,419	13,441,960	23,860,784	17,952,846	-	73,861,983
Other assets ⁽²⁾	10,442,312	8,168,845	1,494,729	783,169	2,233,791	(4,025,534)	19,097,312
Total assets	220,791,856	168,843,959	179,757,403	182,709,569	94,629,204	160,481,706	1,007,213,697
<i>Liabilities:</i>							
Bank deposits	22,314,690	9,026,003	-	-	-	1,887,187	33,227,880
Other deposits	301,065,932	90,795,430	21,666,080	191,232	548	143,996,285	557,715,507
Interbank money market takings	122,576,810	7,719,245	7,467,266	6,117,463	-	-	143,880,784
Miscellaneous payables	-	-	-	-	-	18,185,250	18,185,250
Securities issued ⁽³⁾	1,455,630	4,659,834	21,323,621	57,548,837	5,955,402	-	90,943,324
Funds borrowed	1,424,536	54,201,377	10,074,107	16,504,095	6,859,145	2,367,270	91,430,530
Other liabilities ⁽⁴⁾	1,189,141	3,698,072	1,582,814	1,028,960	2,679,451	61,651,984	71,830,422
Total liabilities	450,026,739	170,099,961	62,113,888	81,390,587	15,494,546	228,087,976	1,007,213,697
On balance sheet long position	-	-	117,643,515	101,318,982	79,134,658	-	298,097,155
On balance sheet short position	(229,234,883)	(1,256,002)	-	-	-	(67,606,270)	(298,097,155)
Off-balance sheet long position	3,951,650	14,297,259	-	-	-	-	18,248,909
Off-balance sheet short position	-	-	(40,287)	(699,332)	(1,786,197)	-	(2,525,816)
Net position	(225,283,233)	13,041,257	117,603,228	100,619,650	77,348,461	(67,606,270)	15,723,093

⁽¹⁾ Non-performing loans are shown in the “Non-Interest Bearing” column.

⁽²⁾ Subsidiaries, associates and tangible and intangible assets, expected credit losses and deferred tax asset are included in non-interest bearing column.

⁽³⁾ Subordinated debts are shown under securities issued.

⁽⁴⁾ 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 - March 31, 2022	%	%	%	%
Assets:				
Cash and balance with CBRT	-	-	-	8.50
Banks	1.06	0.45	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	3.70	4.05	-	16.09
Loans and receivables	4.93	5.81	-	16.23
Financial assets measured at amortized cost	4.59	6.32	-	21.27
Liabilities:				
Bank deposits	0.67	1.79	-	14.97
Other deposits	0.90	1.59	-	15.30
Interbank money market takings	1.25	2.40	-	13.94
Miscellaneous payables	-	-	-	-
Securities issued (**)	5.08	6.06	-	15.15
Funds borrowed	1.51	2.94	-	14.40

	Euro	US Dollar	Yen	TL
Prior Period - December 31, 2021	%	%	%	%
Assets:				
Cash and balance with CBRT	-	-	-	8.50
Banks	0.66	0.06	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	3.69	3.78	-	16.22
Loans and receivables	4.78	7.24	-	16.01
Financial assets measured at amortized cost	4.59	6.34	-	12.59
Liabilities:				
Bank deposits	0.46	0.72	-	17.69
Other deposits	0.41	1.07	-	16.13
Interbank money market takings	1.41	2.06	-	14.04
Miscellaneous payables	-	-	-	-
Securities issued (**)	5.08	6.11	-	15.42
Funds borrowed	1.67	2.51	-	14.19

(*) 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 at fair value through profit or loss, at fair value through other comprehensive income 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 - March 31, 2022	Comparison		
	Carrying Value	Fair Value^(*)	Market Value^(*)
Stock Investments			
Stocks quoted in exchange^(*)	2,672,832	2,672,832	2,672,832
1.Stocks Investments Group A	2,672,832	2,672,832	2,672,832
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
Stocks unquoted in exchange^(**)	4,712,474	4,403,321	-

^(*) 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, 2021 valuation reports prepared by independent valuation companies.

Prior Period - December 31, 2021	Comparison		
	Carrying Value	Fair Value^(*)	Market Value^(*)
Stock Investments			
Stocks quoted in exchange^(*)	2,341,706	2,341,706	2,341,706
1.Stocks Investments Group A	2,341,706	2,341,706	2,341,706
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
Stocks unquoted in exchange^(**)	4,819,329	4,575,861	-

^(*) 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- March 31, 2022	Realized	Revaluation Surplus	Unrealized Gain and Loss	
	Gain/Loss in Current Period	Total (*)	Included in Supplementary Capital	Included in Supplementary Capital
1. Private Capital Investments	-	-	-	-
2. Publicly Traded Stocks	-	-	1,046,208	1,046,208
3. Other Stocks	-	1,973,530	1,973,530	-
4. Total	-	1,973,530	1,973,530	1,046,208

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

Portfolio-Prior Period - December 31, 2021	Realized	Revaluation Surplus	Unrealized Gain and Loss	
	Gain/Loss in Current Period	Total (*)	Included in Supplementary Capital	Included in Supplementary Capital
1. Private Capital Investments	-	-	-	-
2. Publicly Traded Stocks	-	-	819,966	819,966
3. Other Stocks	-	2,080,669	2,080,669	-
4. Total	-	2,080,669	2,080,669	819,966

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

Explanations on Equity Shares Risk Arising from Banking Book

Portfolio-Current Period - March 31, 2022	Carrying Value	Total RWA	Minimum Capital Requirement
1.Private Equity Investments	-	-	-
2.Quoted	2,672,832	2,672,832	213,827
3.Other Stocks	4,712,474	3,999,593	319,967
4. Total	7,385,306	6,672,425	533,794

(*) In accordance with the BRSA regulation dated December 21, 2021 and numbered 9996, in the calculation of the amount subject to credit risks, simple arithmetic average of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date is taken into consideration.

Portfolio-Prior Period - December 31, 2021	Carrying Value	Total RWA	Minimum Capital Requirement
1.Private Equity Investments	-	-	-
2.Quoted	2,341,706	2,341,706	187,336
3.Other Stocks	4,819,329	4,291,882	343,351
4. Total	7,161,035	6,633,588	530,687

(*) In accordance with the BRSA regulation dated December 21, 2021 and numbered 9996, in the calculation of the amount subject to credit risks, simple arithmetic average of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date is taken into consideration.

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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. . It is observed that the impact of the Covid-19 outbreak on the Bank's liquidity adequacy is limited.

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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.

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	7 January 2022	166.29	11 March 2022	381.06
The highest value	25 March 2022	207.41	28 January 2022	678.93

Liquidity Coverage Ratio

Current Period - March 31, 2022		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			246,182,464	179,319,491
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	277,515,340	166,009,537	25,505,147	16,600,954
3	Stable deposits	44,927,726	-	2,246,386	-
4	Less stable deposits	232,587,614	166,009,537	23,258,761	16,600,954
5	Unsecured wholesale funding, of which:	304,719,154	146,866,886	122,755,800	57,457,626
6	Operational deposits	209,684,037	101,850,922	52,421,009	25,462,730
7	Non-operational deposits	63,545,730	32,771,235	40,320,475	19,990,641
8	Unsecured debt	31,489,387	12,244,729	30,014,316	12,004,255
9	Secured wholesale funding			-	-
10	Additional requirements of which:	38,792,565	11,480,706	38,792,565	11,480,706
11	Outflows related to derivative exposures and other collateral requirements	38,758,556	11,480,706	38,758,556	11,480,706
12	Outflows related to loss of funding on debt products	34,009	-	34,009	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	78,493,038	71,517,445	3,924,652	3,575,872
15	Other contingent funding obligations	185,677,294	68,084,746	14,881,373	5,237,053
16	TOTAL CASH OUTFLOWS			205,859,537	94,352,211
CASH INFLOWS					
17	Secured lending	12,664	-	-	-
18	Inflows from fully performing exposures	44,867,070	22,913,124	33,700,400	19,682,956
19	Other cash inflows	39,490,541	38,758,720	39,490,541	38,758,720
20	TOTAL CASH INFLOWS	84,370,275	61,671,844	73,190,941	58,441,676
Upper Limit Applied Amounts					
21	TOTAL HQLA			246,182,464	179,319,491
22	TOTAL NET CASH OUTFLOWS			132,668,596	35,910,535
23	LIQUIDITY COVERAGE RATIO (%)			184.90	532.31

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

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V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	8 October 2021	130.80	3 December 2021	235.00
The highest value	17 December 2021	176.04	1 October 2021	465.32

Prior Period - December 31, 2021		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			178,962,497	127,804,670
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	245,106,759	137,808,313	22,396,834	13,780,831
3	Stable deposits	42,276,853	-	2,113,843	-
4	Less stable deposits	202,829,906	137,808,313	20,282,991	13,780,831
5	Unsecured wholesale funding, of which:	266,863,351	133,807,808	111,717,781	54,033,798
6	Operational deposits	175,296,492	89,260,019	43,824,123	22,315,005
7	Non-operational deposits	63,486,036	31,735,954	39,919,261	19,012,250
8	Unsecured debt	28,080,823	12,811,835	27,974,397	12,706,543
9	Secured wholesale funding			-	-
10	Additional requirements of which:	35,068,088	13,946,042	35,068,088	13,946,042
11	Outflows related to derivative exposures and other collateral requirements	34,993,946	13,946,042	34,993,946	13,946,042
12	Outflows related to loss of funding on debt products	74,142	-	74,142	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	58,041,232	52,158,331	2,902,062	2,607,917
15	Other contingent funding obligations	157,013,169	52,415,858	12,847,447	4,219,394
16	TOTAL CASH OUTFLOWS			184,932,212	88,587,982
CASH INFLOWS					
17	Secured lending	-	-	-	-
18	Inflows from fully performing exposures	32,914,056	15,256,677	23,360,261	12,035,049
19	Other cash inflows	37,121,696	36,523,969	37,121,696	36,523,969
20	TOTAL CASH INFLOWS	70,035,752	51,780,646	60,481,957	48,559,018
Upper Limit Applied Amounts					
21	TOTAL HQLA			178,962,497	127,804,670
22	TOTAL NET CASH OUTFLOWS			124,450,255	40,028,964
23	LIQUIDITY COVERAGE RATIO (%)			143.07	340.99

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

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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 Ministry of Treasury and Finance of the Republic of Turkey.

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 – March 31, 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (1)	Total
Assets:								
Cash and balance with CBRT	132,831,962	-	-	-	-	-	-	132,831,962
Banks	22,676,354	-	1,122,416	-	130,219	-	-	23,928,989
Financial assets at fair value through profit/loss	887	-	740,263	-	13,621,263	-	379,450	14,741,863
Interbank money market placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	257,510	4,361,967	27,296,432	100,307,240	31,900,990	7,938	164,132,077
Loans and receivables	-	54,223,604	19,091,882	151,011,014	238,044,749	180,454,070	18,991,393	661,816,712
Financial assets measured at amortized cost	-	795,898	-	7,192,831	43,796,714	41,490,654	-	93,276,097
Other assets (3)(4)	125,493	3,666,314	2,519,706	643,561	4,870,188	6,846,041	(4,094,749)	14,576,554
Total assets	155,634,696	58,943,326	27,836,234	186,143,838	400,770,373	260,691,755	15,284,032	1,105,304,254
Liabilities:								
Bank deposits	4,258,020	24,678,633	5,635,022	464,524	-	-	-	35,036,199
Other deposits	158,776,614	316,998,401	108,214,347	65,084,999	100,652	634	-	649,175,647
Funds borrowed	-	910,164	16,630,242	20,805,570	41,601,864	14,368,503	-	94,316,343
Interbank money market takings	-	81,870,555	838,405	14,576,446	7,967,148	264,961	-	105,517,515
Securities issued (2)	-	1,203,288	10,601,368	17,960,007	56,212,617	9,705,644	-	95,682,924
Miscellaneous payables	-	12,777,936	-	-	-	-	8,936,226	21,714,162
Other liabilities	10	1,272,644	14,148,942	222,696	1,429,992	2,543,275	84,243,905	103,861,464
Total liabilities	163,034,644	439,711,621	156,068,326	119,114,242	107,312,273	26,883,017	93,180,131	1,105,304,254
Liquidity gap	(7,399,948)	(380,768,295)	(128,232,092)	67,029,596	293,458,100	233,808,738	(77,896,099)	-
Net Off Balance Sheet Position	-	(53,708)	62,259	815,549	6,302,188	2,060,732	-	9,187,020
Receivables from Derivative Financial Instruments	-	25,206,116	12,766,528	7,907,551	45,373,351	65,877,649	-	157,131,195
Payables from Derivative Financial Instruments	-	25,259,824	12,704,269	7,092,002	39,071,163	63,816,917	-	147,944,175
Non-cash Loans	92,184,362	20,387,466	20,684,711	54,836,524	30,821,728	3,276,666	-	222,191,457
Prior Period – December 31, 2021								
Total assets	164,241,422	70,723,368	39,819,044	139,856,028	360,394,540	220,723,562	11,455,733	1,007,213,697
Total liabilities	145,883,472	458,208,149	115,811,467	74,478,065	110,819,266	33,771,574	68,241,704	1,007,213,697
Liquidity gap	18,357,950	(387,484,781)	(75,992,423)	65,377,963	249,575,274	186,951,988	(56,785,971)	-
Net Off Balance Sheet Position	-	8,054,170	757,384	309,989	3,720,350	4,262,132	-	17,104,025
Receivables from Derivative Financial Instruments	-	59,675,583	9,574,660	17,903,715	28,260,382	68,052,584	-	183,466,924
Payables from Derivative Financial Instruments	-	51,621,413	8,817,276	17,593,726	24,540,032	63,790,452	-	166,362,899
Non-cash Loans	78,778,041	13,223,627	22,155,655	45,427,011	29,392,087	3,162,907	-	192,139,328

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

(2) Subordinated debt are shown under securities issued.

(3) 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

(4) Expected loss provisions for financial assets are shown under the undistributed column of Other Assets.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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 5.85%. Increase in balance sheet assets and Tier I Capital transactions resulted in change in comparison with previous period (December 31, 2021: 5.51%) leverage rate. The Regulation adjudicated minimum leverage rate as 3%.

Leverage ratio common disclosure template

	Current Period - Prior Period - March 31, December 31, 2022 ^(*) 2021 ^(*)	
On-balance sheet exposures		
1. On-balance sheet items (excluding derivatives and SFTs; including collateral)	1,032,588,612	917,822,488
2. Assets deducted in determining Basel III Tier 1 capital	(454,810)	(454,973)
3. Total on-balance sheet exposures (excluding derivatives and SFTs)	1,032,133,802	917,367,515
Derivative exposures		
4. Replacement cost	13,451,281	18,000,551
5. Add-on amount	2,592,945	2,283,055
6. Total derivative exposures	16,044,226	20,283,606
Securities financing transaction exposures		
7. Gross SFT assets (with no recognition of accounting netting)	8,276,826	12,616,615
8. Agent transaction exposures	-	-
9. Total securities financing transaction exposures	8,276,826	12,616,615
Other off-balance sheet exposures		
10. Off-balance sheet exposures with gross nominal amount	397,941,609	334,234,825
11. Adjustment amount off-balance sheet exposures with credit conversion factor	(124,706,334)	(104,680,461)
12. Total off-balance sheet exposures	273,235,275	229,554,364
Capital and total exposures		
13. Tier 1 capital	78,038,379	64,675,456
14. Total exposures	1,329,690,129	1,179,822,100
Leverage ratio		
15. Leverage ratio	5.85	5.51

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. SEGMENT REPORTING

The Bank operates in corporate, commercial, small business, retail, treasury 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, forfaiting, 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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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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	4,362,269	9,534,429	10,889,797	14,618	24,801,113
Interest Expense	3,517,054	5,914,797	6,147,106	16,416	15,595,373
Net Interest Income/Losses(Net)	845,215	3,619,632	4,742,691	(1,798)	9,205,740
Net Fees and Commissions Income	387,092	1,234,794	114,437	-	1,736,323
Dividend Income	-	-	122,358	-	122,358
Trading Income/ Losses (Net)	-	-	1,125,038	-	1,125,038
Other Income	-	-	-	2,995,506	2,995,506
Allowance for Expected Credit Losses	-	-	-	7,066,803	7,066,803
Other Expenses	-	-	-	3,042,851	3,042,851
Profit Before Taxes	1,232,307	4,854,426	6,104,524	(7,115,946)	5,075,311
Provision for taxes	-	-	-	-	(2,073,130)
Net Profit/ Loss					3,002,181
Segment Assets	132,825,505	395,759,900	536,423,132	33,297,799	1,098,306,336
Subsidiaries and Associates (Net)	-	-	6,997,918	-	6,997,918
TOTAL ASSETS	132,825,505	395,759,900	543,421,050	33,297,799	1,105,304,254
Segment Liabilities	267,776,010	386,703,660	329,606,536	45,967,220	1,030,053,426
Equity	-	-	-	75,250,828	75,250,828
TOTAL LIABILITIES	267,776,010	386,703,660	329,606,536	121,218,048	1,105,304,254

Prior Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	3,101,191	6,544,309	4,786,433	3,882	14,435,815
Interest Expense	2,802,860	4,388,905	4,507,688	56,038	11,755,491
Net Interest Income/Losses (Net)	298,331	2,155,404	278,745	(52,156)	2,680,324
Net Fees and Commissions Income	207,854	613,604	52,897	-	874,355
Dividend Income	-	-	15,764	-	15,764
Trading Income/ Losses (Net)	-	-	(505,334)	-	(505,334)
Other Income	-	-	-	3,512,861	3,512,861
Allowance for Expected Credit Losses	-	-	-	3,426,062	3,426,062
Other Expenses	-	-	-	2,149,495	2,149,495
Profit Before Taxes	506,185	2,769,008	(157,928)	(2,114,852)	1,002,413
Provision for taxes	-	-	-	-	(252,289)
Net Profit/ Loss					750,124
Segment Assets	128,055,671	338,478,160	509,701,254	24,280,779	1,000,515,864
Subsidiaries and Associates (Net)	-	-	6,697,833	-	6,697,833
TOTAL ASSETS	128,055,671	338,478,160	516,399,087	24,280,779	1,007,213,697
Segment Liabilities	241,249,058	320,581,553	360,860,697	32,569,649	955,260,957
Equity	-	-	-	51,952,740	51,952,740
TOTAL LIABILITIES	241,249,058	320,581,553	360,860,697	84,522,389	1,007,213,697

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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 Communique 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
	Current Period- March 31, 2022	Prior Period - December 31, 2021	Current Period- March 31, 2022
1 Credit Risk (excluding counterparty credit risk) (*)	545,013,853	489,312,822	43,601,108
2 Standardised approach	545,013,853	489,312,822	43,601,108
3 Internal rating based approach	-	-	-
4 Counterparty Credit Risk	11,870,660	9,242,103	949,653
5 Standardised approach for counterparty credit risk	11,870,660	9,242,103	949,653
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	887	7,806	71
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	8,954,050	7,469,054	716,324
17 Standardised approach	8,954,050	7,469,054	716,324
18 Internal model approaches	-	-	-
19 Operational Risk	32,739,862	29,601,490	2,619,189
20 Basic Indicator Approach	32,739,862	29,601,490	2,619,189
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)	598,579,312	535,633,275	47,886,345

(*) 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 - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Cash	2,205,730	2,256,654	1,930,251	2,017,698
Central Bank of the Republic of Turkey (*)	9,021,655	113,639,495	26,610,644	109,585,919
Other	766,436	4,941,992	819,015	3,185,460
Total	11,993,821	120,838,141	29,359,910	114,789,077

(*) TL 56,924,977 (December 31, 2021: TL 56,969,055) 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 %3.0 to %8.0 (December 31, 2021: ranging from %3.0 to %8.0). For foreign currency liabilities, all banks shall provide a reserve rate ranging from %5 to %26 in US Dollar or Euro (December 31, 2021: ranging from %5 to %26).

Balances with the Central Bank of Republic of Turkey

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Unrestricted demand deposits	8,390,139	56,714,518	25,948,962	52,616,864
Restricted demand deposits	397,430	-	375,623	-
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Reserve Deposits	234,086	56,924,977	286,059	56,969,055
Total	9,021,655	113,639,495	26,610,644	109,585,919

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

Information on financial assets at fair value through profit or loss, subject to repurchase agreements and given as collateral/blocked

	Current Period March 31, 2022	Prior Period December 31, 2021
Collateralized/blocked investment securities	5,106,073	14,383,082
Investments subject to repurchase agreements	-	-
Toplam	5,106,073	14,383,082

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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 - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Forward transactions	1,001,550	31,572	1,186,318	5,610
Swap transactions	10,516,246	1,485,478	18,215,437	1,894,303
Futures	-	-	-	-
Options	973	40,232	12,457	173,245
Other	-	-	-	-
Total	11,518,769	1,557,282	19,414,212	2,073,158

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 31 March 2022, the fair value of this transaction is TL 1,240,206, with a nominal amount of 120 million USD and an average maturity of 2.29 years. (As of 31 December 2021, the fair value of this transaction was 1,079,186 TL, with a nominal amount of 120 million USD, and an average maturity of 2.54 years.)

3. Information on banks

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Banks				
Domestic	45	330,309	50	307,252
Foreign	666,000	22,932,635	1,120,350	19,878,686
Foreign Head Offices and Branches	-	-	-	-
Total	666,045	23,262,944	1,120,400	20,185,938

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 - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FP
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	19,097,170	2,122,560	13,880,235	2,604,505
Other	-	-	-	-
Total	19,097,170	2,122,560	13,880,235	2,604,505

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

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Government bonds	4,151	30,318,097	10,777,067	56,651,084
Treasury bills	-	-	-	-
Other debt securities	-	12,969,543	-	7,615,243
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	4,151	43,287,640	10,777,067	64,266,327

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on financial assets at fair value through other comprehensive income

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Debt securities	166,073,953	135,177,712
Quoted on a Stock Exchange	165,781,242	134,904,123
Unquoted	292,711	273,589
Equity securities	7,938	7,246
Quoted on a Stock Exchange	-	-
Unquoted	7,938	7,246
Provisions for impairment losses (-)	1,949,814	1,713,655
Total	164,132,077	133,471,303

5. Information on loans

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

	Current Period March 31, 2022		Prior Period December 31, 2021	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders	-	1,983	-	8,344
Legal entities	-	1,983	-	8,344
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	491,382	-	481,072	-
Total	491,382	1,983	481,072	8,344

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

Current Period - March 31, 2022

	Standard loans	Loans and other receivables under close monitoring		
		Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	578,379,833	39,492,873	2,192,288	22,760,325
Loans given to enterprises	170,007,485	16,261,570	1,952,450	22,127,631
Export loans	28,855,356	197,346	-	-
Import loans	-	-	-	-
Loans given to financial sector	14,226,358	3,414	-	281
Consumer loans	108,287,626	1,389,150	27,438	621,499
Credit cards	26,215,141	385,208	212,045	-
Other	230,787,867	21,256,185	355	10,914
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	578,379,833	39,492,873	2,192,288	22,760,325

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Agreement has been reached between all lenders, including the Bank, to restructure the debts provided to Ojer Telecommunications INC (OTAS), the main shareholder of Turkish Telecommunications INC (Türk Telekom), and is owned by OTAŞ, Of the 192,500,000,000,000 Group A shares that account for 55% of Türk Telekom's issued capital and are pledged to the guarantee of existing loans, all lenders must be direct or indirect party of LYY Telecommunication INC, which was established as a special purpose company in the Republic of Turkey, was completed on December 21, 2018. The Bank participated in LYY Telecommunication INC. by 4.2559%. At LYY's Ordinary General Assembly Meeting on September 23, 2019, it was decided to convert part of the loan into capital and add it to LYY's capital, and in this context, the fiat value of the Bank's shares in LYY increased from TL 2 to TL 169,483. This amount is shown in the financial statements under the item " Fair Value Through Profit and Loss". In the statements made on the Public Disclosure Platform on March 10, 2022; It has been announced that a Share Transfer Agreement has been signed between the parties for the sale of all shares written on behalf of group A to the Turkish Asset Fund, equivalent to 55% of türk telekom capital owned by LYY. Accordingly, on March 31, 2022, the relevant company was transferred to the Turkish Wealth Fund. As of March 31, 2022, 100% provision was allocated for the shares pursued under the "Financial Assets" item, which remains after collection of the sales amount and is followed as a loan in the financial statements and the Fair Value Difference is Reflected in the Profit Loss.

Prior Period - December 31, 2021

	Standard loans	Loans and other receivables under close monitoring		
		Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	511,541,059	37,495,123	2,263,559	22,400,569
Loans given to enterprises	158,767,060	15,170,278	2,059,659	21,750,069
Export loans	20,352,505	144,619	-	-
Import loans	-	-	-	-
Loans given to financial sector	10,226,573	5,075	-	281
Consumer loans	105,741,681	1,353,400	45,645	637,877
Credit cards	23,002,578	440,091	157,800	-
Other	193,450,662	20,381,660	455	12,342
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	511,541,059	37,495,123	2,263,559	22,400,569

Current Period - March 31, 2022

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	3,004,598	-
Significant Increase in Credit Risk	-	11,712,929

Prior Period - December 31, 2021

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	2,799,887	-
Significant Increase in Credit Risk	-	8,992,622

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Current Period - March 31, 2022	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	1,911,223	98,530,055	100,441,278
Housing loans	14,121	50,522,531	50,536,652
Automobile loans	9,707	855,480	865,187
General purpose loans	1,887,395	47,152,044	49,039,439
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	18,831,560	193,178	19,024,738
With instalment	7,407,256	191,660	7,598,916
Without instalment	11,424,304	1,518	11,425,822
Retail credit cards – FC	42,266	-	42,266
With instalment	-	-	-
Without instalment	42,266	-	42,266
Personnel loans – TL	10,425	299,190	309,615
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	10,425	299,190	309,615
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	181,096	282	181,378
With instalment	70,157	271	70,428
Without instalment	110,939	11	110,950
Personnel credit cards – FC	389	-	389
With instalment	-	-	-
Without instalment	389	-	389
Overdraft Checking Accounts – TL (Real person)	9,574,092	-	9,574,092
Overdraft Checking Accounts – FC (Real person)	728	-	728
Total	30,551,779	99,022,705	129,574,484

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Prior Period - December 31, 2021	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	1,817,360	96,628,548	98,445,908
Housing loans	12,983	48,250,850	48,263,833
Automobile loans	7,534	592,792	600,326
General purpose loans	1,796,843	47,784,906	49,581,749
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	16,598,355	151,890	16,750,245
With instalment	6,821,639	148,638	6,970,277
Without instalment	9,776,716	3,252	9,779,968
Retail credit cards – FC	42,680	-	42,680
With instalment	-	-	-
Without instalment	42,680	-	42,680
Personnel loans – TL	9,419	295,591	305,010
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	9,419	295,591	305,010
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	175,386	333	175,719
With instalment	65,268	301	65,569
Without instalment	110,118	32	110,150
Personnel credit cards – FC	343	-	343
With instalment	-	-	-
Without instalment	343	-	343
Overdraft Checking Accounts – TL (Real person)	9,027,058	-	9,027,058
Overdraft Checking Accounts – FC (Real person)	627	-	627
Total	27,671,228	97,076,362	124,747,590

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Installment based commercial loans and corporate credit cards

Current Period - March 31, 2022	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	8,065,676	110,804,705	118,870,381
Real estate loans	34,394	1,286,437	1,320,831
Automobile loans	559,474	4,438,337	4,997,811
General purpose loans	7,471,808	105,079,931	112,551,739
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	400,685	400,685
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	400,685	400,685
Other	-	-	-
Instalment-based commercial loans – FC	398,961	60,774,890	61,173,851
Real estate loans	-	-	-
Automobile loans	-	32,125	32,125
General purpose loans	398,961	60,742,765	61,141,726
Other	-	-	-
Corporate credit cards – TL	7,445,435	105,423	7,550,858
With instalment	2,606,811	91,155	2,697,966
Without instalment	4,838,624	14,268	4,852,892
Corporate credit cards – FC	12,765	-	12,765
With instalment	-	-	-
Without instalment	12,765	-	12,765
Overdraft Checking Accounts – TL (Corporate)	2,644,281	-	2,644,281
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	18,567,118	172,085,703	190,652,821

Prior Period - December 31, 2021	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	3,844,392	114,878,783	118,723,175
Real estate loans	33,405	1,343,471	1,376,876
Automobile loans	295,438	4,387,252	4,682,690
General purpose loans	3,515,549	109,148,060	112,663,609
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	383,398	383,398
Real estate loans	-	-	-
Automobile loans	-	2,906	2,906
General purpose loans	-	380,492	380,492
Other	-	-	-
Instalment-based commercial loans – FC	86,808	54,738,633	54,825,441
Real estate loans	-	-	-
Automobile loans	-	35,877	35,877
General purpose loans	86,808	54,702,756	54,789,564
Other	-	-	-
Corporate credit cards – TL	6,498,981	120,778	6,619,759
With instalment	2,344,436	106,288	2,450,724
Without instalment	4,154,545	14,490	4,169,035
Corporate credit cards – FC	11,723	-	11,723
With instalment	-	-	-
Without instalment	11,723	-	11,723
Overdraft Checking Accounts – TL (Corporate)	1,369,480	-	1,369,480
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	11,811,384	170,121,592	181,932,976

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Allocation of domestic and overseas loans (*)

	Current Period- March 31, 2022	Prior Period - December 31, 2021
Domestic loans	641,661,417	572,705,445
Foreign loans	1,163,902	994,865
Total	642,825,319	573,700,310

(*) Non-performing loans are not included.

Loans to associates and subsidiaries

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Direct loans to associates and subsidiaries	5,773,839	3,978,742
Indirect loans to associates and subsidiaries	-	-
Total	5,773,839	3,978,742

Specific provisions accounted for loans (Stage 3)

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Loans and receivables with limited collectability	673,134	527,488
Loans and receivables with doubtful collectability	1,321,252	923,721
Uncollectible loans and receivables	12,590,456	12,682,659
Total	14,584,842	14,133,868

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 - March 31, 2022			
Gross Amounts Before The Reserves	243,376	529,713	1,668,554
Loans Which Are Restructured	243,376	529,713	1,668,554
Prior Period - December 31, 2021			
Gross Amounts Before The Reserves	194,082	359,908	1,572,036
Loans Which Are Restructured	194,082	359,908	1,572,036

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Movements in non-performing loan groups

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period - March 31, 2022			
Balance at the beginning of the period	1,093,465	1,811,703	15,404,393
Additions (+)	2,012,514	65,312	255,878
Transfers from other categories of loans under follow-up (+)	-	1,602,117	803,386
Transfers to other categories of loans under follow-up (-)	1,602,117	803,386	-
Collections (-) ^(*)	206,065	199,468	538,821
Write-offs (-) ^(**)	-	-	707,518
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	1,297,797	2,476,278	15,217,318
Provision (-)	673,134	1,321,252	12,590,456
Net balance	624,663	1,155,026	2,626,862

(*) 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 March 31, 2022, the Bank has TL 707,518 out of non-performing loans, which are followed in the fifth group, have no collateral, no reasonable expectations for recovery, and 100% provision has been made, in accordance with the amendment to the Provisions Regulation published by the BRSA in the Official Gazette dated November 27, 2019 and numbered 30961. The amount of loans corresponding to the first part of the loan and the provisions set aside for these have been deducted from the records. After the loans are written off, the Bank's NPL ratio decreased from 2.97% to 2.87%.

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period - December 31, 2021			
Balance at the beginning of the period	486,196	2,378,547	14,579,514
Additions (+)	4,782,535	98,945	357,323
Transfers from other categories of loans under follow-up (+)	-	3,934,735	3,862,060
Transfers to other categories of loans under follow-up (-)	3,934,735	3,862,060	-
Collections (-) ^(*)	240,531	738,464	2,559,619
Write-offs (-) ^(**)	-	-	834,885
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	1,093,465	1,811,703	15,404,393
Provision (-)	527,488	923,721	12,682,659
Net balance	565,977	887,982	2,721,734

(*) 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 December 31, 2021, the Bank has TL 834,885 from non-performing loans, which are followed in the fifth group, have no collateral, no reasonable expectations for recovery, and 100% provision has been made in accordance with the amendment to the Provisions Regulation published by the BRSA in the Official Gazette dated November 27, 2019 and numbered 30961. The amount of loans corresponding to the first part of the loan and the provisions set aside for these have been written off. After the loans are written off, the Bank's NPL ratio decreased from 3.23% to 3.09%.

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	Group IV	Group V
	Loans With	Loans With	
	Limited	Doubtful	Uncollectible
	Collectability	Collectability	Loans
Current Period - March 31, 2022			
Balance at the end of the period	65,608	500,031	4,858,077
Provision (-)	34,360	246,341	4,110,472
Net balance on balance sheet	31,248	253,690	747,605
Prior Period - December 31, 2021			
Balance at the end of the period	6,313	105,422	4,660,882
Provision (-)	3,810	59,196	3,736,730
Net balance on balance sheet	2,503	46,226	924,152

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	Group IV	Group V
	Loans With	Loans With	
	Limited	Doubtful	Uncollectible
	Collectability	Collectability	Loans
Current Period - March 31, 2022			
Current Period (Net)	624,663	1,155,026	2,626,862
Consumer and Commercial Loans (Gross)	1,297,793	2,475,938	15,194,773
Provision (-)	673,132	1,320,913	12,567,929
Consumer and Commercial Loans (Net)	624,661	1,155,025	2,626,844
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	4	340	22,545
Provision (-)	2	339	22,527
Other Loans and Receivables (Net)	2	1	18
Prior Period - December 31, 2021			
Current Period (Net)	565,977	887,982	2,721,734
Consumer and Commercial Loans (Gross)	1,093,130	1,811,691	15,381,413
Provision (-)	527,153	923,713	12,659,700
Consumer and Commercial Loans (Net)	565,977	887,978	2,721,713
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	335	12	22,980
Provision (-)	335	8	22,959
Other Loans and Receivables (Net)	-	4	21

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on interest accruals, discounts and valuation differences calculated for non-performing loans by banks allocating expected credit losses according to TFRS 9 and their provisions.

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net) - March 31, 2022	44,190	110,372	408,295
Interest accruals and valuation differences	94,166	262,290	1,968,302
Provision (-)	49,976	151,918	1,560,007
Prior Period (Net) - December 31, 2021	41,802	87,321	398,494
Interest accruals and valuation differences	90,626	199,687	1,881,468
Provision (-)	48,824	112,366	1,482,974

6. Information on other financial assets measured at amortized cost

Information on measured at amortized cost government debt securities

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Government bonds	65,796,555	16,294,501	48,358,190	15,883,492
Treasury bills	-	-	-	-
Other securities issued by the governments	-	10,656,520	-	9,293,290
Total	65,796,555	26,951,021	48,358,190	25,176,782

Information on financial assets measured at amortized cost

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Debt Securities	93,276,097	73,861,983
Quoted at stock exchanges	92,982,455	73,593,922
Unquoted at stock exchanges	293,642	268,061
Impairment losses (-)	-	-
Total	93,276,097	73,861,983

The movement table of other financial assets measured at amortized cost

	Current Period - March 31, 2022	Prior Period - December 31, 2021
balances at the beginning of the period	73,861,983	58,747,252
Foreign currency differences on monetary assets	1,954,478	9,987,748
Purchases during the period	14,599,060	1,418,048
Disposals through sales/redemptions	(512,412)	(2,975,048)
Change in Impairment losses	-	-
Change in amortized costs of the securities (*)	3,372,988	6,683,983
Balances at the end of the period	93,276,097	73,861,983

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on accounts related to financial assets measured at amortized cost

Current Period - March 31, 2022	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	5,207,153	2,584,560	8,454,052	2,341,985
Investments subject to repurchase agreements	25,003,493	15,052,674	34,631,578	15,922,339
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other ^(*)	16,787,530	8,004,466	22,769,876	9,156,267
Total	46,998,176	25,641,700	65,855,506	27,420,591

^(*) 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, 2021	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	3,724,514	8,171,526	5,222,046	8,553,080
Investments subject to repurchase agreements	28,266,611	14,139,847	42,200,956	14,987,420
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other ^(*)	719,513	1,576,739	994,138	1,904,343
Total	32,710,638	23,888,112	48,417,140	25,444,843

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

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 Enternasyonal 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 Platform Ortak Kartlı Sistemler AŞ	İstanbul/ Turkey	20.00	20.00
15 Tasfiye Halinde World Vakıf UBB Ltd. ^(**)	Lefkoşa/KKTC	83.00	83.59

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Period's Profit/Loss	Fair Value
1	2,769,585	139,970	9,361	56,997	1,664	8,737	4,205	-
2	92,673,880	7,662,610	1,661,332	1,246,250	643,347	605,031	227,110	4,107,600
3	8,966,179	4,780,570	1,502,399	40,289	-	1,568,193	839,229	15,839,000
4	451,244	371,944	92,742	39,235	-	137,294	53,042	-
5	625,710	369,787	327,976	19,020	-	75,307	76,416	-
6	133,077	(104,944)	88,069	3,783	-	(10,265)	8,235	-
7	79,988	(430,527)	74,415	4	-	(225,191)	(70,428)	-
8	45,024,011	3,236,902	174,910	703,502	117,500	890,757	539,374	-
9	1,501,352	1,071,942	20,457	23,915	-	91,745	38,621	-
10	133,549	123,690	32,294	3,925	-	21,958	7,434	-
11	198,807	150,638	119,256	15,841	-	(3,291)	3,675	-
12	104,324	86,888	31,509	4,486	961	58,825	2,467	-
13	55,584	52,197	3,306	9,344	-	1,958	248	-
14	5,747	5,730	35	166	-	156	-	-
15	1,131	(220,178)	-	167	-	(24,010)	(18,232)	-

(*)The financial statement information provided for these associates is taken from the financial statements dated December 31., 2021.

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

Movement table of investments in associates

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Balance at the beginning of the period	2,047,712	1,394,406
Movements during the period	70,623	653,306
Transfers	-	-
Acquisitions	64,994	-
Bonus shares received	-	-
Share of current year profit	-	-
Sales/liquidations	-	-
Fair value changes	5,630	732,825
Impairment losses	-	(79,519)
Balance at the end of the period	2,118,335	2,047,712
Capital commitments	-	3,150
Share percentage at the end of period (%)	-	-

In the current period, it has been decided to increase the paid-in capital of Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ, one of the Bank's subsidiaries, from 145,000 TL to 340,000 TL by means of a paid-in increase. The shares amounting to TL 64,994, which fell to the Bank's share after the capital increase, are shown under Purchases in the movement table for subsidiaries.

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Sectoral distribution of investments in financial associates

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Banks	384,634	379,004
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	11,825	11,825
Total	396,459	390,829

Quoted associates

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Quoted at domestic stock exchanges	344,113	338,484
Quoted at international stock exchanges	-	-
Total	344,113	338,484

Investments in associates disposed during the period

There is not any associate disposed in the current period.

In the prior period, all of the 39.30% shares owned by the Bank in Keskinöğlü Tavukçuluk ve Damız İşletmeleri Sanayi ve Ticaret AŞ, which was followed under the Subsidiaries Account in the Bank's balance sheet, was transferred to T.C. Ziraat Bankası AŞ and the Bank does not have any shares left in the company as of January 8, 2021.

Investments in associates acquired during the period

There are no affiliates purchased in the current period.

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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 - March 31, 2022						
Paid in Capital	311,248	500,000	150,000	350,000	1,000,000	30,000
Share Premium	-	14,544	137	-	322,717	121
Equity share premiums	-	1,366	-	-	301,118	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	13,178	137	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	27,029	9,966	5,594	(123)	(106)
Other accumulated comprehensive income that will be reclassified in profit or loss	2,173,689	-	-	-	-	-
Profit Reserves	21,149	64,612	151,446	118,794	145,336	1,645
Legal Reserves	21,149	14,333	33,808	23,191	11,781	478
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	50,279	42,588	95,603	133,008	1,167
Other Profit Reserves	-	-	75,050	-	547	-
Profit/Loss	171,688	150,582	163,003	141,582	303,270	1,218
<i>Prior Period's Profit/Loss</i>	153,745	88,836	106,348	84,425	159,988	-
<i>Current Period's Profit/Loss</i>	17,943	61,746	56,655	57,157	143,282	1,218
Minority Rights	-	-	-	-	-	-
Total Core Capital	2,677,774	756,767	474,552	615,970	1,771,200	32,878
SUPPLEMENTARY CAPITAL						
CAPITAL	2,677,774	756,767	474,552	615,970	1,771,200	32,878
NET AVAILABLE EQUITY	2,677,774	756,767	474,552	615,970	1,771,200	32,878

(*) Reviewed BRSA financial statements as of March 31, 2022 are considered.

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries (Continued)

	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
Prior Period - December 31, 2021						
Paid in Capital	311,248	468,895	150,000	350,000	1,000,000	30,000
Share Premium	-	13,232	137	-	322,717	121
Equity share premiums	-	-	-	-	301,118	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	13,232	137	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	27,067	10,720	5,594	(187)	(36)
Other accumulated comprehensive income that will be reclassified in profit or loss	2,203,220	-	-	-	-	-
Profit Reserves	21,149	64,612	151,446	118,794	145,336	408
Legal Reserves	21,149	14,333	33,808	23,191	11,781	395
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	50,279	42,588	95,603	133,008	13
Other Profit Reserves	-	-	75,050	-	547	-
Profit/Loss	153,745	88,836	206,348	84,425	159,988	1,669
<i>Prior Period's Profit/Loss</i>	68,433	(65,147)	4,081	(41,420)	6,752	(1,401)
<i>Current Period's Profit/Loss</i>	85,312	153,983	202,267	125,845	153,236	3,070
Minority Rights	-	-	-	-	-	-
Total Core Capital	2,689,362	662,642	518,651	558,813	1,627,854	32,162
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
CAPITAL	2,689,362	662,642	518,651	558,813	1,627,854	32,162
NET AVAILABLE EQUITY	2,689,362	662,642	518,651	558,813	1,627,854	32,162

(*) Reviewed BRSA financial statements as of December 31, 2021 are considered.

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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	48.95	48.95
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
11 Vakıf Elektronik Para ve Ödeme Sistemleri A.Ş	İstanbul/Turkey	100.00	100.00

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/Loss	Prior Period's Profit/Loss	Fair Value
1	7,360,595	644,035	3,734	318,288	-	53,362	27,872	587,367
2	7,040,609	783,841	28,297	165,144	-	49,020	13,688	1,691,000
3	2,501,641	574,556	59,521	20	5,666	56,659	70,861	499,853
4	15,288,138	2,820,576	1,917	69,097	-	5,926	18,619	1,465,270
5	33,873	32,878	223	123	1,805	1,218	586	160,080
6	4,862,223	2,589,933	2,496,479	33,116	-	148,798	29,891	1,897,000
7	201,739	201,413	35,366	443	-	17,665	(3,399)	43,911
8	481,899	458,713	196,193	9,444	-	11,116	7,815	555,605
9	162,450	78,059	59,774	5,487	150	1,772	4,653	81,009
10	33,733	23,737	489	1,584	-	(2,287)	(2,287)	26,667
11	104,955	104,834	77	4,965	-	4,506	-	100,000

(*) The financial statement information provided for these subsidiaries is taken from the financial statements as of September 30, 2021.

Movement table of investments in subsidiaries

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Balance at the beginning of the period	4,650,121	3,651,134
Movements during the period	229,462	998,987
Transfers	-	-
Acquisitions	-	526,846
Bonus shares received	-	183,689
Share of current year profit	(99,326)	(99,250)
Sales and liquidations	-	-
Fair value changes	442,701	981,424
Impairment losses	(113,913)	(593,722)
Balance at the end of the period	4,879,583	4,650,121
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the prior period, it has been decided to increase the capital of Vakıf Finansal Kiralama AŞ from 200,000 TL to 250,000 TL. Bonus shares worth TL 29,356 corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Finansal Kiralama AŞ from 250,000 TL to 500,000 TL by an increase of 250,000 TL. Shares worth TL 146,780 corresponding to the Bank's share are shown under Purchases in the movement table for subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ from TL 500,000 to TL 1,000,000 by an increase of TL 500,000. TL 280,066 worth of shares corresponding to the Bank's share are shown under Purchases in the movement table for subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ from TL 460,000 to TL 500,000. Bonus shares amounting to TL 18,286 corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Yatırım Menkul Değerler AŞ from 100,000 TL to 150,000 TL. Bonus shares amounting to TL 49,625 corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the prior period, it has been decided to increase the capital of Taksim Otelcilik AŞ from 334,257 TL to 350,000 TL. Bonus shares amounting to TL 8,029 corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Faktoring AŞ from TL 250,000 to TL 350,000. Bonus shares amounting to TL 78,393 corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

Methods to measure investments in subsidiaries

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Measured at cost	-	-
Measured at fair value ^(*)	4,879,583	4,650,121
Equity method of accounting	-	-
Total	4,879,583	4,650,121

^(*) Valuation amounts of December 31 2021 have been taken for the unquoted subsidiaries.

Sectoral distribution of investments in financial subsidiaries

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Banks	1,465,270	1,369,078
Factoring companies	460,454	460,454
Leasing companies	992,823	905,048
Financing companies	-	-
Other financial subsidiaries	1,452,550	1,407,055
Total	4,371,097	4,141,635

Quoted subsidiaries

	Current Period - March 31, 2022	Prior Period - December 31, 2021
Quoted at domestic stock exchanges	1,949,269	1,716,749
Quoted at international stock exchanges	-	-
Total	1,949,269	1,716,749

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Investments in subsidiaries disposed during the period

The Bank has no subsidiaries that were disposed in the current period.

Investments in subsidiaries acquired during the period

The Bank has no subsidiaries that were purchased in the current period.

In the prior period, the Bank established Vakıf Elektronik Para ve Dağıtım Hizmetleri AŞ with a capital of 100,000 TL to operate in the field of electronic money and payment services. The company was registered in the trade registry on 25.11.2021. The Bank's share in the Company is 100% and shares worth 100,000 TL are shown under Purchases in the movement table for subsidiaries

9. Investments in joint-ventures

None.

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

The deferred tax asset of the Bank as of March 31, 2022 is TL 6,018,090 (December 31,2021: None). Accounting policies applied for deferred tax assets and deferred tax liabilities are shown in the financial statements by being netted. Information on deferred tax liability V. Section II. Section 8 is shown in footnote.

The deferred tax asset / liability schedule as of March 31, 2022 and March 31, 2021 is as follows:

	Current Period - March 31, 2022	Prior Period – December 31, 2021
As of 1 January	(46,378)	1,125,282
Deferred tax income/(loss)	7,768,647	(953,358)
Deferred tax that is accounted under Equity	(1,698,640)	(193,287)
Other	(5,539)	(25,015)
Deferred tax asset/(Liability)	6,018,090	(46,378)

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

As of March 31, 2022, the cost of property and equipment held for sale purpose and related to discontinued operations are TL 599,679 (December 31, 2021: TL 756,779) and the provision for impairment is TL 1,723 (December 31, 2021: TL 1,746 TL).

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

15. Information on other assets

As at March 31, 2022 and December 31, 2021 “Other Asset” item does not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

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

	Current Period – March 31, 2021	Prior Period – December 31, 2021
Balances with the Central Bank	1,380	1,532
Banks	15,177	12,710
Total	16,557	14,242
Financial Assets Measured at Amortized Cost	12,139	8,247
Total	28,696	22,489

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period		7 Days	Up to 1				1 Year and	Accumulating	
March 31, 2022	Demand	Notice	Month	1-3 Months	3-6 Months	6-12 Months	Over	Deposit	Total
Saving deposits	17,512,154	-	10,879,835	25,685,387	47,980,552	3,495,259	1,907,306	10,560	107,471,053
Foreign currency deposits	67,959,746	-	55,293,687	126,220,493	22,199,256	5,041,944	11,241,754	-	287,956,880
Residents in Turkey	65,358,797	-	54,462,521	121,171,938	20,659,911	3,515,564	6,036,784	-	271,205,515
Residents in abroad	2,600,949	-	831,166	5,048,555	1,539,345	1,526,380	5,204,970	-	16,751,365
Public sector deposits	16,983,615	-	21,215,963	11,027,594	926,980	449,996	35,797	-	50,639,945
Commercial deposits	13,461,748	-	38,802,067	29,853,671	7,664,965	37,419,981	1,509,517	-	128,711,949
Other	12,274,109	-	5,543,939	20,850,362	1,022,271	696,442	390,150	-	40,777,273
Precious metal deposits	30,585,242	-	-	10,909	-	2,740,472	281,924	-	33,618,547
Bank deposits	4,258,020	-	16,289,598	14,023,041	1,016	-	464,524	-	35,036,199
Central Bank	280,551	-	-	-	-	-	-	-	280,551
Domestic banks	1,025,945	-	16,029,212	2,039,343	-	-	-	-	19,094,500
Foreign banks	774,873	-	260,386	11,983,698	1,016	-	464,524	-	13,484,497
Participation banks	2,176,651	-	-	-	-	-	-	-	2,176,651
Other	-	-	-	-	-	-	-	-	-
Total	163,034,634	-	148,025,089	227,671,457	79,795,040	49,844,094	15,830,972	10,560	684,211,846

Prior Period		7 Days	Up to 1				1 Year and	Accumulating	
December 31, 2021	Demand	Notice	Month	1-3 Months	3-6 Months	6-12 Months	Over	Deposit	Total
Saving deposits	15,231,477	-	11,559,594	46,268,755	10,470,493	1,432,528	1,827,314	9,738	86,799,899
Foreign currency deposits	65,786,514	-	51,598,343	149,552,268	7,377,612	4,741,286	10,795,082	-	289,851,105
Residents in Turkey	63,114,039	-	50,946,434	144,540,887	6,023,351	3,303,784	5,794,328	-	273,722,823
Residents in abroad	2,672,475	-	651,909	5,011,381	1,354,261	1,437,502	5,000,754	-	16,128,282
Public sector deposits	13,816,572	-	8,028,818	8,796,107	920,075	372,760	125,928	-	32,060,260
Commercial deposits	10,997,173	-	29,554,441	35,196,846	2,239,806	917,073	138,202	-	79,043,541
Other	11,570,970	-	4,063,921	20,653,480	3,433,962	445,265	336,249	-	40,503,847
Precious metal deposits	26,593,579	-	-	14,891	-	2,585,813	262,572	-	29,456,855
Bank deposits	1,887,187	-	17,814,826	13,011,031	-	67,299	447,537	-	33,227,880
Central Bank	1,625	-	-	-	-	-	-	-	1,625
Domestic banks	1,115,156	-	17,098,189	2,192,613	-	-	-	-	20,405,958
Foreign banks	529,772	-	716,637	10,818,418	-	67,299	447,537	-	12,579,663
Participation banks	240,634	-	-	-	-	-	-	-	240,634
Other	-	-	-	-	-	-	-	-	-
Total	145,883,472	-	122,619,943	273,493,378	24,441,948	10,562,024	13,932,884	9,738	590,943,387

As of March 31, 2022, TL 41,124,529 (31 December 2021: TL 8,958,208) "Turkish Lira Time Deposits with Currency Protection" instrument opened in the Bank's deposit accounts as part of the announcement of the Turkish Ministry of Treasury and Finance dated December 24, 2021, 53,287,445 TL (31 December 2021: 1,231,731 TL) published by the CBRT in the Official Gazette dated December 21, 2021 and numbered 31696, "Turkish Lira Term Deposits Protected from Foreign Exchange" and dated February 1, 2022 and numbered 31737 by the CBRT published 28,053 TL "Yuvam" product.

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

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
Saving deposits	49,061,559	58,409,494	38,157,515	48,642,384
Foreign currency saving deposits	41,463,581	118,841,376	35,113,479	119,335,680
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
Total	90,525,140	177,250,870	73,270,994	167,978,064

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Saving deposits out of insurance coverage limits

	Current Period – March 31, 2022	Prior Period - December 31, 2021
Deposits and other accounts at foreign branches	145,752	127,496
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	17,839	17,472
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 – March 31, 2022		Prior Period – December 31, 2021	
	TL	FC	TL	FC
Forwards	979,550	3,732	1,167,111	3,555
Swaps	286,277	3,048,456	428,039	3,702,220
Futures	-	-	-	-
Options	973	35,585	14,062	175,291
Other	-	-	-	-
Total	1,266,800	3,087,773	1,609,212	3,881,066

3. Information on funds borrowed

a) *Information on banks and other financial institutions*

	Current Period – March 31, 2022		Prior Period – December 31, 2021	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	1,354,845	2,031,655	484,900	1,791,814
Domestic banks and institutions	409,332	5,666,357	404,632	5,356,443
Foreign banks, institutions and funds	178,996	84,675,158	170,844	83,221,897
Total	1,943,173	92,373,170	1,060,376	90,370,154

b) *Maturity information of funds borrowed*

	Current Period – March 31, 2022		Prior Period – December 31, 2021	
	TL	FC	TL	FC
Short-term ^(*)	1,621,684	2,974,047	718,210	2,552,479
Medium and Long-term ^(*)	321,489	89,399,123	342,166	87,817,675
Total	1,943,173	92,373,170	1,060,376	90,370,154

^(*) 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 %9.16 ((December 31, 2021: %9.57) 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)

Maturity information of funds borrowed(Continued)

On December 21, 2021, the Bank signed a contract to obtain a 3-year loan worth CNY 3.5 Million from the Development Bank of China, to be used within the framework of general financing needs along with the financing of foreign trade.

Syndicated Loans Receive

Beginning From	Maturity (Days)	Currency	Amount (Millions)	Interest rate	Coordinator Bank	Agent Bank
9 December 2021	367	USD	237,5	Libor + 2.50%	The Commercial Bank (P.S.Q.C.) First Abu Dhabi Bank (P.J.S.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C).
	367	EUR	691,3	Euribor + 2.25%	The Commercial Bank (P.S.Q.C.) First Abu Dhabi Bank (P.J.S.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C)
10 May 2021	367	USD	296	Libor+2.15%	Abu Dhabi Commercial Bank, Emirates NBD Bank (P.J.S.C), MUFG Bank, Standard Chartered Bank	Mizuho Bank
	367	EUR	313,5	Euribor+1.75%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) MUFG Bank Standard Chartered Bank	Mizuho Bank

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
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
22 March 2021	15 March 2027	USD	461,5	Based on international remittance flows / Based on treasury financing transactions
	15 March 2028	USD	200	Based on international remittance flows / Based on treasury financing transactions
	15 March 2026	USD	508	Based on international remittance flows / Based on treasury financing transactions
	15 March 2026	EUR	200	Based on international remittance flows
	15 September 2026	USD	154	Based on international remittance flows / Based on treasury financing transactions
	15 March 2026	EUR	50	Based on international remittance flows
	15 March 2026	USD	115,4	Based on international remittance flows / Based on treasury financing transactions

(*) In the table, the relevant loan amounts are stated over each foreign currency amount.

(**) In the table, the amounts in the relevant credit tranches are given in USD.

As of March 31, 2022, the total securitization balance is equivalent of USD 1,678 million and EUR 309 million. (31 December 2021: USD 1,689 million and EUR 337 million).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on securities issued

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, USD 4.3 billion has been collected world wide.

As of December 8, 2020 with 5 year maturity date, the yield and the coupon rate has been set at 6.625% and 6.5% respectively amounting to USD 750 Million which is the first Sustainable Eurobond issuance among deposit banks in Turkey.

The Bank completed its second Sustainable bond issuance on September 16, 2021, within its sustainable finance program. The transaction was made with an amount of USD 500 million, maturity of 5 years, coupon rate of 5.50 and final rate of return of 5.625 percent.

Current Period - March 31, 2022	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Nominal	4,111,084	4,144,000	1,312,448	54,411,758
Cost	3,978,710	4,144,000	1,311,125	54,196,119
Net Book Value	4,069,274	4,278,662	1,317,132	54,983,294

Prior Period - December 31, 2021	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Nominal	5,351,822	5,180,500	870,290	49,667,408
Cost	5,162,221	5,180,500	869,722	49,473,094
Net Book Value	5,264,846	5,301,471	871,154	50,537,426

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

The amounts recognized under TFRS 16 as of March 31, 2022 and December 31, 2021 are presented below.

Current Period – March 31, 2022	Service Buildings	Vehicles	Total
Lease payables	1,505,292	75,644	1,580,936
Deferred rental expenses(-)	599,093	14,675	613,768
Lease payables (Net)	906,199	60,969	967,168
Right of use assets	812,550	58,111	870,661

Prior Period – December 31, 2021	Service Buildings	Vehicles	Total
Lease payables	1,432,275	57,818	1,490,093
Deferred rental expenses(-)	526,341	9,840	536,181
Lease payables (Net)	905,934	47,978	953,912
Right of use assets	815,929	46,155	862,084

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Obligations under financial leasing (Continued)

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, 33,023 TL of lease payments were made in the related period. (March 31, 2021: TL 18,082).

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	Gross	Net	Gross	Net
Under 1 year	61,421	56,628	47,705	44,359
1-4 Years	388,011	307,911	364,367	297,588
Over 4 years	1,131,504	602,629	1,078,021	611,965
Total	1,580,936	967,168	1,490,093	953,912

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

According to the TAS-19- Judgments of benefits that are provided to employees, bank accounts and calculate provision to obligations of severance pay and allowance rights.

As of March 31, 2022, TL 1,046,860 (December 31, 2021: TL 979,244) provision for severance pay and TL 93,607 (December 31, 2021 TL 95,048) provision for unused vacation are stated in financial statements under employee rights provision.

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 March 31, 2022, Bank has recorded TL 45,546 (December 31, 2021: TL 44,305) as provisions for non-cash loans that are not indemnified or converted into cash.

Information on provision for probable risks

As of March 31, 2022, the free provision in the financial statements amounted to a total of TL 228,000, of which is constituted by TL 1,772,000 in the current period and TL 2,000,000 in the prior periods. (31 December 2021: TL 1,772,000)

8. Taxation

Current taxes

Tax provision

As of March 31, 2022, the Bank's corporate tax payable is TL 9,851,076 (December 31, 2021: TL 10,325).

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

8. Taxation (Continued)

Information on taxes payable

	Current Period – March 31, 2022	Prior Period – December 31, 2021
Corporate taxes payable	9,851,076	10,325
Taxation on securities	376,672	372,700
Capital gains tax on property	4,673	5,763
Banking and Insurance Transaction Tax (BITT)	343,525	350,451
Taxes on foreign exchange transactions	18,525	59,585
Value added tax payable	15,506	21,368
Other	142,989	114,146
Total	10,752,966	934,338

Information on premiums payable

	Current Period March 31, 2022	Prior Period December 31, 2021
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	5,130	3,114
Unemployment insurance- employer share	10,260	6,229
Other	-	259
Total	15,390	9,602

Information on deferred tax liabilities

The Bank does not have deferred tax debts as of March 31, 2022. (31 December 2021: 46,378)

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 debts

Stated bonds’ total balance sheet value is TL 31,034,562 as of March 31, 2022 (December 31, 2021: TL 28,968,427).

	Current Period – March 31, 2022		Prior Period – December 31, 2021	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	4,993,575	11,934,864	5,145,230	11,018,134
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	4,993,575	11,934,864	5,145,230	11,018,134
Debt instruments to be included in the additional capital calculation	1,259,455	12,846,668	1,259,521	11,545,542
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	1,259,455	12,846,668	1,259,521	11,545,542
Total	6,253,030	24,781,532	6,404,751	22,563,676

(*)Detailed explanations on subordinated debts are given in the Section IV - "Information on Instruments to be Included in Equity Calculation".

11. Information on equity

Paid-in capital

	Current Period – March 31, 2022	Prior Period – December 31, 2021
Common Stock	7,111,364	3,905,622
Preferred Stock	-	-

Paid-in capital of the Bank amounted to TL 7,111,364TL is divided into groups comprised of 15.12% Group (A), 5.49% Group (B), 5.68% Group (C) and 73.71% 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 RegisteredShare Capital
Registered capital system	7,111,364	10,000,000

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

In the prior period, the Bank increased its paid-in capital from TL 3,905,622 to TL 7,111,364, provided that it is within the registered capital ceiling, based on the decision taken at the Board of Directors meeting dated February 9,2022. Accordingly, the amendment made in the related article of the Articles of Association was registered on March 21 2022.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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 - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	3,134,781	(195,770)	3,002,827	(182,919)
Financial assets at fair value through other comprehensive income	8,236,307	115,921	1,251,170	354,576
Foreign exchange differences	80,727	-	80,727	-
Total	11,451,815	(79,849)	4,334,724	171,657

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 - March 31, 2022	Prior Period - December 31, 2021
Commitments for credit card limits	36,126,805	30,687,962
Loan granting commitments	38,653,717	34,013,637
Commitments for cheque payments	7,797,810	7,029,711
Asset purchase sale commitments	25,544,739	13,030,758
Other	2,980,267	2,931,623
Total	111,103,338	87,693,691

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 549,556 (December 31, 2021: TL 507,691) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 45,546 (December 31, 2021: TL 44,305).

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

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period – March 31, 2022	Prior Period – December 31, 2021
Provisional letters of guarantee	3,247,046	3,239,783
Final letters of guarantee	57,181,236	51,344,606
Letters of guarantee for advances	20,725,509	14,848,052
Letters of guarantee given to custom offices	3,304,106	2,542,604
Other letters of guarantee	71,215,403	61,543,637
Total	155,673,300	133,518,682

2. Non-cash loans

	Current Period March 31, 2022	Prior Period December 31, 2021
Non-cash loans given for cash loan risks	49,133,839	44,781,413
<i>With original maturity of 1 year or less</i>	<i>10,291,501</i>	<i>8,896,727</i>
<i>With original maturity of more than 1 year</i>	<i>38,842,338</i>	<i>35,884,686</i>
Other non-cash loans	173,057,618	147,357,915
Total	222,191,457	192,139,328

3. Sectoral risk concentrations of non-cash loans

	Current Period - March 31, 2022				Prior Period - December 31, 2021			
	TL	%	FC	%	TL	%	FC	%
Agricultural	150,951	0.21	508,681	0.34	139,996	0.23	615,401	0.47
Farming and Cattle	136,555	0.19	297,391	0.20	124,298	0.20	537,647	0.41
Forestry	10,607	0.01	-	-	12,157	0.02	-	-
Fishing	3,789	0.01	211,290	0.14	3,541	0.01	77,754	0.06
Manufacturing	25,519,265	35.31	82,432,540	54.99	19,502,805	31.59	71,808,891	55.07
Mining	546,387	0.76	1,099,755	0.73	436,029	0.70	1,021,326	0.78
Production	17,967,753	24.86	75,916,678	50.65	12,775,324	20.70	65,154,049	49.97
Electric, gas and water	7,005,125	9.69	5,416,107	3.61	6,291,452	10.19	5,633,516	4.32
Construction	15,109,087	20.90	21,290,488	14.19	14,800,027	23.98	17,549,761	13.46
Services	30,213,247	41.80	37,006,097	24.69	26,235,282	42.50	34,094,890	26.14
Wholesale and retail trade	13,622,003	18.84	18,772,360	12.54	11,533,354	18.69	13,427,929	10.30
Hotel, food and beverage Services	705,811	0.98	1,175,947	0.78	599,846	0.97	863,562	0.66
Transportation and telecommunication	5,775,141	7.99	12,494,917	8.33	5,179,687	8.39	16,557,465	12.70
Financial institutions	5,086,629	7.04	2,068,188	1.38	4,694,387	7.60	1,545,143	1.18
Real estate and renting Services	2,801,545	3.88	1,405,915	0.94	2,180,150	3.53	1,323,085	1.01
Self-employment services	1,877,959	2.60	977,443	0.65	1,721,447	2.79	315,385	0.24
Education services	153,361	0.21	45,247	0.03	124,387	0.20	49,930	0.04
Health and social services	190,798	0.26	66,080	0.04	202,024	0.33	12,391	0.01
Other	1,286,507	1.78	8,674,594	5.79	1,051,765	1.70	6,340,510	4.86
Total	72,279,057	100.00	149,912,400	100.00	61,729,875	100.00	130,409,453	100.00

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

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

	Group I		Group II	
	TL	FC	TL	FC
Current Period - March 31, 2022				
Letters of Guarantee	69,177,508	82,077,855	1,944,382	1,923,999
Confirmed Bills of Exchange and Acceptances	4,258	8,408,788	-	9,149
Letters of Credit	908,657	56,550,746	-	383,842
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	252,717	-	-
Non-Cash Loans	70,090,423	147,290,106	1,944,382	2,316,990

	Group I		Group II	
	TL	FC	TL	FC
Prior Period - December 31, 2021				
Letters of Guarantee	59,172,198	70,452,246	1,737,613	1,649,347
Confirmed Bills of Exchange and Acceptances	4,258	9,575,050	-	-
Letters of Credit	568,389	47,986,477	-	290,283
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	195,776	-	-
Non-Cash Loans	59,744,845	128,209,549	1,737,613	1,939,630

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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, 2021: 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 - March 31, 2022		Prior Period - March 31, 2021	
	TL	FC	TL	FC
Short-term Loans	4,994,544	308,983	2,493,980	159,143
Medium and Long-Term Loans	8,173,011	2,595,288	6,789,954	1,604,161
Non-performing Loans	184,488	-	141,917	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	13,352,043	2,904,271	9,425,851	1,763,304

Information on interest income received from banks

	Current Period - March 31, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Central Bank of Republic of Turkey	-	-	-	-
Domestic Banks	3,468	1,470	3,732	-
Foreign Banks	-	5,193	-	1,905
Foreign Head Office and Branches	-	-	-	-
Total	3,468	6,663	3,732	1,905

Information on interest income received from marketable securities portfolio

	Current Period - March 31, 2022		Prior Period - March 31, 2021	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss	-	80,159	-	24,765
Financial assets at fair value through other comprehensive income	3,101,975	882,601	1,096,199	433,490
Financial assets measured at amortized cost	3,894,742	326,034	1,364,169	178,663
Total	6,996,717	1,288,794	2,460,368	636,918

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

Information on interest income received from marketable securities portfolio(Continued)

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. As stated in the CPI Indexed Bonds Investor Guide of the Ministry of Treasury and Finance of the Republic of Turkey, the reference indices used in the calculation of the actual coupon payment amounts of these securities are constituted according to the CPI of two months anterior. The Bank determines the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. In this context, as of March 31, 2022, the valuation of the related securities was based on an annual inflation forecast of 23.20 %. If the valuation of these securities indexed to CPI was made according to the reference index valid for March 31, 2022, the Bank's equity valuation differences on equity would decrease by TL 3,33 billion and the net profit for the period would increase TL 13,78 million.

Information on interest income received from associates and subsidiaries

	Current Period - March 31, 2022	Prior Period - March 31, 2021
Interest Received from Associates and Subsidiaries	141,774	96,140

2. Interest expense

Interest expense on funds borrowed

	Current Period - March 31, 2022		Prior Period - March 31, 2021	
	TL	FC	TL	FC
Banks	39,690	551,163	21,060	244,383
Central Bank of Republic of Turkey	19,897	357	4,015	2,342
Domestic Banks	15,533	28,357	8,316	35,818
Foreign Banks	4,260	522,449	8,729	206,223
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	19,949	-	13,325
Total	39,690	571,112	21,060	257,708

Interest expense paid to associates and subsidiaries

	Current Period - March 31, 2022	Prior Period - March 31, 2021
Interest Paid to Associates and Subsidiaries	65,569	68,492

Interest expense on securities issued

Interest paid to securities issued as at for the period ended March 31, 2022 is TL 1,740,415 (TL 566,041 and 1,174,374 FC). (March 31, 2021: TL 1,322,106 (TL 618,914 and 703,192 FC)).

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

Maturity structure of the interest expense on deposits

Current Period March 31, 2022	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	-	39,343	354,085	-	-	-	-	393,428
Saving deposits	1,843	335,686	1,484,590	1,238,814	115,400	73,067	257	3,249,657
Public sector deposits	11,270	548,751	284,234	23,390	15,958	1,114	-	884,717
Commercial deposits	1,499	1,275,312	1,391,414	95,647	748,302	35,284	-	3,547,458
Other deposits	871	152,990	813,960	74,080	29,275	14,177	-	1,085,353
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	15,483	2,352,082	4,328,283	1,431,931	908,935	123,642	257	9,160,613
<i>FC</i>								
Foreign currency deposits	6,667	108,012	378,703	40,552	6,688	11,755	-	552,377
Interbank deposits	4,479	5,018	45,165	-	-	-	-	54,662
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	2	-	2,361	275	-	2,638
Total	11,146	113,030	423,870	40,552	9,049	12,030	-	609,677
Grand Total	26,629	2,465,112	4,752,153	1,472,483	917,984	135,672	257	9,770,290

Prior Period - March 31, 2021	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	-	63,278	108,281	-	-	-	-	171,559
Saving deposits	-	316,174	2,119,577	52,438	12,211	29,620	173	2,530,193
Public sector deposits	8,060	349,415	267,768	23,559	6,917	2,200	-	657,919
Commercial deposits	-	991,187	1,372,547	26,046	23,963	10,117	-	2,423,860
Other deposits	-	65,691	695,559	56,211	22,516	25,899	-	865,876
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	8,060	1,785,745	4,563,732	158,254	65,607	67,836	173	6,649,407
<i>FC</i>								
Foreign currency deposits	5,799	85,626	475,158	27,155	15,960	22,084	-	631,782
Interbank deposits	1,666	20,824	35,632	-	-	-	-	58,122
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	10	-	1,439	201	-	1,650
Total	7,465	106,450	510,800	27,155	17,399	22,285	-	691,554
Grand Total	15,525	1,892,195	5,074,532	185,409	83,006	90,121	173	7,340,961

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

3. Information on trading income/loss

	Current Period March 31, 2022	Prior Period – March 31, 2021
Profit	46,884,994	33,439,914
Income from capital market operations	539,204	436,832
Income from derivative financial instruments	41,205,206	29,952,179
Foreign exchange gains	5,140,584	3,050,903
Losses	(45,759,956)	(33,945,248)
Loss from capital market operations	(18,284)	(38,067)
Loss from derivative financial instruments	(41,467,642)	(30,988,387)
Foreign exchange loss	(4,274,030)	(2,918,794)
Net trading profit/loss	1,125,038	(505,334)

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 515,255 as at and for the year ended March 31, 2022 (March 31, 2021: TL 778,101 net loss).

4. Information on other operating income

	Current Period March 31, 2022	Prior Period March 31, 2021
Income from reversal of the specific provisions for loans from prior periods	2,531,245	3,286,449
Communication income	6,251	5,628
Gain on sale of assets	307,816	145,427
Rent income	2,947	2,056
Other income	147,247	73,301
Total	2,995,506	3,512,861

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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 - March 31, 2022	Prior Period – March 31, 2021
Expected Credit Loss	6,661,003	3,024,128
12 month expected credit loss (stage 1)	1,065,202	969,582
Significant increase in credit risk (stage 2)	3,880,817	1,220,635
Non-performing loans (stage 3)	1,714,984	833,911
Marketable Securities Impairment Expense	177,800	1,934
Financial Assets at Fair Value through Profit or Loss	169,483	-
Financial Assets at Fair Value Through Other	8,317	1,934
Comprehensive Income		
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	228,000	400,000
Total	7,066,803	3,426,062

(*) Free provision balance calculated in 2022 is TL 228,000 (March 31, 2021 TL 400,000)

6. Information on other operating expenses

	Current Period - March 31, 2022	Prior Period - March 31, 2021
Reserve for Employee Termination Benefits	67,616	42,890
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	134,456	114,787
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortization Expenses on Intangible Assets	10,528	10,369
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	931,017	613,610
<i>Leasing expenses related to IFRS 16 exceptions</i>	33,023	18,082
<i>Repair and maintenance expenses</i>	28,841	23,870
<i>Advertisement expenses</i>	60,997	25,606
<i>Other expenses</i>	808,156	546,052
Loss on sale of assets	331	528
Other (*)	539,474	430,344
Total	1,683,422	1,212,528

(*) Other operating expenses amounted TL 539,474 (31 March 2021: TL 430,344); Dividend provision expenses to be paid to staff amounted 111,476 TL (31 March 2021: 88,446 TL), 133,010 TL (31 March 2021: 82,887 TL) taxes, duties, fees and funds, 204,810 TL (31 March 2021: 119,298 TL) SDIF expenses and 90,178 TL (31 March 2021: 139,713 TL) consists of other expenses.

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

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.

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 10 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 9,841,777 (March 31, 2021: None) from the net taxable profit calculated in accordance the laws and regulations in effect.

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

As of March 31, 2022, the Bank's deferred tax income from the occurrence/(Closing) of deductible temporary differences is TL 5,980,148 (March 31, 2021: 586,191)), from the taxable temporary differences(Occurrence)/Closing 1,788,499 TL (March 31, 2021: (838,480)TL) has deferred tax expense.

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 24,801,113 interest income, TL 15,595,373 interest expenses, TL 1,736,323 net fees and commissions income, from ordinary banking transactions (March 31, 2021: TL 14,435,815 interest income, TL 11,755,491 interest expenses, TL 874,355 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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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Current Period	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
Loans and other receivables						
Balance at the beginning of the year	3,978,742	208,949	-	8,344	228,644	22,489
Balance at the end of the year	5,773,839	205,030	-	1,983	225,656	21,956
Interest and commission income	141,774	422	-	-	2,587	43

Prior Period	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
Loans and other receivables						
Balance at the beginning of the year	3,582,369	772,579	-	32,511	63,311	64,767
Balance at the end of the year	3,978,742	208,949	-	8,344	228,644	22,489
Interest and commission income	96,140	422	-	-	3,109	43

Information on deposits held by the Bank’s risk group

Deposits	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
Balance at the beginning of the year	2,729,465	2,682,838	3,908,130	2,237,815	82,435	117,989
Balance at the end of the year	2,881,718	2,729,465	4,144,654	3,908,130	236,791	82,435
Interest on deposits	65,569	68,492	194,332	110,501	819	1,971

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	-	-	-	-	-	-
Balance at the End of the Period	-	161,728	-	-	-	-
Total profit/loss	(38,662)	297	-	-	-	-
Transactions for Hedging Purposes	-	-	-	-	-	-
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total income/loss	-	-	-	-	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

1. 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.

Information on Benefits Provided to Directors

In the accounting period ending on March 31, 2022, a total amount of TL 15,178 was paid to the Bank's top management. (December 31, 2021: 10,336 TL).

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SECTION SIX

OTHER DISCLOSURES

I. OTHER DISCLOSURES ON THE BANK’S ACTIVITY

As per the resolution of 68th Annual General Assembly held on March 25, 2022, the net profit of year 2021 has been decided to be distributed as follows:

	Profit Distribution Table of Year 2021
Bank’s unconsolidated profit in its statutory financial statements	4,175,464
Deferred tax credits	-
Net profit of the year subject to distribution	4,175,464
Legal reserves	417,546
<i>First Legal Reserves</i>	208,773
<i>Reserves allocated according to banking law and articles of association.</i>	208,773
Net profit of the year subject to distribution	3,757,918
Gain on sale of immovable and shares of associates and subsidiaries	188,920
Extraordinary reserves	3,568,998
Dividends to shareholders	-

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

April 2022*	Fitch Ratings
Long Term Foreign Currency	B
Short Term Foreign Currency	B
Foreign Currency Outlook	Negative
Long Term Local Currency	B+
Short Term Local Currency	B
Local Currency Outlook	Negative
National Long Term	AA (tur)
National Outlook	Stable
Support	b-
Support Rating Floor	b

December 2020*	Moody’s Investors Service
Baseline Credit Assessment	caa2
Local Currency Deposit Rating	B2
Local Currency Outlook	Negative
Foreign Currency Deposit Rating	B2
Foreign Currency Outlook	Negative

June 2021*	JCR Eurasia
Long Term International FC	BB
Short Term International FC	B
Long Term International TL	BB
Short Term International TL	B
Long Term NSR	AAA
Short Term NSR	A-1 +
Support Note	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

Between April 15 2022 and April 22 2022, the Bank has issued financial bills with various maturities.

VakıfBank has provided a Dual Currency Term Loan Facility equivalent to USD 1.0 billion in total, comprised of USD 199.5 million and EUR 738.7 million with the participation of 37 international banks from 16 countries. VakıfBank signed the sustainable syndicated loan with the roll over ratio above 100% compared to the same period of the previous year. The all-in cost of 367-days term loan is SOFR + 2.75% for USD tranche and Euribor + 2.10% for Euro tranche.

**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 six-month period ended March 31, 2022 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). It was noted in their audited report dated May 10, 2022 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 Chairman of the Board

Dear stakeholders,

In the first quarter of 2022, agenda of global economy was dominated by the war between Russia and Ukraine, Omicron variant, globally high inflation rates and associated interest rate hikes in some developed countries.

As the tension between Russia, the world’s leading petroleum, natural gas, iron, steel, wheat, corn producer and exporter, with Ukraine, has turned into war, and the subsequent sanctions against Russia, already high energy, commodity and agricultural commodity prices have risen further. World Bank and the IMF have updated their global economy growth prospects reports in April, stating that the pandemics-related risks have not fully abated, and that the war in Ukraine will cause the energy and food prices to remain high for a longer period. Global growth estimates were revised by the World Bank from 4.1 percent to 3.2 percent and by the IMF from 4.4 percent to 3.6.

On 16 March 2022, the FED hiked rates for the first time since 2018, and raising the policy rate to the 0,25-0,50 range. As a result of the meeting on the same date, it was announced that its balance sheet is to be reduced by USD 95 billion per month. FED announced its economic projections, revising its 2022 year-end growth estimate for the US economy from 4 percent to 2.8 percent. European Central Bank (ECB) President Christine Lagarde stated, at the meeting in April, that the growth in Eurozone may halt due to the uncertainties of war, and that the European Central Bank’s meeting in June would be critical for the course of interest rates. On the other hand, Chinese economy, which resumed strict quarantine measures at significant production hubs due to some pandemics cases, grew by 4.8 percent in the first quarter, exceeding the estimates.

The economy in our country has shown the strongest growth in the last 10 years, growing 11 percent in 2021, thanks to the proactive policies applied by the economy government, despite the effect of the variant and geopolitical risks. There were positive developments in several economic indicators in the first quarter of 2022. In February, unemployment fell to 10.7 percent, by 0.5 points compared to the previous month. Exports increased by 19,8 percent in March compared to the same month of the previous year, to 22,7 billion USD, and setting the highest March export figure of all times.

In the first quarter of 2022, Turkish Banking industry maintained its strong capital and robust liquidity structure. assets of the industry increased by 10.23% compared to 2021 year-end, to 10,158 billion TL. As of the end of March, capital adequacy ratio of the industry is 20.38%.

We at VakıfBank continued with our strong and sustainable growth in this period. Our assets grew to TL 1,105 billion , while cash loans, having the greatest share in our total assets, grew by 12.05% to TL 642,825 million . Deposits, our main funding source, rose to TL 684,212 million .

Our Bank will, as always, be by the side of real sector and the households in the periods ahead, and continue to support the sustainable and strong growth of Turkish economy. I would like to take this opportunity to thank to our valuable customers, shareholders, and investors, and our dedicated employees who have great contribution in our success.

Sincerely yours,

Mustafa SAYDAM

Chairman of the Board

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Assessment of the General Manager

Dear stakeholders,

At the beginning of 2022, Omicron variant contagion caused increase in the number of cases. However, the mildness of the disease, improvement in inoculation, and the easing of measures against the pandemics have affected the markets positively. However, the war that outbreak between Russia and Ukraine towards the end of February, and the sanctions against Russia as a result of such war, caused fluctuations in global markets. Change in risk sentiment due to the war caused rapid increases in food and commodity prices. In addition, worldwide increase in energy costs and supply chain disruptions caused increase in inflation expectations. These developments resulted in the highest inflation in recent years, in the US economy and Eurozone economies. This caused the policy makers to take measures and take tightening steps in monetary policies. In this context, the FED increased its policy interest rate by 25 Bps at its March 2022 meeting, for the first time since 2018, and announced that it will shrink its balance sheet in the periods ahead. European Central Bank (ECB) kept the policy interest unchanged at its April meeting, while announcing that they may decide to end the asset purchases, starting from the 3rd quarter.

Turkish economy closed the year 2021 with 11% growth, above expectations. Leading indicators announced in 2022 suggest that our country’s economy will continue to grow strongly in the first quarter of this year. On the other hand, rises in energy and commodity prices, particularly with the effect of Russia-Ukraine war, affected our country’s economy adversely, as in the whole world. However, our country’s economy takes firm steps ahead, thanks to the policies of economy government that supports production, manufacturing and exports.

We at VakıfBank continued with our uninterrupted support to the country’s economy in the first quarter of 2022. In this period, we grew our assets by 9.74% to TL 1,105 billion . With commercial loans increasing by 14.32%, our cash loans rose by 12.05% to TL 642,825 million . Thus, we provided TL 865 billion of support in cash and non-cash loans to the national economy.

In this period, deposits continued to be the main funding source of our Bank. We continued to enrich our deposit products suite with new products that add value to our customers and our country’s economy. In the first quarter of 2022, our Bank’s deposits rose by 15.78% to TL 684,212 million . Even in an environment of global difficulties, we continued to bring funding to our country from abroad, at convenient cost. In the first quarter, in terms of funding excluding deposits, we procured funding of 250 million USD for 1 year, thus affirming the credibility of our Bank and our country’s banking industry in international markets. As always, we will continue to use such funding to finance the projects that support production, export and employment which will have the largest contribution in our country’s economy.

On the other hand, our shareholders’ equity, supported by sustainable profitability, become much stronger with the contribution of capital increase in this period. In the first quarter of 2022, our capital adequacy ratio was 17.50%.

We continued to offer innovative solutions to diversified customer needs. We developed and launched our Vinov product, a brand new financial ecosystem that covers all features of traditional payment and collection products and combines banking experience with digital experience with its new and unique features. Thus, our customers can perform their transactions fast, easily and in a reliable manner, with VakıfBank assurance.

In this period, we continued with our efforts to ensure equality of genders in the community, based on our sustainable banking approach. On 8 March, World Women’s Day, we launched Female Operating Loan, particularly aiming at female entrepreneurs and business owners who are affected by the pandemics. On the other hand, we are attentive to offer equal opportunity to all our employees. In 2022, we maintained our rank in Bloomberg Gender Equality Index, with our efforts in this context, being the only state bank that remains in the index for 3 years in a row.

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At the same time, we met with young people who stand out, to shape the future, at volume three of our “Hack to the Future” event, that has become traditional, with our digital and sustainable banking innovations, in January. At this event, we offered opportunity to young people for broader horizons, while refreshing our own energy.

We at VakıfBank will continue to create value for our stakeholders in every area, as always. I would like to take this opportunity to sincerely thank our valuable customers and shareholders who have trusted us, our employees who have contributed greatly to our successes with their work, our Board of Directors, and all other social stakeholders who always supported us.

Sincerely yours,

Abdi Serdar ÜSTÜNSALIH
General Manager and
Executive Director

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Significant Financial Indicators

BALANCE SHEET (Million TL)	MARCH 2022	DECEMBER 2021	CHANGE (%)
TOTAL ASSETS	1,105,304	1,007,214	9.74
SECURITIES PORTFOLIO	272,150	223,737	21.64
LOANS (*)	642,825	573,700	12.05
- Commercial Loans	513,251	448,953	14.32
- Retail Loans	129,574	124,748	3.87
DEPOSITS	684,212	590,943	15.78
- Term deposits	521,177	445,060	17.10
- Demand deposits	163,035	145,883	11.76
FUNDS BORROWED	94,316	91,431	3.16
SUBORDINATED DEBT INSTRUMENTS	31,035	28,968	7.13
SECURITIES ISSUED (NET)	64,648	61,975	4.31
SHAREHOLDER’S EQUITY	75,251	51,953	44.84
NON-CASH LOANS	222,191	192,139	15.64

INCOME STATEMENT (Million TL)	MARCH 2022	MARCH 2021	CHANGE (%)
Net Profit/ Loss for the Period	3,002	750	300.22

INDICATIVE RATIOS (%)	MARCH 2022	DECEMBER 2021
TOTAL LOANS/ ASSETS (*)	58.16	56.96
LOAN/ DEPOSIT (*)	93.95	97.08
NON-PERFORMING LOANS	2.87	3.09
CAPITAL ADEQUACY RATIO	17.50	14.85
RETURN ON AVERAGE ASSETS (ROAA) (**)	1.14	0.49
RETURN ON AVERAGE EQUITY (ROAE) (**)	18.88	8.48

(*) Excluding non-performing loans.

(**) Calculations are annualized.

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Assessment of 1st Quarter of 2022

Our Bank continued to grow in the first quarter of 2022, increasing its total assets by 9.74% to TL 1,105 billion . In this period, our performing loans increased by 12.05% to TL 642,825 million , with the share of performing loans in total assets being 58.16%. In breakdown of loans, our commercial loans have reached TL 513,251 million , and individual loans reached TL 129,574 million .

In the first quarter of 2022, our Bank has increased its deposits by 15.78% to TL 684,212 million .

In non-deposit funding, our Bank has issued financial bills with a total nominal value of TL 3,754 million in the first quarter of 2022, via domestic public offer and to qualified investors. Funding from abroad has reached 201 million US Dollars in this year.

In March, our Bank has procured new funding for 1 year term, of approximately USD 250 million from foreign countries in 2 different transactions.

In the first quarter of 2022, our Bank has earned net profit of TL 3,002 million for the period. Our Bank’s capital adequacy ratio is 17.50%.

As of 31 March 2022, number of our Bank’s branches has been 937 and employs 16,876 people.

Other Significant Developments

- Results of the Ordinary General Assembly Meeting of our Bank held on 25 March 2022 have been registered by Istanbul Trade Registry Office on 11 April 2022. Information about the meeting is available on <https://www.kap.org.tr/tr/Bildirim/1019193>.
- Shares with 3,205,741,626.794 TL nominal value, issued by our Bank, have been sold to Turkish Sovereign Fund through wholesale transaction at the Stock Exchange equity market on 09.03.2022, using allocated sale method, for a total sale proceeds of 13,400,000,000.-TL at 4.18 TL price per 1 TL nominal value share, and the capital increase processes have been completed. Disclosure on the allocated sale in capital increase in cash is available on <https://www.kap.org.tr/tr/Bildirim/1000737>.
- At our Bank’s 68th Ordinary General Assembly Meeting held on 25 March 2022, it has been resolved with majority of votes, regarding the election of the Members of the Board of Directors, Mr. Mehmet Hüseyin BİLGİN and Mr. Haydar Kemal KURT were appointed as member of the Board of Directors for 3 years.
- At our Bank’s Board of Directors’ Meeting held on 25 March 2022, it has been resolved with unanimous decision, in accordance with the relevant articles of our Bank’s Articles of Association;
 - Mr. Mustafa SAYDAM was appointed as Chairman of the Board,
 - Mr. Cemil Ragıp ERTEM was appointed as the Vice Chairman of the Board,
 - Mr. Abdi Serdar ÜSTÜNSALİH was appointed as the General Manager.

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- At our Bank's Board of Directors' Meeting held on 25 March 2022, it has been resolved with unanimous decision, in accordance with the relevant articles of our Bank's Articles of Association;
 - Mr. Abdülkadir AKSU and Mr. Sadık YAKUT were appointed to the Audit Committee,
 - Mr. Abdi Serdar ÜSTÜNSALİH was appointed to the Credit Committee as natural member, and Mr. Mustafa SAYDAM and Mr. Şahin UĞUR were appointed as the primary member, and Mr. Adnan ERTEM and Mr. Cemil Ragıp ERTEM were appointed as the alternate member,
 - Mr. Abdülkadir AKSU, Mr. Adnan ERTEM, and Mr. Sadık YAKUT were appointed to the Corporate Governance Committee and in accordance with Article 11 of Corporate Governance Communiqué Mr. Ali TAHAN, the Head of International Banking and Investor Relations, and Mr. Korhan TURGUT Head of General Accounting and Financial Affairs, were appointed as members of the Corporate Governance Committee.
 - Mr. Adnan ERTEM and Mr. Şahin UĞUR were appointed as members of the Remuneration Committee.
- The International rating agency Fitch Ratings has, on 1 April 2022, affirmed our Bank's long term foreign currency rating as "B" and long term local currency rating as "B+". Outlooks have been maintained as "Negative".

Fitch Ratings has also revised our Bank's Financial Capacity Rating from "b+" to "b", and removed the expression of Negative Rating Risk.

Amendment on the Articles of Association

Article 6 "Capital" of our Articles of Association has been amended, and such amendment has been registered on 21.03.2022 and Turkish Trade Registry Journal dated 24.03.2022. Our Bank's Articles of Association is available on <https://www.kap.org.tr/tr/Bildirim/1012721>.