

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT DECEMBER 31, 2021
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

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



Building a better
working world

Güney Bağımsız Denetim ve SMMM A. Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27 K: 2-3-4
34485 Sarıyer/İstanbul TÜRKİYE

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı

Audit of Unconsolidated Financial Statements

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Vakıflar Bankası T.A.O. (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 2021, and the unconsolidated statement of profit or loss, unconsolidated profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Türkiye Vakıflar Bankası T.A.O. as at December 31, 2021 and financial performance and unconsolidated its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with "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), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of "Turkish Financial Reporting Standards" (TFRS) for the matters which are not regulated by these regulations.

Basis for Qualified Opinion

As explained in Section Five Part II.7, the accompanying unconsolidated financial statements as at December 31, 2021 include a free provision at an amount of TL 1,772,000 thousands of out of which TL 1,072,000 thousands was provided in prior years and TL 700,000 thousands was 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".



Building a better
working world

Our audit was conducted in accordance with “Regulation on independent audit of the Banks” published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards (“ISA”) which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The unconsolidated financial statements of the Bank as at 31 December 2020 which was prepared in accordance with “BRSA Accounting Financial Reporting Legislation” was audited by another audit firm. Audit firm expressed a qualified opinion in their report issued on February 9, 2021 since the unconsolidated financial statements which included in their reports dated February 9, 2021 include a free provision at an amount of TL 1,072,000 thousands out of which TL 852,000 thousands was provided in prior years and TL 220,000 thousands was provided within 2020 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.



Building a better
working world

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial Impact of TFRS 9 "Financial Instruments" standard and recognition of classification, measurement and impairment on financial assets and related important disclosures</i></p>	
<p>As presented in Section III disclosure VIII, the Bank recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since:</p> <ul style="list-style-type: none"> - Amount of on and off balance sheet items that are subject to expected credit loss calculation is material to the financial statements. - There are complex and comprehensive requirements of TFRS 9. - The classification of the financial assets is based on the Bank's business model and characteristics of the contractual cash flows in accordance with TFRS 9 and the Bank uses significant judgment on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments. - Policies implemented by the Bank management include compliance risk to the regulations and other practices. - Processes of TFRS 9 are advanced and complex. - Judgements and estimates used in expected credit loss, complex and comprehensive. - Disclosure requirements of TFRS 9 are comprehensive and complex. 	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none"> - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Bank's past experience, local and global practices. - Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists. - Evaluating the reasonableness and appropriateness of management's key estimates and judgements in expected credit loss calculations including the responses to COVID-19, through selection of methods, models, assumptions and data sources. - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Bank's Business model. - Reviewing the Bank's classification and measurement models of the financial instruments and comparing with TFRS 9 requirements - Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Bank's past performance, regulations, and other processes that has forward looking estimations. - Assessing the completeness and the accuracy of the data used for expected credit loss calculation. - Testing the mathematical accuracy of expected credit loss calculation on sample basis. - Evaluating the judgments and estimates used for the individually assessed financial assets. - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process - Auditing of TFRS 9 disclosures.



Building a better
working world

Pension Fund Obligations	
<p>Employees of the Bank are members of Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı, ("the Fund"), which is established in accordance with the temporary Article 20 of the Social Security Act No. 506 and related regulations. The Fund is a separate legal entity and foundation recognized by an official decree, providing all qualified employees with pension and post-retirement benefits. As disclosed in the "Section Three Note XVI to the financial statements, Banks will transfer their pension fund to the Social Security Institution and the authority of the "Council of Ministers" on the determination of the mentioned transfer date is changed as "President" in the Decree Law No. 703 published in the Official Gazette numbered 30473 and dated July 9, 2018.</p> <p>The valuation of the Pension Fund liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, demographic assumptions, inflation rate estimates and the impact of any changes in individual pension plans. The Bank Management uses Fund actuaries to assist in assessing these assumptions.</p> <p>Considering the subjectivity of key assumptions and estimate used in the calculations of transferrable liabilities and the effects of the potential changes in the estimates used together with the uncertainty around the transfer date and given the fact that technical interest rate is prescribed under the law, we considered this to be a key audit matter.</p>	<p>It has been addressed whether there have been any significant changes in regulations governing pension liabilities, employee benefits plans during the period, that could lead to adjust the valuation of employee benefits. Support from actuarial auditor of our firm, has been taken to assess the appropriateness of the actuarial assumptions and calculations performed by the external actuary.</p> <p>Furthermore; the accuracy and adequacy of the footnotes in the unconsolidated financial statements of the Bank have been evaluated.</p>



Building a better
working world

Responsibilities of Management and Directors for the Unconsolidated Financial Statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**Building a better
working world**

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Building a better
working world

Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 - December 31, 2021 are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Damla Harman.

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.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Damla Harman, SMMM
Partner

February 14, 2022
Istanbul, Turkey

**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 YEAR ENDED DECEMBER 31, 2021**

Address : Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi
No: 7/A-B 34768 Ümraniye/İSTANBUL
Telephone : 0216 724 10 00
Fax : 0216 724 39 09
Electronic web site : www.vakifbank.com.tr
Electronic mail address : mevzuat@vakifbank.com.tr

The unconsolidated financial report as at and for the year ended December 31, 2021, 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 FINANCIAL STATEMENTS
- DISCLOSURES ON ACCOUNTING POLICIES APPLIED IN THE PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITORS’ REPORT

The accompanying unconsolidated financial statements for the year 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.

February 14,2022

Mustafa SAYDAM
Chairman of the Board

Serdar TUNÇBİLEK
Board and Audit
Committee Member

Dilek YÜKSEL
Board and Audit
Committee Member

Abdi Serdar ÜSTÜNSALİH
General Manager and
Board Member

Şuayyip İLBİLGİ
Assistant General Manager

Korhan TURGUT
Director of Accounting and
Financial Affairs

The authorized contact person for questions on this financial report:

Name-Surname/Title : Burcu SÜTCÜ AKDAĞ / Manager	Name-Surname/Title : İrem COŞKUN / Asst. Manager
Phone no : 0 216 724 31 35	Phone no : 0 216 724 31 40
Fax no : 0 216 724 49 55	Fax no : 0 216 724 49 55

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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

		Page No:
<u>SECTION ONE</u>		
General Information		
I.	History of the Bank including its incorporation date, initial legal status, amendments to legal status	1
II.	The Bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on Bank’s risk group	1
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	2
IV.	Information on the Bank’s qualified shareholders	3
V.	Information about the services and nature of activities of the Bank	3
VI.	Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between Bank and its subsidiaries	3
<u>SECTION TWO</u>		
Unconsolidated Financial Statements		
I.	Balance sheet - Assets	5
II.	Balance sheet - Liabilities and equity	6
III.	Off-balance sheet items	7
IV.	Statement of income	8
V.	Statement of profit and loss items accounted under shareholders’ equity	9
VI.	Statement of changes in equity	9
VII.	Statement of cash flows	12
<u>SECTION THREE</u>		
Accounting Policies		
I.	Basis of presentation	13
II.	Strategy for the use of financial instruments and information on foreign currency transactions	13-14
III.	Information on associates and subsidiaries	14
IV.	Information on forwards, options and other derivative transactions	14
V.	Information on interest income and expenses	15
VI.	Information on fees and commissions	15
VII.	Information on financial assets	15-17
VIII.	Information on offsetting of financial instruments	17
IX.	Information on sales and repurchase agreements and securities lending	18
X.	Information on assets held for sale and discontinued operations and related liabilities	18
XI.	Information on goodwill and other intangible assets	18
XII.	Information on tangible assets	18
XIII.	Information on leasing activities	19
XIV.	Information on provisions, contingent liabilities and assets	19-20
XV.	Information on obligations of the Bank concerning employee rights	20
XVI.	Information on taxation	20-22
XVII.	Information on cash and cash equivalents	22-24
XVIII.	Additional information on borrowings	24
XIX.	Information on issuance of equity securities	24
XX.	Information on confirmed bills of exchange and acceptances	24
XXI.	Information on government incentives	25
XXII.	Information on segment reporting	25
XXIII.	Information on Other matters	25
<u>SECTION FOUR</u>		
Information Related To Financial Position and Risk Management		
I.	Information on equity Items	26-32
II.	Foreign currency exchange risk	32-34
III.	Interest rate risk	35-36
IV.	Stock position risk	37-38
V.	Liquidity risk and liquidity coverage ratio	39-43
VI.	Leverage ratio	44
VII.	Segment reporting	44-46
VIII.	Information on risk management	47-52
<u>SECTION FIVE</u>		
Disclosures and Footnotes on Unconsolidated Financial Statements		
I.	Information and disclosures related to assets	53-68
II.	Information and disclosures related to liabilities	69-75
III.	Information and disclosures related to off-balance sheet items	76-78
IV.	Information and disclosures related to the statement of income	78-82
V.	Information and disclosures related to the Bank’s risk group	78-82
<u>SECTION SIX</u>		
Other Disclosures		
I.	Other disclosures on the Bank’s activity	85
II.	Information on the Bank’s rating given by international credit rating institutions	85
III.	Significant events and matters subsequent to balance sheet date that are not resulted	86
IV.	Significant foreign currency exchange rate fluctuations that are subsequent to reporting date	86
<u>SECTION SEVEN</u>		
Independent Auditors’ Report		
I.	Information on Independent auditors’ report	86
II.	Explanations and footnotes prepared by the independent auditors	86

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021**

(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 December 31, 2021 and December 31, 2020, the Bank’s paid-in capital is TL 3,905,622 divided into 390,562,248,996 shares with each has a nominal value of Kr 1.

The Bank’s shareholders structure as at December 31, 2021 and December 31, 2020 are as stated below:

	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Shareholders - September 30, 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

	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Shareholders - December 31, 2020			
Türkiye Varlık Fonu (D Grubu)	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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021**

(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.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021**

(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	27 years
Dr.Cemil Ragıp ERTEM	Deputy Chairman	June 12, 2020	PhD	23 years
Abdi Serdar ÜSTÜNSALİH	Member – General Manager	May 27, 2019	Master’s	30 years
Dr.Adnan ERTEM	Member	October 28, 2010	PhD	33 years
Dilek YÜKSEL	Member	29 March, 2016	Bachelor’s	11 years
Şahin UĞUR	Member	June 9, 2017	Bachelor’s	35 years
Serdar TUNÇBİLEK	Member	June 9, 2017	Bachelor’s	35 years
Abdülkadir AKSU	Member	May 27, 2019	Bachelor’s	2 years
Sadık YAKUT	Member	May 27, 2019	Bachelor’s	2 years
<u>Audit Committee</u>				
Serdar TUNÇBİLEK	Member	June 15, 2017	Bachelor’s	35 years
Dilek YÜKSEL	Member	June 12, 2020	Bachelor’s	11 years
<u>Auditor</u>				
Hasan TÜRE	Auditor	June 9, 2017	Bachelor’s	37 years
Mehmet Emin BAYSA	Auditor	June 12, 2020	Master’s	2 years
<u>Assistant General Managers</u>				
Metin Recep ZAFER	R&D and Business Intelligence Application Development, Basic Banking Application Development, Channel Management and Payment Systems App. Development, System Management, IT System and Application Support, IT Planning and Coordination, Treasury Operations, Foreign Operations, Banking Operations, Credit, Customer and Account Operations	June 13, 2006	PhD	26 years
Muhammet Lütfü ÇELEBİ	Human Resources, Corporate Development and Academy	October 23, 2013	Bachelor’s	26 years
Şuayyip İLBİLGİ	Accounting and Financial Affairs, Strategy and Planning, Subsidiaries and Affiliates	August 1, 2017	Bachelor’s	25 years
Mikail HIDIR	Credit Risk Liquidation, Legal Affairs	December 26, 2018	Bachelor’s	18 years
Hazım AKYOL	Corporate Banking Marketing, Commercial Banking Marketing, Corporate Branches Cash Management Product Development and Foreign Trade Marketing, Corporate Branches	May 31, 2019	Bachelor’s	28 years
Alaattin ŞİMŞEK	Evaluation and Rating Credit Risk Planning and Monitoring	May 31, 2019	Bachelor’s	26 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	Corporate Loans Allocation Management Retail and SME Loans Allocation Management Commercial Loans Allocation Management 1-2 Featured Loans Management	July 8, 2020	Bachelor’s	26 years
Kadir KARATAŞ	Support Services	August 13, 2020	Bachelor’s	25 years
Mustafa TURAN	Individual, Deposit Marketing and Payment Systems	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.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021**

(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 67th Ordinary General Assembly Meeting held on March 26, 2021; Abdülkadir AKSU to continue his duty as an independent member of the Board of Directors; It was decided by majority of votes that Mustafa SAYDAM be elected for 3 years to take the place of Hamza YERLIKAYA.

At the Board of Directors Meeting held on 26 March 2021, 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.

Mr. Mustafa TURAN was appointed as Assistant General Manager, by the decision of the Bank's Board of Directors dated December 22, 2021.

IV. INFORMATION ON THE BANK'S QUALIFIED SHAREHOLDERS

Current 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	-

Prior Period - December 31, 2020

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	-

As of December 31, 2021 and December 31, 2020 shareholder holding control over the Bank is the Republic of Turkey Ministry of Treasury and Finance having 37.45% of the Bank's outstanding shares. Other organizations that are qualified shareholders are Turkey Wealth Fund, with 35.99% share and Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı, with 10.31% share.

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 May 20, 2020, 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
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021**

(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 December 31, 2021, the Bank has 936 domestic, 4 foreign, in total 940 branches (December 31, 2020: 933 domestic, 3 foreign, in total 936 branches). As at December 31, 2021, the Bank has 16,929 employees (December 31, 2020: 16,748 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 DECEMBER 31, 2021**

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

ASSETS	Notes	Current Period December 31, 2021			Prior Period December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		101,014,790	242,702,869	343,717,659	53,167,158	139,285,845	192,453,003
1.1 Cash and cash equivalents	V-I-1	30,466,068	141,889,415	172,355,483	14,847,059	81,111,670	95,958,729
1.1.1 Cash and balances at Central Bank	V-I-1	29,359,910	114,789,077	144,148,987	14,662,009	78,526,777	93,188,786
1.1.2 Banks	V-I-3	1,120,400	20,185,938	21,306,338	26	2,584,893	2,584,919
1.1.3 Receivables from Money Markets		-	6,914,400	6,914,400	187,753	-	187,753
1.1.4 Allowance for expected credit losses (-)		14,242	-	14,242	2,729	-	2,729
1.2 Financial assets at fair value through profit or loss	V-I-2	177,289	16,226,214	16,403,503	169,893	7,161,038	7,330,931
1.2.1 Public debt securities		-	15,939,741	15,939,741	-	7,000,000	7,000,000
1.2.2 Equity instruments		169,483	286,473	455,956	169,482	161,038	330,520
1.2.3 Other financial assets		7,806	-	7,806	411	-	411
Financial assets at fair value through other comprehensive income	V-I-4	50,957,221	82,514,082	133,471,303	31,011,998	49,420,202	80,432,200
1.3.1 Public debt securities		50,435,798	82,233,247	132,669,045	30,422,704	49,416,174	79,838,878
1.3.2 Equity instruments		-	7,246	7,246	-	4,028	4,028
1.3.3 Other financial assets		521,423	273,589	795,012	589,294	-	589,294
1.4 Derivative financial assets	V-I-2	19,414,212	2,073,158	21,487,370	7,138,208	1,592,935	8,731,143
1.4.1 Derivative financial assets at fair value through profit or loss		19,414,212	2,073,158	21,487,370	7,138,208	1,592,935	8,731,143
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. AMORTISED COST		402,569,743	237,367,487	639,937,230	340,947,234	135,693,100	476,640,334
2.1 Loans	V-I-5	380,005,846	212,004,025	592,009,871	318,277,715	121,209,701	439,487,416
2.2 Receivables from leasing transactions	V-I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Financial assets measured at amortised cost	V-I-6	48,417,140	25,444,843	73,861,983	44,218,605	14,528,647	58,747,252
2.4.1 Public debt securities		48,358,190	25,176,782	73,534,972	44,159,655	14,342,399	58,502,054
2.4.2 Other financial assets		58,950	268,061	327,011	58,950	186,248	245,198
2.5 Allowance for expected credit losses (-)		25,853,243	81,381	25,934,624	21,549,086	45,248	21,594,334
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	V-I-16	755,033	-	755,033	1,256,254	-	1,256,254
3.1 Held for sale purpose		755,033	-	755,033	1,256,254	-	1,256,254
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		5,328,755	1,369,078	6,697,833	4,110,226	935,314	5,045,540
4.1 Investments in associates (Net)	V-I-7	2,047,712	-	2,047,712	1,394,406	-	1,394,406
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		2,047,712	-	2,047,712	1,394,406	-	1,394,406
4.2 Investments in subsidiaries (Net)	V-I-8	3,281,043	1,369,078	4,650,121	2,715,820	935,314	3,651,134
4.2.1 Non-consolidated financial subsidiaries		2,772,557	1,369,078	4,141,635	2,337,548	935,314	3,272,862
4.2.2 Non-consolidated non-financial subsidiaries		508,486	-	508,486	378,272	-	378,272
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)	V-I-12	4,838,056	28,796	4,866,852	4,812,482	13,120	4,825,602
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	V-I-13	276,221	-	276,221	255,263	-	255,263
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		276,221	-	276,221	255,263	-	255,263
VII. INVESTMENT PROPERTIES (Net)	V-I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	V-I-15	-	-	-	1,125,282	-	1,125,282
X. OTHER ASSETS	V-I-17	7,964,715	2,998,154	10,962,869	6,740,911	10,554,929	17,295,840
TOTAL ASSETS		522,747,313	484,466,384	1,007,213,697	412,414,810	286,482,308	698,897,118

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 DECEMBER 31, 2021**

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

LIABILITIES AND EQUITY	Notes	Current Period December 31, 2021			Prior Period December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	255,395,817	335,547,570	590,943,387	215,145,544	198,897,999	414,043,543
II. BORROWINGS	V-II-3	1,060,376	90,370,154	91,430,530	796,230	46,190,568	46,986,798
III. MONEY MARKET FUNDS		123,441,143	20,439,641	143,880,784	79,728,673	19,322,791	99,051,464
IV. MARKETABLE SECURITIES (Net)	V-II-3	10,566,317	51,408,580	61,974,897	10,451,852	35,061,115	45,512,967
4.1 Bills		5,264,846	871,154	6,136,000	5,150,249	2,188,163	7,338,412
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		5,301,471	50,537,426	55,838,897	5,301,603	32,872,952	38,174,555
V. FUNDS		3,005	-	3,005	3,053	-	3,053
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,005	-	3,005	3,053	-	3,053
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	1,609,212	3,881,066	5,490,278	4,063,184	2,022,130	6,085,314
7.1 Derivative financial liabilities at fair value through profit or loss		1,609,212	3,881,066	5,490,278	4,063,184	2,022,130	6,085,314
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	V-II-5	949,708	4,204	953,912	974,793	-	974,793
X. PROVISIONS	V-II-7	3,832,161	17,687	3,849,848	2,960,665	11,742	2,972,407
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		1,751,607	-	1,751,607	1,540,264	-	1,540,264
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		2,080,554	17,687	2,098,241	1,420,401	11,742	1,432,143
XI. CURRENT TAX LIABILITIES	V-II-8	933,094	10,846	943,940	898,173	4,329	902,502
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	6,404,751	22,563,676	28,968,427	6,401,461	13,057,337	19,458,798
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		6,404,751	22,563,676	28,968,427	6,401,461	13,057,337	19,458,798
XV. OTHER LIABILITIES	V-II-4	19,825,574	6,949,997	26,775,571	12,681,408	3,739,413	16,420,821
XVI. SHAREHOLDERS' EQUITY	V-II-11	51,370,487	582,253	51,952,740	45,541,699	942,959	46,484,658
16.1 Paid-in capital	V-II-11	3,905,622	-	3,905,622	3,905,622	-	3,905,622
16.2 Capital reserves		6,658,909	410,596	7,069,505	6,552,489	246,990	6,799,479
16.2.1 Equity share premiums		6,303,277	-	6,303,277	6,303,277	-	6,303,277
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		355,632	410,596	766,228	249,212	246,990	496,202
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		3,617,240	(182,919)	3,434,321	3,188,339	(4,066)	3,184,273
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		1,347,205	354,576	1,701,781	229,202	700,035	929,237
16.5 Profit reserves		31,666,047	-	31,666,047	25,754,720	-	25,754,720
16.5.1 Legal reserves		3,410,783	-	3,410,783	2,742,381	-	2,742,381
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		25,635,005	-	25,635,005	21,210,213	-	21,210,213
16.5.4 Other profit reserves		2,620,259	-	2,620,259	1,802,126	-	1,802,126
16.6 Profit or loss		4,175,464	-	4,175,464	5,911,327	-	5,911,327
16.6.1 Prior years' profits or losses		-	-	-	900,871	-	900,871
16.6.2 Current period net profit or loss		4,175,464	-	4,175,464	5,010,456	-	5,010,456
16.7 Minority interests		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		475,391,645	531,822,052	1,007,213,697	379,646,735	319,250,383	698,897,118

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 YEAR ENDED PERIOD
ENDED DECEMBER 31, 2021**

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

	Notes	Current Period January 1, 2021- December 31, 2021	Prior Period January 1, 2020- December 31, 2020
I. INTEREST INCOME	V-IV-1	72,200,597	47,263,551
1.1 Interest on loans	V-IV-1	52,534,154	36,731,110
1.2 Interest received from reserve deposits		906,502	151,349
1.3 Interest received from banks	V-IV-1	20,146	42,653
1.4 Interest received from money market transactions		1,719	1,412
1.5 Interest received from marketable securities portfolio	V-IV-1	18,731,885	10,328,692
1.5.1 Financial assets at fair value through profit or loss		217,454	90,514
1.5.2 Financial assets at fair value through other comprehensive income		9,244,093	4,346,248
1.5.3 Financial assets measured at amortised cost		9,270,338	5,891,930
1.6 Finance lease interest income		-	-
1.7 Other interest income		6,191	8,335
II. INTEREST EXPENSES	V-IV-2	52,657,216	27,376,148
2.1 Interest on deposits	V-IV-2	31,150,596	16,506,836
2.2 Interest on funds borrowed	V-IV-2	1,563,941	1,294,251
2.3 Interest on money market transactions		13,515,049	4,534,706
2.4 Interest on securities issued	V-IV-2	6,172,494	4,580,755
2.5 Leasing interest income		149,554	136,597
2.6 Other interest expenses		105,582	323,003
III. NET INTEREST INCOME/EXPENSE (I - II)		19,543,381	19,887,403
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		4,501,363	3,395,062
4.1 Fees and commissions received		5,950,074	4,230,713
4.1.1 Non-cash loans		997,292	771,180
4.1.2 Other		4,952,782	3,459,533
4.2 Fees and commissions paid		1,448,711	835,651
4.2.1 Non-cash loans		257	465
4.2.2 Other		1,448,454	835,186
V. DIVIDEND INCOME	V-IV-3	120,849	167,839
VI. TRADING PROFIT/LOSS (Net)	V-IV-4	(4,749,785)	(2,550,724)
6.1 Profit/losses from capital market transactions	V-IV-4	748,692	1,604,919
6.2 Profit/losses from derivative financial transactions	V-IV-4	(6,708,567)	(1,551,158)
6.3 Foreign exchange profit/losses	V-IV-4	1,210,090	(2,604,485)
VII. OTHER OPERATING INCOME	V-IV-5	7,947,393	5,382,333
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		27,363,201	26,281,913
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-6	11,849,562	11,513,884
X. OTHER PROVISION EXPENSES (-)	V-IV-6	709,529	255,734
XI. PERSONNEL EXPENSES (-)		3,999,201	3,334,128
XII. OTHER OPERATING EXPENSES (-)	V-IV-7	5,509,188	4,738,894
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		5,295,721	6,439,273
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-8	5,295,721	6,439,273
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-9	(1,120,257)	(1,428,817)
18.1 Current tax provision	V-IV-11	(166,899)	(1,899,145)
18.2 Expense effect of deferred tax (+)	V-IV-11	(5,881,581)	(1,919,239)
18.3 Income effect of deferred tax (-)	V-IV-11	4,928,223	2,389,567
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	V-IV-10	4,175,464	5,010,456
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from assets held for sale		-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3 Other income from discontinued operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses on assets held for sale		-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3 Other expenses from discontinued operations		-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1 Current tax provision		-	-
23.2 Expense effect of deferred tax (+)		-	-
23.3 Income effect of deferred tax (-)		-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV. NET PROFIT/LOSSES (XIX+XXIV)	V-IV-12	4,175,464	5,010,456
25.1 Equity holders of the Bank		-	-
25.2 Non-controlling interest (-)		-	-
Profit/Loss per 100 shares (full TL)	III-XXIV	1.0691	1.5408

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 YEAR ENDED DECEMBER 31, 2021**

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period January 1, 2021 December 31, 2021	Prior Period January 1, 2020 December 31, 2020
I.	PROFIT (LOSS)	4,175,464	5,010,456
II.	OTHER COMPREHENSIVE INCOME	1,022,592	455,570
2.1.	Other comprehensive income that will not be reclassified to profit or loss	250,048	396,360
2.1.1.	Gains (Losses) on Revaluation of Property, Plant and Equipment	(3,329)	216,662
2.1.2.	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3.	Gains (losses) on remeasurements of defined benefit plans	(63,370)	(92,563)
2.1.4.	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	319,513	346,758
2.1.5.	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(2,766)	(74,497)
2.2.	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	772,544	59,210
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	963,065	71,371
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	(190,521)	(12,161)
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	5,198,056	5,466,026

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 YEAR ENDED DECEMBER 31, 2021**

(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 (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity		
		Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4				5	6
Current Period December 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	-	-	-	-	(2,996)	(50,696)	303,740	-	772,544	-	-	-	4,175,464	5,198,056
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	-	-	-	270,026	-	-	-	-	-	-	818,133	(818,133)	-	270,026
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	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	-	4,175,464	51,952,740

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 YEAR ENDED DECEMBER 31, 2021**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Income (Loss))	Current Period Net Income (Loss)	Total Shareholders' Equity
Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6					
Prior Period December 31, 2020															
I. Prior Period End Balance	2,500,000	723,918	-	389,695	653,324	(106,165)	2,240,754	80,727	789,300	-	22,952,429	2,802,291	-	33,026,273	
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1. Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2. Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Beginning Balance (I+II)	2,500,000	723,918	-	389,695	653,324	(106,165)	2,240,754	80,727	789,300	-	22,952,429	2,802,291	-	33,026,273	
IV. Total Comprehensive Income	-	-	-	-	194,996	(74,050)	275,414	-	59,210	-	-	-	5,010,456	5,466,026	
V. Capital Increase by Cash	1,405,622	5,579,359	-	-	-	-	-	-	-	-	-	-	-	6,984,981	
VI. Capital Increase by Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IV. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease by Other Changes	-	-	-	106,507	-	-	-	-	-	-	72,815	828,056	-	1,007,378	
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	2,729,476	(2,729,476)	-	-	
11.1. Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2. Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	2,729,476	(2,729,476)	-	-	
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ending Balance (I+II+...X+XI)	3,905,622	6,303,277	-	496,202	848,320	(180,215)	2,516,168	80,727	848,510	-	25,754,720	900,871	5,010,456	46,484,658	

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 YEAR ENDED DECEMBER 31, 2021**

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

	Notes	Current Period December 31, 2021	Prior Period December 31, 2020
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		6,537,172	5,586,957
1.1.1 Interests received		68,207,648	39,185,363
1.1.2 Interests paid		(52,073,287)	(27,364,820)
1.1.3 Dividends received		120,849	167,839
1.1.4 Fee and commissions received		6,376,719	4,876,183
1.1.5 Other income		241,676	1,222,961
1.1.6 Collections from previously written-off loans and other receivables		3,538,614	4,581,483
1.1.7 Cash payments to personnel and service suppliers		(4,374,709)	(3,629,655)
1.1.8 Taxes paid		(2,740,855)	(2,368,133)
1.1.9 Other	V-VI-1	(12,759,483)	(11,084,264)
1.2 Changes in operating assets and liabilities		20,412,187	59,184,638
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(8,947,136)	(4,982,818)
1.2.2 Net increase (decrease) in due from banks		(32,816,068)	(28,590,543)
1.2.3 Net increase (decrease) in loans		(69,751,741)	(143,828,933)
1.2.4 Net increase (decrease) in other assets		9,420,066	(8,789,654)
1.2.5 Net increase (decrease) in bank deposits		10,178,958	12,482,729
1.2.6 Net increase (decrease) in other deposits		46,691,098	150,008,964
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		10,902,662	5,968,459
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	V-VI-1	54,734,348	76,916,434
I. Net cash flow provided from banking operations		26,949,359	64,771,595
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(14,020,388)	(62,790,792)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(526,846)	(294,474)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures	V-VI-3	-	700
2.3 Cash paid for the purchase of tangible and intangible asset		(2,450,049)	(2,805,046)
2.4 Cash obtained from the sale of tangible and intangible asset		2,064,464	1,081,779
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(45,451,465)	(77,707,223)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		30,833,769	22,252,495
2.7 Cash paid for the purchase of financial assets at amortized cost		(1,418,048)	(10,980,105)
2.8 Cash obtained from sale of financial assets at amortized cost		2,975,048	5,718,504
2.9 Other	V-VI-1	(47,261)	(57,422)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		24,734,599	23,284,857
3.1 Cash obtained from funds borrowed and securities issued		39,559,480	35,730,459
3.2 Cash outflow from funds borrowed and securities issued		(14,434,610)	(19,071,449)
3.3 Equity instruments issued		-	7,000,000
3.4 Dividends paid		-	-
3.5 Payments for finance lease liabilities		(390,271)	(374,153)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	V-VI-1	5,926,375	20,761
V. Net increase/decrease in cash and cash equivalents		43,589,945	25,286,421
VI. Cash and cash equivalents at beginning of the period	V-VI-4	55,051,595	29,765,174
VII. Cash and cash equivalents at end of the period	V-VI-4	98,641,540	55,051,595

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 PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

	Notes	Current Period December 31, 2021	Prior Period December 31, 2020
I. DISTRIBUTION OF CURRENT YEAR PROFIT			
1.1 CURRENT YEAR'S PROFIT		5,295,721	6,439,273
1.2 TAXES AND LEGAL DUTIES PAYABLE		(1,120,257)	(1,428,817)
1.2.1 Corporate tax (income tax)	V-IV-11	(166,899)	(1,899,145)
1.2.2 Withholding tax		-	-
1.2.3 Other taxes and duties ^(*)	V-IV-11	(953,358)	470,328
A. NET PROFIT FOR THE YEAR		4,175,464	5,010,456
1.3 DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES	V-IV-11	-	-
B. NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME		-	-
1.4 ACCUMULATED LOSSES		-	-
1.5 FIRST LEGAL RESERVES	V-V-5	-	250,523
1.6 OTHER STATUTORY RESERVES	V-V-5	-	250,523
C. NET PROFIT AVAILABLE FOR DISTRIBUTION^(**)		-	4,509,410
1.7 FIRST DIVIDEND TO SHAREHOLDERS		-	-
1.7.1 To owners of ordinary shares		-	-
1.7.2 To owners of privileged shares		-	-
1.7.3 To owners of redeemed shares		-	-
1.7.4 To profit sharing bonds		-	-
1.7.5 To holders of profit and loss sharing certificates		-	-
1.8 DIVIDENDS TO PERSONNEL		-	-
1.9 DIVIDENDS TO BOARD OF DIRECTORS		-	-
1.10 SECOND DIVIDEND TO SHAREHOLDERS		-	-
1.10.1 To owners of ordinary shares		-	-
1.10.2 To owners of privileged shares		-	-
1.10.3 To owners of redeemed shares		-	-
1.10.4 To profit sharing bonds		-	-
1.10.5 To holders of profit and loss sharing certificates		-	-
1.11 SECOND LEGAL RESERVES		-	-
1.12 STATUS RESERVES		-	-
1.13 EXTRAORDINARY RESERVES	V-V-5	-	4,345,995
1.14 OTHER RESERVES		-	163,415
1.15 SPECIAL FUNDS	V-V-5	-	-
II. DISTRIBUTION FROM RESERVES		-	-
2.1 DISTRIBUTION OF RESERVES		-	-
2.2 SECOND LEGAL RESERVES		-	-
2.3 DIVIDENDS TO SHAREHOLDERS		-	-
2.3.1 To owners of ordinary shares		-	-
2.3.2 To owners of privileged shares		-	-
2.3.3 To owners of redeemed shares		-	-
2.3.4 To profit sharing bonds		-	-
2.3.5 To holders of profit and loss sharing certificates		-	-
2.4 DIVIDENDS TO PERSONNEL		-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS		-	-
III. EARNINGS PER SHARE		-	-
3.1 TO OWNERS OF ORDINARY SHARES (Earning per 100 shares)		1.0691	1.5408
3.2 TO OWNERS OF ORDINARY SHARES (%)		106.91	154.08
3.3 TO OWNERS OF PRIVILEGED SHARES		-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1 TO OWNERS OF ORDINARY SHARES		-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)		-	-
4.3 TO OWNERS OF PRIVILEGED SHARES		-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)		-	-

^(*) The amount shown in other taxes and legal liabilities is deferred income/expense tax, and deferred tax income is not subject to profit distribution.

^(**) As of the report date, distributable net profit of the period is not shown as any decision regarding the 2021 profit distribution is not taken.

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 YEAR ENDED DECEMBER 31, 2021**

(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, communiqués, 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, 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 December 31, 2021, 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. As of 31 December 2021, the Bank has no hedging transactions based on the benchmark interest rate.

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 December 31, 2021.

In the statement declared by the Public Oversight, Accounting and Auditing Standards Authority on January 20, 2022, since the cumulative change in the overall purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, in the financial statements for 2021, TAS 29 Financial Reporting Standard in Hyperinflationary Economies.it is indicated that no adjustments are required.

In this respect, no inflation adjustment was made in accordance with TAS 29 while preparing the unconsolidated financial statements as of 31 December 2021.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

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.

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

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

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 December 31, 2021, the foreign exchange income presented in the income statement is 458,639 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 December 31, 2021, it was identified that the evaluations that were made about the process to protect from the fair value risk were effective. Efficiency testing, which is consistent with the Bank's risk strategies, is conducted using the "Dollar off-set method" in the protection from risk process. According to this method, hedging compares the change in value of protection subject from risk with the change in value of protection tool from risk and calculates the relation with the effectiveness ratio of the hedge. The calculated effectiveness ratio is being evaluated within the TAS 39 Financial Instruments: Recognition and Measurement standards and hedge accounting principles are being applied. The bank documents the hedging strategies along with risk management goals. Hedge accounting ends when protection subject from risk ends or being sold or effectiveness test results are not effective anymore.

III. INFORMATION OF ASSOCIATES AND SUBSIDIARIES

Subsidiaries and associates are recognized at fair value in the unconsolidated financial statements, under the standard of, TFRS 9, "Financial Instruments: Turkey Financial Reporting Standards" and in accordance with IAS 27 "Separate 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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON FORWARDS, OPTIONS AND OTHER DERIVATIVE TRANSACTIONS

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

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

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

Embedded derivative products are not separated from the articles of association and are accounted according to the standard on which the articles of association are based.

V. INFORMATION ON INTEREST INCOME AND EXPENSES

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

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

VI. INFORMATION ON FEES AND COMMISSIONS

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

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

VII. INFORMATION ON FINANCIAL ASSETS

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 short-term 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 an irrevocable way 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

Financial Assets Measured at Amortized Cost

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

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

Both “Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Group 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.

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS

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

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

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

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

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

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

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

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

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

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

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

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

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

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

Different macroeconomic models have been created for the retail portfolio and commercial portfolio, and macroeconomic forecasts affect the expected loss provision calculations in two separate scenarios, base and bad. The scenario weights used in the calculation of the “Expected Credit Loss Provision” were reconsidered 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. 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 expected credit loss in accordance with TFRS 9, certain part of commercial and corporate loans are subject to individual assessment on a customer basis in accordance with internal evaluations. The models and methodologies used for TFRS 9 are evaluated at least once a year by the teams responsible for the model and methodology for their accuracy and suitability. The models and other issues that were created within the scope of TFRS 9 and which need to be updated in 2020 were revised and reflected in financial statements of December 2021.

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.

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Stage 3:

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

Significant Increase in Credit Risk

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

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

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

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

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

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

Referring to the BRSA's decision numbered 8970 dated March 27, 2020, within the scope of the measures taken for COVID-19, the Bank will be able to stage 2 loans within the scope of Article 4 of the Regulation on Classification of Loans and Provisions to be Set aside, effective from March 17, 2020. The 30-day delay period foreseen for the classification in stage 1 started to be applied as 90 days for the loans followed in the stage 1 and continued to calculate the expected credit loss provision for these loans according to their own risk models. With the BRSA's decision dated September 16, 2021 and numbered 9795, it has been decided to terminate the application as of the end of September 30, 2021.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Default Definition

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

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

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

Within the scope of the measures taken for COVID-19, the Bank pursuant to the decision of the BRSA dated March 27, 2020 and numbered 8970, as of March 17, 2020, the 90-day delay period stipulated for the classification of non-performing loans within the scope of Articles 4 and 5 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for These, will be applied as 180 days and for these loans, continued to calculate the expected credit loss allowance based on its own risk models. With the BRSA's decision dated September 16, 2021 and numbered 9795, it has been decided to terminate the application as of the end of September 30, 2021, but as of October 1, 2021, for loans with a delay period of more than 91 days and not exceeding 180 days, the related application will be continued in the same way by the banks.

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 834,885 for which 100% provision has been made. (December 31, 2020: TL 890,789)

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 December 31, 2021 and December 31 2020, there are no transactions of this nature at the Bank.

**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 YEAR ENDED DECEMBER 31, 2021**

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

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. Te 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%.

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 financial 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 December 31, 2021 is TL 8,285 (full TL) (December 31, 2020: TL 7,117 (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.

As of December 31, 2021, and December 31, 2010, actuarial estimates used are:

	Current Period - 31 December 2021	Prior Period - 31 December 2020
Discount Rate	18.45%	12.80%
Estimated Inflation Rate	15.00%	9.50%
Real Wage Increase Rate	16.00%	10.50%

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION

Corporate tax

Corporate tax rate is 20% in Turkey according to Article 32 of the Corporate Taxes Law No. 5520. However, with the “Law On The Procedure Of Collection Of Public Receivables And The Law On Amendments to Some Laws” No. 7316 published in the Official Gazette dated April 22, 2021, this rate will be applied at a rate of 25% for 2021 and 23% for 2022 revenues. Accordingly, the corporate tax rate of 20% was applied in the first temporary tax period of 2021 and 25% from the second temporary tax period. This rate is applied to total income of the Bank adjusted for certain disallowable expenses, exempt income and any other allowances.

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

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

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.

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

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.

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 (25%, 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

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.

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES (Continued)

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.

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 December 31, 2021 and December 31, 2020, 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

ACCOUNTING POLICIES (Continued)

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 December 31, 2021, earnings per 100 shares are full TL 1.0691 (December 31, 2020: full TL 1.5408).

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 VII.

Classifications

In the profit or loss statement of the Bank dated December 31, 2021, 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 December 31, 2021 Bank's equity amount TL 79,523,759 (December 31, 2020: 65,379,700 TL) capital adequacy ratio is 14.85% (December 31, 2020: 16.44%).

Current Period - December 31, 2021	Amount	Amount as per the regulation before 1/1/2014(*)
COMMON EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	3,905,622	
Share Premium	6,303,277	
Reserves	31,666,047	
Income recognized under equity in accordance with TAS	7,418,705	
Profit	4,175,464	
Current Period's Profit	4,175,464	
Prior Period's Profit	-	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	766,228	
Common Equity Tier 1 Capital Before Deductions	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	413,830	-
Leasehold Improvements on Operational Leases	183,441	-
Goodwill netted with deferred tax liability	-	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	274,111	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	871,382	
Common Equity Tier 1 capital (CET1)	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	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	-	-

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

	Amount	Amount as per the regulation before 1/1/2014(*)
Current Period - December 31, 2021		
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	15,638,650	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	69,002,611	-
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	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)	6,232,034	-
Tier 2 Capital Before Deductions	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	10,531,941	-
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	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 (-)	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	79,523,759	-
Total Risk Weighted Amounts	535,633,275	-
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	9.96	-
Tier 1 Capital Adequacy Ratio (%)	12.88	-
Capital Adequacy Ratio (%)	14.85	-
BUFFERS		
Total buffer requirement (a+b+c)	2.506	-
a) Capital conservation buffer requirement (%)	2.500	-
b) Bank specific counter-cyclical buffer requirement (%)	0.006	-
c) Systemically important banks buffer requirement (%)**	0.000	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	5.46	-
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 tenthousandtwentyfive limitation)	12,065,932	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

	Amount	Amount as per the regulation before 1/1/2014(*)
Prior Period - December 31, 2020		
COMMON EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	3,905,622	
Share Premium	6,303,277	
Reserves	25,754,720	
Income recognized under equity in accordance with TAS	4,333,606	
Profit	5,911,327	
Current Period's Profit	5,010,456	
Prior Period's Profit	900,871	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	496,202	
Common Equity Tier 1 Capital Before Deductions	46,704,754	
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	184,281	
Leasehold Improvements on Operational Leases	186,177	-
Goodwill netted with deferred tax liability	-	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	251,975	251,975
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	622,433	
Common Equity Tier 1 capital (CET1)	46,082,321	
Additional Tier 1 capital: instruments	11,397,014	
Premiums that are not included in Common Equity Tier 1 capital	-	
Bank's borrowing instruments and related issuance premium	11,397,014	
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	
Additional Tier 1 Capital before deductions	-	
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment in Tier 1 Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%	-	
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other Items Determined by BRSA	-	

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Prior Period - December 31, 2020	Amount	Amount as per the regulation before 1/1/2014(*)
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	11,397,014	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	57,479,335	-
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	3,271,420	-
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	325,763	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	4,640,057	-
Tier 2 Capital Before Deductions	7,911,477	-
Deductions From Tier 2 Capital		
Bank's direct or indirect investment in Tier 2 Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by Financial Institutions with the conditions declared in Article 8	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions From Tier 2 Capital	-	-
Tier 2 Capital	7,911,477	-
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	65,390,812	-
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 (-)	11,112	-
Other items 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	65,379,700	-
Total Risk Weighted Amounts	397,695,782	-
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	11.59	-
Tier 1 Capital Adequacy Ratio (%)	14.45	-
Capital Adequacy Ratio (%)	16.44	-
BUFFERS		
Total buffer requirement (a+b+c)	2.507	-
a) Capital conservation buffer requirement (%)	2.500	-
b) Bank specific counter-cyclical buffer requirement (%)	0.007	-
c) Systemically important bank buffer requirement (%) ^(**)	0.000	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	7.09	-
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)	8,630,600	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4,640,057	-
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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio

Current 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	TRSVKFBA0043	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

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Current Period - 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. BRSB 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. BRSB 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

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2020						
Issuer	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	XS0849728190/ US90015NAB91	XS1551747733 / US90015WAE30	TRSVKFB92719	TRSVKFB0043	XS1984644812	TRSVKFB92925
Governing law(s) of the instrument	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity
Regulatory treatment						
Subject to 10% deduction as of 1/1/2015	Subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	325	1,696	525	4,994	6,403	725
Par value of instrument (in million)	4,644	1,696	525	4,994	6,403	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

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2020

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. BRSB 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. BRSB 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

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Reconciliation of capital items to balance sheet:

	Current Period December 31, 2021	Prior Period December 31, 2020
Shareholders’ equity	51,952,740	46,484,658
Valuation differences of the marketable securities (*)	1,868,773	35,815
Leasehold improvements on operational leases	(183,441)	(186,177)
Goodwill and intangible assets	(274,111)	(251,975)
General provision (1.25% of the amount that subject to credit risk) (**)	6,232,034	4,640,057
Subordinated debt	19,938,557	14,668,434
Deductions from shareholders’ equity	(10,793)	(11,112)
Capital	79,523,759	65,379,700

(*) 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. CREDIT RISK

Credit risk is defined as the counterparty’s possibility of failing to fulfil its obligations on the terms set by the agreement. Credit risk means risks and losses that may occur if the counterparty fails to comply with the agreement’s requirements and cannot perform its obligations partially or completely on the terms set. It covers the possible risks arising from futures and option agreements and other agreements alike and the credit risks arising from credit transactions that have been defined by the Banking Law.

In compliance with the articles 51 and 54 set forth in Banking Law and ancillary regulation, credit limits are set by the Bank for the financial position and credit requirements of customers within the authorization limits assigned for branches, regional directorates, lending departments, assistant general manager responsible of lending, general manager, credit committee and board of directors and credits are given regarding these limits in order to limit credit risk in lending facilities.

Credit limits are determined separately for the individual customer, company, group of companies, risk groups on a product basis. In accordance with the related Lending Policy, several criteria are used in the course of determining these credit limits. Customers should have a long-standing and a successful business past, a high commercial morality, possess a good financial position and a high morality, the nature of their business should be appropriate to use the credit, possess their commercial operations in an affirmative and a balanced manner, have experience and specialization in their profession, be able to adopt themselves to the economic conditions, to be accredited on the market, have sufficient equity capital, possess the ability to create funds with their operations and finance their placement costs. Also the sector and the geographical position of customers, where they operate and other factors that may affect their operations are considered in the evaluation process of loans. Apart from ordinary intelligence operations, the financial position of the customer is mainly analyzed based on the balance sheets and the income statements provided by the loan customer, the documents received in accordance with the related regulation for their state of accounts and other related documents. Credit limits are subject to revision regarding the overall economic developments and the changes in the financial information and operations of the customers.

Collaterals for the credit limits are determined on a customer basis in order to ensure bank placements and their liquidity. The amount and type of the collateral are determined regarding the creditworthiness of the credit users. The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees.

The Bank has risk control limits for derivative transaction (futures, options, etc.) positions, which effects credit risk and market risk.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

For credit risk management purposes, Risk Management Department operates in

- the determination of credit risk policies in coordination with the Bank’s other units,
- determining and monitoring concentration limits on sectoral and country basis,
- the contribution to the formation of rating and scoring systems,
- the submit to the Board of Directors and the senior management of not only credit risk management reports about credit portfolio’s distribution (borrower, sector, geographical region), credit quality (impaired loans, credit risk ratings) and credit concentration but also scenario analysis reports, stress tests and other analyses,
- the studies regarding the formation of advanced credit risk measurement approaches.

Credit risk is defined and managed for all cash and non-cash agreements and transactions, which carry counterparty risk. Loans with renegotiated terms are followed in accordance with Bank’s credit risk management and follow-up principles. The financial position and trading operations of related customers are continuously analyzed and principal and interest payments, scheduled in renegotiation agreement, are strictly controlled by related departments. In the framework of Bank’s risk management concept, long term commitments are accepted more risky than short term commitments.

In addition, 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.

Indemnified non-cash loans are regarded as the same risk weight with the loans that are pastdue and unpaid.

Banking operations and lending activities carried in foreign countries are not exposed to material credit risks, due to related countries’ financial conditions, customers and their operations.

The Bank’s largest 100 cash loan customers compose 35.05% of the total cash loan portfolio (December 31, 2020: 28.80%).

The Bank’s largest 100 non-cash loan customers compose 51.91% of the total non-cash loan portfolio (December 31, 2020: 48.92%).

The Bank’s largest 100 cash loan customers compose 19.97% of total assets of the Bank and the Bank’s largest 100 non-cash loan customers compose 14.10% of total off-balance sheet items (December 31, 2020: 17.40% and 11.14%).

The Bank’s largest 200 cash loan customers compose 42.08% of the total cash loan portfolio (December 31, 2020: 35.09%).

The Bank’s largest 200 non-cash loan customers compose 64.03% of the total non-cash loan portfolio (December 31, 2020: 62.95%).

The Bank’s largest 200 cash loan customers compose 23.98% of total assets of the Bank and the Bank’s largest 200 non-cash loan customers compose 17.39% of total off-balance sheet items (December 31, 2020: 21.19% and 14.34%).

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

Information on loan types and expected loss provisions:

Current Period, December 31, 2021	Commercial Loans		Consumer Loans		Credit Cards		Total	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Loans	456,643,309	22,401,994	110,814,525	2,348,927	24,552,037	1,175,456	592,009,871	25,926,377
Stage 1	382,796,800	2,185,066	105,741,681	255,202	23,002,578	359,619	511,541,059	2,799,887
Stage 2	59,524,438	8,617,933	2,036,922	297,505	597,891	77,184	62,159,251	8,992,622
Stage 3	14,322,071	11,598,995	3,035,922	1,796,220	951,568	738,653	18,309,561	14,133,868
Financial Assets and Other Assets	416,767,719	68,462	-	-	-	-	416,767,719	68,462
Non Cash Loans and Commitments	266,243,107	264,267	-	-	-	-	266,243,107	264,267
Stage 1	261,395,489	186,096	-	-	-	-	261,395,489	186,096
Stage 2	4,196,076	18,865	-	-	-	-	4,196,076	18,865
Stage 3	651,542	59,306	-	-	-	-	651,542	59,306
Total	1,139,654,135	22,734,723	110,814,525	2,348,927	24,552,037	1,175,456	1,275,020,697	26,259,106

Prior Period, December 31, 2020	Commercial Loans		Consumer Loans		Credit Cards		Total	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Loans	326,013,086	18,275,567	97,973,205	2,197,842	15,501,125	1,114,329	439,487,416	21,587,738
Stage 1	278,653,741	2,324,785	94,965,604	513,238	14,393,403	330,780	388,012,748	3,168,803
Stage 2	32,537,635	4,834,735	1,248,806	248,032	243,970	28,919	34,030,411	5,111,686
Stage 3	14,821,710	11,116,047	1,758,795	1,436,572	863,752	754,630	17,444,257	13,307,249
Financial Assets and Other Assets	265,227,726	133,749	-	-	-	-	265,227,726	133,749
Non Cash Loans and Commitments	156,303,022	278,244	-	-	-	-	156,303,022	278,244
Stage 1	153,026,076	186,159	-	-	-	-	153,026,076	186,159
Stage 2	2,660,603	30,203	-	-	-	-	2,660,603	30,203
Stage 3	616,343	61,882	-	-	-	-	616,343	61,882
Total	747,543,834	18,687,560	97,973,205	2,197,842	15,501,125	1,114,329	861,018,164	21,999,731

Information on expected loss provisions for loans:

Current Period December 31, 2021	Stage 1	Stage 2	Stage 3
Provision balance at the beginning	3,168,803	5,111,686	13,307,249
Additional provisions during the period	323,623	5,282,365	2,337,298
Disposals during the period (-)	562,953	1,472,564	734,245
Deleted from assets (-)	-	-	834,885
Transfers to stage 1	178,827	(178,513)	(314)
Transfers to stage 2	(261,240)	440,399	(179,159)
Transfers to stage 3	(47,173)	(190,751)	237,924
Provision Balance at the end of the Period	2,799,887	8,992,622	14,133,868

Prior Period December 31, 2020	Stage 1	Stage 2	Stage 3
Provision balance at the beginning	1,602,198	1,859,729	12,181,535
Additional provisions during the period	1,910,513	2,938,489	3,570,026
Disposals during the period (-)	414,946	541,634	627,383
Deleted from assets (-)	-	-	890,789
Transfers to stage 1	118,494	(117,934)	(560)
Transfers to stage 2	(40,330)	1,115,777	(1,075,447)
Transfers to stage 3	(7,126)	(142,741)	149,867
Provision Balance at the end of the Period	3,168,803	5,111,686	13,307,249

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

The general provision for credit risk amounts to TL 12,065,932 (December 31, 2020: TL 8,630,600).

Risk Classifications:	Current Period Risk Amount ^(**)	Average Risk Amount ^{(*)(**)}
Claims on sovereigns and Central Banks	416,188,160	337,482,811
Claims on regional governments or local authorities	7,888,575	8,540,052
Claims on administrative bodies and other non-commercial undertakings	888,105	519,900
Claims on multilateral development banks	-	169
Claims on international organizations	-	-
Claims on banks and intermediary institutions	54,007,406	54,770,704
Claims on corporate	304,948,444	268,484,650
Claims included in the regulatory retail portfolios	122,374,968	108,472,541
Claims secured by residential property	107,301,192	92,524,179
Past due loans	4,184,225	3,733,877
Higher risk categories decided by the Agency	14,114,969	4,079,284
Marketable securities secured by mortgages	-	-
Securitization exposures	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-
Undertakings for collective investments in mutual funds	7,806	7,336
Stock Investments	6,633,588	6,216,321
Other claims	17,868,462	18,020,335

^(*) Before reducing the credit risk, the rate of the post credit conversion is given.

^(**) Average risk amount is calculated based on the arithmetic average of the monthly risk amounts after conversion for January-December 2021 period.

Risk Classifications:	Prior Period Risk Amount ^(**)	Average Risk Amount ^{(*)(**)}
Claims on sovereigns and Central Banks	307,268,871	211,991,626
Claims on regional governments or local authorities	9,611,695	10,431,664
Claims on administrative bodies and other non-commercial undertakings	444,570	458,883
Claims on multilateral development banks	9,335	5,383
Claims on international organizations	-	-
Claims on banks and intermediary institutions	56,943,690	36,139,759
Claims on corporate	221,982,623	187,555,285
Claims included in the regulatory retail portfolios	98,093,070	87,905,370
Claims secured by residential property	83,476,378	73,000,360
Past due loans	3,841,385	4,337,210
Higher risk categories decided by the Agency	200,935	135,837
Marketable securities secured by mortgages	-	-
Securitization exposures	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-
Undertakings for collective investments in mutual funds	411	34
Stock Investments	5,256,930	3,735,362
Other claims	16,675,297	15,123,020

^(*) Before reducing the credit risk, the rate of the post credit conversion is given.

^(**) Average risk amount is calculated based on the arithmetic average of the monthly risk amounts after conversion for January-December 2020 period.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

Risk profile according to the geographical concentration (*)**

Current Period - December 31, 2021	Claims on sovereigns and Central Banks	Claims on regional governments or local authorities	Claims on administrative bodies and other non- commercial undertakings	Claims on multilateral development banks	Claims on international organizations	Claims on banks and intermediary institutions	Claims on corporates	Claims included in the regulatory retail portfolios	Claims secured by residential property	Past due loans	Higher risk categories decided by the Board	Secured by mortgages	Securitization positions	Short-term claims and short term corporate claims on banks and intermediary institutions	Undertakings for collective investments in mutual funds	Stock Investments	Other receivables	Total
Domestic	414,428,006	7,888,575	888,105	-	-	11,956,406	289,507,366	122,374,968	107,301,192	4,184,225	14,031,472	-	-	-	7,806	363,858	17,868,462	990,800,441
EU countries	-	-	-	-	-	32,899,982	-	-	-	-	7,570	-	-	-	-	-	-	32,907,552
OECD countries (*)	-	-	-	-	-	228,982	-	-	-	-	-	-	-	-	-	-	-	228,982
Off-shore banking regions	220,213	-	-	-	-	653,251	13,330,049	-	-	-	-	-	-	-	-	-	-	14,203,513
USA, Canada	1,363,321	-	-	-	-	5,966,372	1,829,542	-	-	-	-	-	-	-	-	-	-	9,159,235
Other countries	176,620	-	-	-	-	2,177,466	281,487	-	-	-	75,927	-	-	-	-	-	-	2,711,500
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	124,947	-	-	-	-	-	-	-	-	-	6,269,730	-	6,394,677
Undistributed Assets/ Liabilities (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	416,188,160	7,888,575	888,105	-	-	54,007,406	304,948,444	122,374,968	107,301,192	4,184,225	14,114,969	-	-	-	7,806	6,633,588	17,868,462	1,056,405,900

(*) OECD countries except from EU countries, USA, Canada.

(**) The assets and liabilities that can not be distributed according to a consistent base.

(***) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

Risk profile according to the geographical concentration (*)**

Prior Period - December 31, 2020	Claims on sovereigns and Central Banks	Claims on regional governments or local authorities	Claims on administrative bodies and other non- commercial undertakings	Claims on multilateral development banks	Claims on international organizations	Claims on banks and intermediary institutions	Claims on corporates	Claims included in the regulatory retail portfolios	Claims secured by residential property	Past due loans	Higher risk categories decided by the Board	Secured by mortgages	Securitization positions	Short-term claims and short term corporate claims on banks and intermediary institutions	Undertakings for collective investments in mutual funds	Stock Investments	Other receivables	Total
Domestic	306,873,003	9,611,695	444,219	-	-	9,148,698	210,512,376	98,091,289	83,376,556	3,841,385	-	-	-	-	411	324,908	16,675,297	738,899,837
EU countries	35,698	-	351	9,335	-	42,885,862	441,154	1,405	-	-	1,288	-	-	-	-	-	-	43,375,093
OECD countries (*)	-	-	-	-	-	168,113	-	-	-	-	-	-	-	-	-	-	-	168,113
Off-shore banking regions	-	-	-	-	-	884,126	9,440,475	-	94,325	-	-	-	-	-	-	-	-	10,418,926
USA, Canada	288,607	-	-	-	-	2,507,149	1,426,908	376	5,497	-	-	-	-	-	-	-	-	4,228,537
Other countries	71,563	-	-	-	-	1,249,390	161,710	-	-	-	199,647	-	-	-	-	-	-	1,682,310
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	100,352	-	-	-	-	-	-	-	-	-	4,932,022	-	5,032,374
Undistributed Assets/ Liabilities (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	307,268,871	9,611,695	444,570	9,335	-	56,943,690	221,982,623	98,093,070	83,476,378	3,841,385	200,935	-	-	-	411	5,256,930	16,675,297	803,805,190

(*) OECD countries except from EU countries, USA, Canada.

(**) The assets and liabilities that can not be distributed according to a consistent base.

(***) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Risk profile according to sectors and counterparties (*)

Current Period - December 31, 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
Agricultural	273,945	232	853	-	-	-	869,807	2,142,455	1,337,952	46,004	36,062	-	-	-	-	-	-	4,562,975	144,335	4,707,310
<i>Farming and raising livestock</i>	247,223	232	853	-	-	-	785,860	2,062,161	1,306,716	42,936	35,667	-	-	-	-	-	-	4,421,648	60,000	4,481,648
<i>Forestry</i>	7,866	-	-	-	-	-	108	40,974	23,359	480	344	-	-	-	-	-	-	67,722	5,409	73,131
<i>Fishing</i>	18,856	-	-	-	-	-	83,839	39,320	7,877	2,588	51	-	-	-	-	-	-	73,605	78,926	152,531
Manufacturing	9,181,438	486,109	1,023	-	-	-	136,970,824	16,566,186	18,780,986	729,341	48,750	-	-	-	-	-	-	97,507,530	85,257,127	182,764,657
<i>Mining</i>	194,087	-	-	-	-	-	11,014,261	385,722	359,682	61,551	487	-	-	-	-	-	-	3,211,680	8,804,110	12,015,790
<i>Production</i>	8,860,710	-	658	-	-	-	95,478,894	15,770,068	17,922,305	500,076	47,702	-	-	-	-	-	-	84,809,262	53,771,151	138,580,413
<i>Electric, Gas, Water</i>	126,641	486,109	365	-	-	-	30,477,669	410,396	498,999	167,714	561	-	-	-	-	-	-	9,486,588	22,681,866	32,168,454
Construction	15,130,963	64	22	-	-	-	36,165,316	5,655,444	10,674,095	909,746	23,834	-	-	-	-	-	-	39,450,233	29,109,251	68,559,484
Services	281,663,049	7,398,079	533,162	-	-	51,766,118	114,407,676	36,382,031	37,299,125	985,117	1,023,303	-	-	-	7,806	363,859	-	335,698,136	196,131,189	531,829,325
<i>Wholesale and retail trade</i>	9,308,323	1,298	1,491	-	-	-	35,627,881	23,688,115	18,857,005	721,748	229,108	-	-	-	-	-	-	72,972,728	15,462,241	88,434,969
<i>Hotel, Food and Beverage Services</i>	1,426,234	-	90	-	-	-	7,927,598	2,046,466	8,764,555	77,271	91,455	-	-	-	-	-	-	8,601,923	11,731,746	20,333,669
<i>Transportation and Telecommunication</i>	8,052,676	21	10,078	-	-	-	48,538,462	5,885,843	4,574,084	103,514	124,623	-	-	-	-	-	-	16,955,312	50,333,989	67,289,301
<i>Financial Institutions</i>	261,476,277	-	2,333	-	-	51,766,118	15,575,054	880,291	478,163	7,741	101,325	-	-	-	7,806	363,859	-	215,888,913	114,770,054	330,658,967
<i>Real Estate and renting services</i>	302,610	-	436,309	-	-	-	3,151,738	2,873,320	2,809,170	40,892	436,737	-	-	-	-	-	-	8,941,063	1,109,713	10,050,776
<i>Self-employment services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Education services</i>	313,650	-	372	-	-	-	909,995	333,852	986,976	22,456	3,345	-	-	-	-	-	-	2,538,459	32,187	2,570,646
<i>Health and social services</i>	783,279	7,396,760	82,489	-	-	-	2,676,948	674,144	829,172	11,495	36,710	-	-	-	-	-	-	9,799,738	2,691,259	12,490,997
Other	109,938,765	4,091	353,045	-	-	2,241,288	16,534,821	61,628,852	39,209,034	1,514,017	12,983,020	-	-	-	6,269,729	17,868,462	-	176,829,609	91,715,515	268,545,124
Total	416,188,160	7,888,575	888,105	-	-	54,007,406	304,948,444	122,374,968	107,301,192	4,184,225	14,114,969	-	-	-	7,806	6,633,588	17,868,462	654,048,483	402,357,417	1,056,405,900

(*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

- 1- Claims on sovereigns and Central Banks
- 2- Claims on regional governments or local authorities
- 3- Claims on administrative bodies and other non-commercial undertakings
- 4- Claims on multilateral development banks
- 5- Claims on international organizations
- 6- Claims on banks and intermediary institutions
- 7- Claims on corporate
- 8- Claims included in the regulatory retail portfolios
- 9- Claims secured by residential property
- 10- Past due loans
- 11- Higher risk categories decided by the Agency
- 12- Marketable securities secured
- 13- Securitization exposures
- 14- Short-term claims and short-term corporate claims on banks and intermediary institutions
- 15- Undertakings for collective investments in mutual funds
- 16- Stock Investments
- 17- Other claims

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Risk profile according to sectors and counterparties (*)

Prior Period - December 31, 2020	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Toplam
Agricultural	491,965	3565	882	-	-	308	796,430	1,221,978	1,002,276	44,362	-	-	-	-	-	-	-	3,442,068	119,698	3,561,766
<i>Farming and raising livestock</i>	453,490	3074	882	-	-	308	741,871	1,135,605	976,996	39,921	-	-	-	-	-	-	-	3,287,139	65,008	3,352,147
<i>Forestry</i>	6,355	491	0	-	-	-	99	63,683	16,478	480	-	-	-	-	-	-	-	82,531	5,055	87,586
<i>Fishing</i>	32,120	0	0	-	-	-	54,460	22,690	8,802	3,961	-	-	-	-	-	-	-	72,398	49,635	122,033
Manufacturing	15,208,352	368,360	708	-	-	31,457	95,761,486	8,261,641	13,573,037	930,554	-	-	-	-	-	-	-	75,836,989	58,298,606	134,135,595
<i>Mining</i>	348,433	0	0	-	-	-	8,163,369	239,910	405,695	40,037	-	-	-	-	-	-	-	2,996,677	6,200,767	9,197,444
<i>Production</i>	14,694,530	4864	343	-	-	2,713	64,915,540	7,676,462	12,685,248	620,683	-	-	-	-	-	-	-	65,475,882	35,124,501	100,600,383
<i>Electric, Gas, Water</i>	165,389	363,496	365	-	-	28,744	22,682,577	345,269	482,094	269,834	-	-	-	-	-	-	-	7,364,430	16,973,338	24,337,768
Construction	11,689,300	1965	15	-	-	516	25,939,638	3,446,348	8,748,155	1,203,809	-	-	-	-	-	-	-	29,652,655	21,377,091	51,029,746
Services	171,292,957	9,182,913	156,391	9,335	-	56,910,427	59,565,750	10,705,554	14,922,890	266,714	200,935	-	-	-	411	324,909	-	166,383,048	157,156,138	323,539,186
<i>Wholesale and retail trade</i>	10,928	1685	499	-	-	-	15,097	13,952	5,301	63	-	-	-	-	-	-	-	47,459	66	47,525
<i>Hotel, Food and Beverage Services</i>	2,096,097	2856	17	-	-	-	6,231,362	1,602,201	6,764,771	57,387	-	-	-	-	-	-	-	8,214,484	8,540,207	16,754,691
<i>Transportation and Telecommunication</i>	7,320,579	1153	22,942	-	-	47024	34,336,421	4,593,395	3,580,941	111,535	-	-	-	-	-	-	-	12,973,241	37,040,749	50,013,990
<i>Financial Institutions</i>	160,985,584	964	4,881	9,335	-	56,861,414	14,273,629	1,029,522	493,175	10,571	200,935	-	-	-	411	324,909	-	125,102,692	109,092,638	234,195,330
<i>Real Estate and renting services</i>	525,075	4	96,323	-	-	1915	2,473,854	2,758,852	2,499,059	45,329	-	-	-	-	-	-	-	7,335,293	1,065,118	8,400,411
<i>Self-employment services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Education services</i>	346,983	1206	64	-	-	-	1,036,011	256,503	813,192	23,925	-	-	-	-	-	-	-	2,477,039	845	2,477,884
<i>Health and social services</i>	7,711	9,175,045	31,665	-	-	74	1,199,376	451,129	766,451	17,904	-	-	-	-	-	-	-	10,232,840	1,416,515	11,649,355
Other	108,586,297	54,892	286,574	-	-	982	39,919,319	74,457,549	45,230,020	1,395,946	-	-	-	-	-	4,932,021	16,675,297	197,917,394	93,621,503	291,538,897
Total	307,268,871	9,611,695	444,570	9,335	-	56,943,690	221,982,623	98,093,070	83,476,378	3,841,385	200,935	-	-	-	411	5,256,930	16,675,297	473,232,154	330,573,036	803,805,190

(*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

- 1- Claims on sovereigns and Central Banks
- 2- Claims on regional governments or local authorities
- 3- Claims on administrative bodies and other non-commercial undertakings
- 4- Claims on multilateral development banks
- 5- Claims on international organizations
- 6- Claims on banks and intermediary institutions
- 7- Claims on corporate
- 8- Claims included in the regulatory retail portfolios
- 9- Claims secured by residential property
- 10- Past due loans
- 11- Higher risk categories decided by the Agency
- 12- Marketable securities secured by mortgages
- 13- Securitization exposures
- 14- Short-term claims and short-term corporate claims on banks and intermediary institutions
- 15- Undertakings for collective investments in mutual funds
- 16- Stock Investments
- 17- Other claims

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Distribution of maturity risk factors according to their outstanding maturities (*)

Risk Classifications-Current Period - December 31, 2021	According to their outstanding maturities					Undistributed
	1 month	1-3 month	3-6 month	6-12 month	1 year and over	
Claims on sovereigns and Central Banks	90,100,805	1,865,185	5,969,274	19,931,238	298,321,658	-
Claims on regional governments or local authorities	11,158	135,669	135,852	203,021	7,402,875	-
Claims on administrative bodies and other non-commercial undertakings	38,595	17,055	13,429	375,732	443,294	-
Claims on multilateral development banks	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	15,522,662	3,304,644	1,741,590	3,252,809	30,185,701	-
Claims on corporate	16,252,175	24,264,620	19,948,496	51,518,443	192,964,710	-
Claims included in the regulatory retail portfolios	1,460,779	2,712,869	3,929,010	19,500,742	94,771,568	-
Claims secured by residential property	982,588	2,612,390	3,800,700	16,733,155	83,172,359	-
Past due loans	-	-	-	-	-	4,184,225
Higher risk categories decided by the Agency	1,552	8,950	887	25,935	14,077,645	-
Marketable securities secured by mortgages	-	-	-	-	-	-
Securitization exposures	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	7,806	-
Stock Investments	-	-	-	-	6,633,588	-
Other claims	-	-	-	-	17,868,462	-
TOTAL	124,370,314	34,921,382	35,539,238	111,541,075	745,849,666	4,184,225

(*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

Distribution of maturity risk factors according to their outstanding maturities (*)

Risk Classifications-Prior Period - December 31, 2020	According to their outstanding maturities					Undistributed
	1 month	1-3 month	3-6 month	6-12 month	1 year and over	
Claims on sovereigns and Central Banks	27,119,525	1,955,876	4,975,209	10,352,819	262,865,442	-
Claims on regional governments or local authorities	10,776	145,653	153,478	386,643	8,915,145	-
Claims on administrative bodies and other non-commercial undertakings	2,233	3,499	6,633	6,833	425,372	-
Claims on multilateral development banks	9,335	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	25,493,408	4,380,764	3,683,777	4,067,183	19,318,558	-
Claims on corporate	13,922,313	14,682,669	15,917,497	26,519,175	150,940,969	-
Claims included in the regulatory retail portfolios	1,189,606	1,310,779	1,786,415	6,899,540	86,906,730	-
Claims secured by residential property	702,242	1,826,002	1,970,134	7,845,074	71,132,926	-
Past due loans	-	-	-	-	-	3,841,385
Higher risk categories decided by the Agency	3,481	1,461	-	-	195,993	-
Marketable securities secured	-	-	-	-	-	-
Securitization exposures	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	411	-
Stock Investments	-	-	-	-	5,256,930	-
Other claims	-	-	-	-	16,675,297	-
TOTAL	68,452,919	24,306,703	28,493,143	56,077,267	622,633,773	3,841,385

(*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Risk balances according to risk weights

Risk Weights Current Period - December 31, 2021	0%	2%	4%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity
Pre-Amount of Credit Risk	406,752,444	12,579,732	-	-	38,369,936	50,427,459	71,335,157	117,520,901	345,031,539	14,388,732	-	-	-	468,345
Mitigation Amount after Credit Risk	442,113,904	1,223,365	-	3,760,956	32,671,446	50,427,459	66,945,998	115,760,930	329,180,456	14,321,386	-	-	-	468,345
Mitigation														
Risk Weights Current Period - December 31, 2020	0%	2%	4%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity
Pre-Amount of Credit Risk	299,019,829	9,606,441	-	-	30,635,302	39,245,287	70,164,350	97,470,077	257,382,970	280,935	-	-	-	449,264
Mitigation Amount after Credit Risk	325,440,013	580,404	-	379,3810	29,127,367	39,245,287	65,922,565	96,131,395	243,283,414	280,935	-	-	-	449,264
Mitigation														

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Information According to Sectors and Counterparties

Current Period - December 31, 2021	Impaired (IFRS 9)		Expected Credit Loss Provisions (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	
Agricultural	194,925	176,928	162,165
Farming and raising livestock	192,804	165,123	152,983
Forestry	1,772	1,840	1,755
Fishing	349	9,965	7,427
Manufacturing	22,907,795	4,071,499	5,098,745
Mining	273,747	311,180	286,583
Production	15,338,860	2,875,211	3,416,555
Electric, Gas, Water	7,295,188	885,108	1,395,607
Construction	9,281,596	3,962,355	4,698,727
Services	27,162,404	6,935,582	10,654,842
Wholesale and retail trade	9,654,112	4,086,735	4,525,213
Hotel, Food and Beverage Services	7,370,463	250,646	2,011,654
Transportation and telecommunication	5,187,946	510,392	1,072,681
Financial Institutions	161,259	44,747	58,718
Real estate and renting services	3,481,847	204,269	1,561,575
Self-employment services	978,470	1,639,195	1,227,211
Education services	140,127	97,498	81,184
Health and social services	188,180	102,100	116,606
Other	2,612,531	3,163,197	2,512,011
Toplam	62,159,251	18,309,561	23,126,490

Prior Period - December 31, 2020	Impaired (IFRS 9)		Expected Credit Loss Provisions (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	
Agricultural	236,605	162,659	144,317
Farming and raising livestock	232,351	148,578	134,501
Forestry	1,366	3,165	2,751
Fishing	2,888	10,916	7,065
Manufacturing	9,001,397	4,082,623	4,188,250
Mining	297,850	260,952	268,382
Production	4,915,820	2,938,233	3,004,808
Electric, Gas, Water	3,787,727	883,438	915,060
Construction	7,987,949	3,919,908	3,879,051
Services	16,311,686	6,484,805	7,850,487
Wholesale and retail trade	6,839,217	4,231,887	4,027,877
Hotel, Food and Beverage Services	2,347,710	231,806	1,252,127
Transportation and telecommunication	3,028,409	569,034	778,154
Financial Institutions	138,047	51,975	66,487
Real estate and renting services	2,031,202	227,035	614,367
Self-employment services	1,534,371	960,270	877,712
Education services	219,041	102,166	125,843
Health and social services	173,689	110,632	107,920
Other	492,774	2,794,262	2,356,830
Total	34,030,411	17,444,257	18,418,935

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Information on Changes in Value Adjustments and Credit Provisions

Current Period - December 31, 2021	Opening Balance 1 January 2021	Provisions reserved during the period	Cancelations	Other Adjustments^(*)	Closing Balance
Specific provisions	13,369,131	3,502,673	(2,703,819)	25,189	14,193,174
General provisions	8,630,600	8,346,889	(4,913,928)	2,371	12,065,932

^(*) Includes effect of currency translations differences and other provisions' classifications.

Prior Period - December 31, 2020	Opening Balance 1 January 2020	Provisions reserved during the period	Cancelations	Other Adjustments^(*)	Closing Balance
Specific provisions	12,245,858	4,448,088	(3,343,721)	18,906	13,369,131
General provisions	3,609,523	7,065,796	(2,023,005)	(21,714)	8,630,600

^(*) Includes effect of currency translations differences and other provisions' classifications

Fair value of collateral held against impaired loans

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Cash collateral ^(*)	-	-
Mortgage	8,187,737	8,593,313
Promissory note ^(*)	-	-
Others ^(**)	10,121,824	8,850,944
Total	18,309,561	17,444,257

^(*) As a policy, it is aimed to utilize from cash collateral or liquidate promissory note for an impaired loan collateralized by cash collateral or promissory note to cover the credit risk. Hence, cash collateral and promissory note are shown as zero in the table above.

^(**) Sureties obtained for impaired loans are presented in this raw to the extent that the amount does not exceed the amount of impaired loans.

Cash loans	Current Period - December 31, 2021	Prior Period - December 31, 2020
Secured Loans:	435,986,285	325,787,413
Secured by mortgages	101,061,954	79,264,922
Secured by cash collateral	3,261,048	2,432,473
Guarantees issued by financial institutions	1,240,065	1,066,489
Secured by government institutions or government securities	43,639,424	63,686,242
Other collateral (pledge on assets, corporate and personal guarantees, promissory notes)	286,783,794	179,337,287
Unsecured Loans	137,714,025	96,255,746
Total performing loans	573,700,310	422,043,159

Non-cash loans	Current Period - December 31, 2021	Prior Period - December 31, 2020
Secured Loans:	99,788,574	58,527,445
Secured by mortgages	10,517,180	7,639,220
Secured by cash collateral	1,479,603	1,042,003
Guarantees issued by financial institutions	-	-
Secured by government institutions or government securities	225,107	306,285
Other collateral (pledge on assets, corporate and personal guarantees, promissory notes)	87,566,684	49,539,937
Unsecured Loans	92,350,754	42,708,592
Total non-cash loans	192,139,328	101,236,037

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Exposures subject to countercyclical capital buffer

Current Period - December 31, 2021

Country	RWA Calculations for Private Sector Loans in Banking Book	RWA calculations for Trading Book	Total
Turkey	485,947,878	-	485,947,878
England	5,094,320	-	5,094,320
USA	2,421,103	-	2,421,103
Germany	916,623	-	916,623
Switzerland	645,400	-	645,400
Bahrain	582,988	-	582,988
France	510,178	-	510,178
Iraq	424,920	-	424,920
Austria	126,352	-	126,352
Italy	122,240	-	122,240
Other	536,845	-	536,845
Total	497,328,847	-	497,328,847

Prior Period - December 31, 2020

Country	RWA Calculations for Private Sector Loans in Banking Book	RWA calculations for Trading Book	Total
Turkey	344,945,295	-	344,945,295
Bahrain	9,883,516	-	9,883,516
England	3,810,890	-	3,810,890
Germany	3,215,923	-	3,215,923
France	3,131,140	-	3,131,140
USA	2,067,613	-	2,067,613
Switzerland	1,136,171	-	1,136,171
Iraq	455,701	-	455,701
Netherlands	306,140	-	306,140
Austria	123,581	-	123,581
Other	364,879	-	364,879
Total	369,440,849	-	369,440,849

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

III. 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 December 31, 2021 and December 31, 2020 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 III.

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	13.4000	15.20725
Foreign currency purchase rates for the days before balance sheet date:		
Day 1	13.0295	14.7554
Day 2	12.6423	14.3274
Day 3	11.8484	13.4017
Day 4	11.3701	12.8701
Day 5	11.5549	13.0821
Last 30-days arithmetical average rate	13.30998	15.03581

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Information on currency risk

Current Period - December 31, 2021	Euro	US Dollar	Other FC	Total
<i>Assets:</i>				
Cash and balances with the Central Bank of Republic of Turkey	47,332,008	58,836,893	8,620,176	114,789,077
Banks	2,902,063	15,087,950	2,195,925	20,185,938
Financial assets at fair value through profit or loss	-	286,473	15,939,741	16,226,214
Interbank money market placements	-	6,914,400	-	6,914,400
Financial assets at fair value through other comprehensive income	16,991,394	65,522,688	-	82,514,082
Loans ⁽¹⁾	108,763,528	103,651,333	111,242	212,526,103
Associates, subsidiaries and joint-ventures	1,369,078	-	-	1,369,078
Financial assets measured at amortized cost	13,735,777	11,709,066	-	25,444,843
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	28,796	-	28,796
Intangible assets	-	-	-	-
Other assets ⁽²⁾	1,730,341	2,595,378	7,758	4,333,477
Total assets	192,824,189	264,632,977	26,874,842	484,332,008
<i>Liabilities:</i>				
Bank deposits	7,728,731	7,693,953	819,737	16,242,421
Foreign currency deposits	111,327,180	176,284,462	31,693,507	319,305,149
Interbank money market takings	8,162,855	12,276,786	-	20,439,641
Other funding	38,164,783	45,466,023	6,739,348	90,370,154
Securities issued ⁽³⁾	11,018,134	62,311,548	642,574	73,972,256
Miscellaneous payables	3,523,902	1,100,675	417	4,624,994
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities ⁽⁶⁾	1,209,776	4,438,205	23,226	5,671,207
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
Prior Period - December 31, 2020	Euro	US Dollar	Other FC	Total
Total assets	128,179,022	141,908,756	16,733,336	286,821,114
Total liabilities	116,078,586	179,476,331	22,504,078	318,058,995
Net ‘on balance sheet’ position	12,100,436	(37,567,575)	(5,770,742)	(31,237,881)
Net ‘off-balance sheet’ position	(11,053,505)	37,693,779	5,788,929	32,429,203
Derivative assets ⁽⁴⁾	10,386,343	42,845,166	6,909,282	60,140,791
Derivative liabilities ⁽⁴⁾	21,439,848	5,151,387	1,120,353	27,711,588
Non-cash loans ⁽⁵⁾	25,777,368	30,882,807	1,171,651	57,831,826

- (1). Foreign currency indexed loans amounting to TL 522,078 (December 31, 2020: TL 538,028 TL) 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 388,490 (December 31, 2020: 43,849) Prepaid Expenses TL 285,522 (31 December 2020 : 168,636), 1st and 2nd stage expected loss provisions TL (17,558) (31 December 2020: TL (13,263)), and derivative financial instruments currency expense accruals of TL 290,286 (December 31, 2020: 28,593), Expected Credit Loss on Non-Cash Loans amounting to TL 9,409 (December 31, 2020: TL 5,542) unearned income TL 267,904 (December 31, 2020: 214,294), shareholders' equity TL 582,253 (December 31, 2020: 942,959) and deferred tax liabilities TL 46,378 (December 31, 2020: None) 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 4,512,599 (December 31, 2020: TL 468,092) and asset sales commitments amounting to TL 5,593,730 (December 31, 2020: 5,679,004) 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. 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 December 31, 2021 and December 31, 2020 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- December 31, 2021		Prior Period- December 31, 2020	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	255,454	255,454	11,308	11,308
Euro	226,585	226,585	80,410	80,410
Other currencies	(5,390)	(5,390)	1,819	1,819
Total, net ^(**)	476,649	476,649	93,537	93,537

^(*) 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 December 31, 2021 and December 31, 2020 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	Current Period - December 31, 2021		Prior Period- December 31, 2020	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	(255,454)	(255,454)	(11,308)	(11,308)
Euro	(226,585)	(226,585)	(80,410)	(80,410)
Other currencies	5,390	5,390	(1,819)	(1,819)
Total, net ^(**)	(476,649)	(476,649)	(93,537)	(93,537)

^(*) 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. 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 - December 31, 2021	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	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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. INTEREST RATE RISK

Prior Period - December 31, 2020	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<i>Assets:</i>							
Cash and balances with CBRT	12,125,735	-	-	-	-	81,063,051	93,188,786
Banks	-	864,828	-	73,185	-	1,646,906	2,584,919
Financial assets at fair value through profit/loss	-	2,989,523	1,929,602	2,080,875	-	330,931	7,330,931
Interbank money market placements	187,753	-	-	-	-	-	187,753
Financial assets at fair value through other comprehensive income	13,994,500	3,359,614	16,444,406	39,628,459	7,001,193	4,028	80,432,200
Loans and receivables ⁽¹⁾	144,317,421	70,789,988	88,535,065	70,331,545	48,069,140	17,444,257	439,487,416
Financial assets measured at amortized cost	33,331,650	1,398,703	2,352,692	16,327,735	5,336,472	-	58,747,252
Other assets ⁽²⁾	1,118,946	3,154,273	3,377,619	199,622	1,935,742	7,151,659	16,937,861
Total assets	205,076,005	82,556,929	112,639,384	128,641,421	62,342,547	107,640,832	698,897,118
<i>Liabilities:</i>							
Bank deposits	16,980,113	4,416,355	-	-	-	1,604,981	23,001,449
Other deposits	226,976,870	69,654,439	15,318,685	160,575	184	78,931,341	391,042,094
Interbank money market takings	84,509,632	3,202,765	4,873,145	6,465,922	-	-	99,051,464
Miscellaneous payables	-	-	-	-	-	11,565,365	11,565,365
Securities issued ⁽³⁾	2,171,827	4,384,022	12,918,347	36,496,832	9,000,737	-	64,971,765
Funds borrowed	1,395,785	30,104,302	9,192,967	4,198,275	457,530	1,637,939	46,986,798
Other liabilities ⁽⁴⁾	1,154,376	2,248,016	3,144,167	115,335	1,813,217	53,803,072	62,278,183
Total liabilities	333,188,603	114,009,899	45,447,311	47,436,939	11,271,668	147,542,698	698,897,118
On balance sheet long position	-	-	67,192,073	81,204,482	51,070,879	-	199,467,434
On balance sheet short position	(128,112,598)	(31,452,970)	-	-	-	(39,901,866)	(199,467,434)
Off-balance sheet long position	3,114,500	8,115,216	-	-	-	-	11,229,716
Off-balance sheet short position	-	-	(2,342,817)	(815,150)	(1,813,464)	-	(4,971,431)
Net position	(124,998,098)	(23,337,754)	64,849,256	80,389,332	49,257,415	(39,901,866)	6,258,285

⁽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.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. INTEREST RATE RISK (Continued)

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

	Euro	US Dollar	Yen	TL
Current 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
	Euro	US Dollar	Yen	TL
Prior Period - December 31, 2020	%	%	%	%
Assets:				
Cash and balance with CBRT	-	-	-	12.00
Banks	0.08	0.11	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	17.68
Financial assets at fair value through other comprehensive income	3.43	3.61	-	12.38
Loans and receivables	5.04	6.16	-	13.07
Financial assets measured at amortized cost	4.60	6.27	-	10.57
Liabilities:				
Bank deposits	1.08	1.89	-	19.64
Other deposits	1.54	2.75	-	14.76
Interbank money market takings	1.73	1.86	-	17.08
Miscellaneous payables	-	-	-	-
Securities issued (**)	4.04	6.07	-	14.28
Funds borrowed	1.73	2.50	-	10.68

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

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

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. 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 - December 31, 2021	Comparison		
Stock Investments	Carrying Value	Fair Value^(*)	Market Value^(*)
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 December 31, 2021 valuation reports prepared by independent valuation companies.

Prior Period - December 31, 2020	Comparison		
Stock Investments	Carrying Value	Fair Value^(*)	Market Value^(*)
Stocks quoted in exchange^(*)	1,881,065	1,881,065	1,881,065
1.Stocks Investments Group A	1,881,065	1,881,065	1,881,065
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
Stocks unquoted in exchange^(**)	3,499,023	3,358,774	-

^(*) 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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

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

Portfolio- Prior Period December 31, 2020	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total (*)	Included in Supplementary Capital	Total (*)	Included in Supplementary Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	952,286	952,286
3. Other Stocks	-	1,644,609	1,644,609	-	-
4. Total	-	1,644,609	1,644,609	952,286	952,286

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

Explanations on Equity Shares Risk Arising from Banking Book

Portfolio- Current 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.

Portfolio- Prior Period December 31, 2020	Carrying Value	Total RWA	Minimum Capital Requirement
1. Private Equity Investments	-	-	-
2. Quoted	1,881,065	1,881,065	150,485
3. Other Stocks	3,499,023	3,375,865	270,069
4. Total	5,380,088	5,256,930	420,554

(*) In accordance with the BRSA regulation dated December 8, 2020 and numbered 9312, 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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. 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.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. 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	8 October 2021	130.80	3 December 2021	235.00
The highest value	17 December 2021	176.04	1 October 2021	465.32

Liquidity Coverage Ratio

Current 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.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	9 October 2020	118.00	13 November 2020	214.91
The highest value	18 December 2020	132.76	18 December 2020	428.50

Prior Period - December 31, 2020		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			123,732,027	86,329,444
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	173,056,352	89,185,064	15,509,684	8,918,506
3	Stable deposits	35,919,036	-	1,795,952	-
4	Less stable deposits	137,137,316	89,185,064	13,713,732	8,918,506
5	Unsecured wholesale funding, of which:	218,175,433	87,496,034	87,945,075	34,982,107
6	Operational deposits	123,825,140	51,721,701	30,956,285	12,930,425
7	Non-operational deposits	79,444,112	30,363,876	42,202,719	16,710,447
8	Unsecured debt	14,906,181	5,410,457	14,786,071	5,341,235
9	Secured wholesale funding			-	-
10	Additional requirements of which:	19,504,006	8,512,643	19,504,006	8,512,643
11	Outflows related to derivative exposures and other collateral requirements	19,504,006	8,512,643	19,504,006	8,512,643
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	41,871,234	37,640,118	2,093,562	1,882,006
15	Other contingent funding obligations	106,997,575	28,419,044	8,882,136	2,146,060
16	TOTAL CASH OUTFLOWS			133,934,463	56,441,322
CASH INFLOWS					
17	Secured lending	19,100	-	-	-
18	Inflows from fully performing exposures	27,242,762	8,386,835	16,222,934	5,782,699
19	Other cash inflows	18,746,496	18,622,292	18,746,496	18,622,292
20	TOTAL CASH INFLOWS	46,008,358	27,009,127	34,969,430	24,404,991
Upper Limit Applied Amounts					
21	TOTAL HQLA			123,732,027	86,329,444
22	TOTAL NET CASH OUTFLOWS			98,965,033	32,036,331
23	LIQUIDITY COVERAGE RATIO (%)			125.15	280.60

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. 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 – December 31, 2021	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	144,148,987	-	-	-	-	-	-	144,148,987
Banks	20,064,843	-	812,580	307,252	121,663	-	-	21,306,338
Financial assets at fair value through profit/loss	7,806	3,611,441	-	631,572	11,696,728	-	455,956	16,403,503
Interbank money market placements	-	-	6,914,400	-	-	-	-	6,914,400
Financial assets at fair value through other comprehensive income	-	394,950	1,162,772	25,408,840	84,602,446	21,895,049	7,246	133,471,303
Loans and receivables	-	55,110,275	27,426,156	108,012,809	218,046,147	165,104,923	18,309,561	592,009,871
Financial assets measured at amortized cost	-	268,061	556,255	4,429,076	41,947,547	26,661,044	-	73,861,983
Other assets ⁽³⁾⁽⁴⁾	19,786	11,338,641	2,946,881	1,066,479	3,980,009	7,062,546	(7,317,030)	19,097,312
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
Liabilities:								
Bank deposits	1,887,187	22,314,690	9,026,003	-	-	-	-	33,227,880
Other deposits	143,996,285	301,065,932	90,795,430	21,666,080	191,232	548	-	557,715,507
Funds borrowed	-	742,245	3,492,442	29,770,393	38,169,901	19,255,549	-	91,430,530
Interbank money market takings	-	120,559,300	5,638,915	8,988,052	8,452,684	241,833	-	143,880,784
Securities issued ⁽²⁾	-	885,830	3,414,503	12,936,747	62,642,855	11,063,389	-	90,943,324
Miscellaneous payables	-	11,595,041	-	-	-	-	6,590,209	18,185,250
Other liabilities	-	1,045,111	3,444,174	1,116,793	1,362,594	3,210,255	61,651,495	71,830,422
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
Prior Period – December 31, 2020								
Total assets	94,838,587	41,449,764	23,140,049	71,101,068	299,949,264	146,129,059	22,289,327	698,897,118
Total liabilities	80,536,322	339,989,526	84,242,214	54,770,565	54,973,856	26,550,905	57,833,730	698,897,118
Liquidity gap	14,302,265	(298,539,762)	(61,102,165)	16,330,503	244,975,408	119,578,154	(35,544,403)	-
Net Off Balance Sheet Position	-	(660,617)	297,648	827,039	1,407,502	1,798,650	-	3,670,222
Receivables from Derivative Financial Instruments	-	29,625,652	12,525,176	23,070,197	10,104,711	41,554,516	-	116,880,252
Payables from Derivative Financial Instruments	-	30,286,269	12,227,528	22,243,158	8,697,209	39,755,866	-	113,210,030
Non-cash Loans	46,985,533	4,613,173	8,968,987	20,361,207	18,123,777	2,183,360	-	101,236,037

(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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. 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 5.51%. Increase in balance sheet assets resulted in change in comparison with previous period (December 31, 2020: 6.83%) leverage rate. The Regulation adjudicated minimum leverage rate as 3%.

Leverage ratio common disclosure template

	Current Period - December 31, 2021	Prior Period - December 31, 2020
On-balance sheet exposures		
1. On-balance sheet items (excluding derivatives and SFTs; including collateral)	917,822,488	676,109,078
2. Assets deducted in determining Basel III Tier 1 capital	(454,973)	(437,080)
3. Total on-balance sheet exposures (excluding derivatives and SFTs)	917,367,515	675,671,998
Derivative exposures		
4. Replacement cost	18,000,551	10,502,166
5. Add-on amount	2,283,055	1,484,025
6. Total derivative exposures	20,283,606	11,986,191
Securities financing transaction exposures		
7. Gross SFT assets (with no recognition of accounting netting)	12,616,615	7,205,104
8. Agent transaction exposures	-	-
9. Total securities financing transaction exposures	12,616,615	7,205,104
Other off-balance sheet exposures		
10. Off-balance sheet exposures with gross nominal amount	334,234,825	206,412,229
11. Adjustment amount off-balance sheet exposures with credit conversion factor	(104,680,461)	(74,625,681)
12. Total off-balance sheet exposures	229,554,364	131,786,548
Capital and total exposures		
13. Tier 1 capital	64,675,456	56,493,405
14. Total exposures	1,179,822,100	826,649,841
Leverage ratio		
15. Leverage ratio	5.51	6.83

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

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Current Period - December 31, 2021	Carrying Value	Fair Value
Financial Assets:		
Receivables from Interbank Money Markets	6,914,400	6,914,400
Banks	21,306,338	21,306,338
Financial assets at fair value through profit/loss	16,403,503	16,403,503
Financial Assets at Fair Value through Other	133,471,303	133,471,303
Comprehensive Income		
Assets Measured at Amortised Cost	73,861,983	77,492,786
Loans	592,009,871	587,440,334
Financial Liabilities:		
Bank Deposits	33,227,880	33,227,880
Other Deposits	557,715,507	558,262,575
Funds Borrowed	91,430,530	91,006,460
Marketable Securities	61,974,897	62,011,060
Subordinated Loans	28,968,427	28,990,293
Prior Period - December 31, 2020		
Financial Assets:		
Receivables from Interbank Money Markets	187,753	187,753
Banks	2,584,919	2,584,919
Financial assets at fair value through profit/loss	7,330,931	7,330,931
Financial Assets at Fair Value through Other	80,432,200	80,432,200
Comprehensive Income		
Assets Measured at Amortised Cost	58,747,252	61,125,697
Loans	439,487,416	431,851,860
Financial Liabilities:		
Bank Deposits	23,001,449	23,001,449
Other Deposits	391,042,094	393,116,704
Funds Borrowed	46,986,798	47,048,153
Marketable Securities	45,512,967	45,569,217
Subordinated Loans	19,458,798	19,481,535

Fair values of available-for-sale financial assets and held-to-maturity investments are derived from market prices or in case of absence of such prices they are derived from prices of other marketable securities, whose interest rate, maturity date and other conditions are similar to securities held.

Fair value of loans are calculated by discounting future cash flows with the use of current market interest rates.

Fair value of funds borrowed with fixed interest rate are calculated by discounting cash flows with current market interest rates. Fair value of funds borrowed with floating interest rate is calculated according to repricing period by discounting cash flows with current market rates.

Fair value of other assets and liabilities is calculated by adding accumulated acquisition costs and the sum of the interest accrual.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

Classification of Fair Value Measurement

TFRS 7 - Financial Instruments requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Bank. This distinction brings about a fair value measurement classification generally as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: Fair value measurements using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Classification requires using observable market data if possible.

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

Current Period - December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss:	286,473	15,939,741	177,289	16,403,503
Debt securities	-	15,939,741	-	15,939,741
Equity securities	286,473	-	169,483	455,956
Other financial assets	-	-	7,806	7,806
Financial assets at fair value through other comprehensive income	124,392,068	9,071,989	7,246	133,471,303
Government debt securities	123,870,645	8,798,400	-	132,669,045
Equity securities	-	-	7,246	7,246
Other financial assets	521,423	273,589	-	795,012
Derivative financial assets held for trading purpose	-	21,487,370	-	21,487,370
Investments in associates and subsidiaries	2,341,706	-	4,575,861	6,917,567
Total Financial Assets	127,020,247	46,499,100	4,760,396	178,279,743
Financial liabilities at fair value through profit/loss:				
Derivative financial liabilities held for trading purpose	-	(5,490,278)	-	(5,490,278)
Total Financial Liabilities	-	(5,490,278)	-	(5,490,278)

(*) Fair values of the subsidiaries with fair values that are observable and not based on market data is calculated by independent valuation institutions using various methods (discounted cash flows and dividend method, adjusted net asset value method, peer comparison, realized company acquisitions and mergers). Depending on the changes in the assumptions used by independent valuation institutions in determining the fair value, the carrying value of the subsidiaries and affiliates may change.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

Prior Period - December 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss:	161,038	7,000,000	169,893	7,330,931
Debt securities	-	7,000,000	-	7,000,000
Equity securities	161,038	-	169,482	330,520
Other financial assets	-	-	411	411
Financial assets at fair value through other comprehensive income	79,838,878	589,294	4,028	80,432,200
Government debt securities	79,838,878	-	-	79,838,878
Equity securities	-	-	4,028	4,028
Other financial assets	-	589,294	-	589,294
Derivative financial assets held for trading purpose	-	8,731,143	-	8,731,143
Investments in associates and subsidiaries	1,720,028	-	3,350,328	5,070,356
Total Financial Assets	81,719,944	16,320,437	3,524,249	101,564,630
Financial liabilities at fair value through profit/loss:				
Derivative financial liabilities held for trading purpose	-	(6,085,314)	-	(6,085,314)
Total Financial Liabilities	-	(6,085,314)	-	(6,085,314)

(*) Fair values of the subsidiaries with fair values that are observable and not based on market data is calculated by independent valuation institutions using various methods (discounted cash flows and dividend method, adjusted net asset value method, peer comparison, realized company acquisitions and mergers). Depending on the changes in the assumptions used by independent valuation institutions in determining the fair value, the carrying value of the subsidiaries and affiliates may change.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy as at and for the year ended December 31, 2021 is as follows:

Level 3	Current Period - December 31, 2021	Prior Period - December 31, 2020
Balance at the beginning of the year	3,524,249	2,264,333
Total gains or losses for the year recognized in profit or loss	-	-
Total gains or losses for the year recognized under equity	1,236,147	1,259,916
Balance at the end of the year	4,760,396	3,524,249

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. TRANSACTIONS CARRIED OUT ON BEHALF OF CUSTOMERS, ITEMS HELD IN TRUST

The Bank provides buying, selling and custody services and management and advisory services in financial matters for its customers. The Bank is not involved in trust activities.

X. 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.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. 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	14,232,668	30,677,877	27,283,861	6,191	72,200,597
Interest Expense	12,637,777	17,560,756	22,411,777	46,906	52,657,216
Net Interest Income/Losses(Net)	1,594,891	13,117,121	4,872,084	(40,715)	19,543,381
Net Fees and Commissions Income	1,069,526	3,076,622	355,215	-	4,501,363
Dividend Income	-	-	120,849	-	120,849
Trading Income/ Losses (Net)	-	-	(4,749,785)	-	(4,749,785)
Other Income	-	-	-	7,947,393	7,947,393
Allowance for Expected Credit Losses	-	-	-	12,559,091	12,559,091
Other Expenses	-	-	-	9,508,389	9,508,389
Profit Before Taxes	2,664,417	16,193,743	598,363	(14,160,802)	5,295,721
Provision for taxes	-	-	-	-	(1,120,257)
Net Profit/ Loss					4,175,464
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

Prior Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	10,028,223	21,368,212	15,858,781	8,335	47,263,551
Interest Expense	6,495,463	9,604,596	11,192,869	83,220	27,376,148
Net Interest Income/Losses(Net)	3,532,760	11,763,616	4,665,912	(74,885)	19,887,403
Net Fees and Commissions Income	716,192	2,416,100	262,770	-	3,395,062
Dividend Income	-	-	167,839	-	167,839
Trading Income/ Losses (Net)	-	-	(2,550,724)	-	(2,550,724)
Other Income	-	-	-	5,382,333	5,382,333
Allowance for Expected Credit Losses	1,596,280	9,106,041	958,068	109,229	11,769,618
Other Expenses	-	-	-	8,073,022	8,073,022
Profit Before Taxes	2,652,672	5,073,675	1,587,729	(2,874,803)	6,439,273
Provision for taxes	-	-	-	-	(1,428,817)
Net Profit/ Loss					5,010,456
Segment Assets	109,512,341	248,269,220	317,505,563	18,564,454	693,851,578
Subsidiaries and Associates (Net)	-	-	5,045,540	-	5,045,540
TOTAL ASSETS	109,512,341	248,269,220	322,551,103	18,564,454	698,897,118
Segment Liabilities	154,812,133	238,746,950	237,582,854	21,270,523	652,412,460
Equity	-	-	-	46,484,658	46,484,658
TOTAL LIABILITIES	154,812,133	238,746,950	237,582,854	67,755,181	698,897,118

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. 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 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.

1. Information on Risk Management and Overview of Risk Weighted Amounts

Risk Management Strategy

The bank manages assets and values which are entrusted to it effectively and efficiently in order to increase the constant contribution to customers, shareholders and the society. The bank adopted the forward looking risk based approach in all activities undertaken by creating assets in a high quality and managing obligations well. Generating the systems and processes of risk management and observation of its effectiveness are structured in the responsibility of Board of Directors. Current risk profile of the bank defines the all the internal and external important risks arises from the operating environment, the regulatory or economic environment. These risks defined on the console and non-console level are managed with policies and implementation procedures approved by the Bank’s Board of Directors. To achieve this, Risk Management Department working under the Audit Committee, Inspection Board Department and Internal Control Department are working in coordination with all the departments at the same time.

Risk management strategy of the bank is basically to avoid legal risks and risks which are unlikely to occur but have a huge impact, to take measures to minimize the risks (to reduce risks) that may arise due to the nature of banking activities, to purchase protection, insurance or techniques such as credit derivatives in order to transfer risks to the third parties (transfer of risk) and the acceptance of risks that are unlikely to occur and have small impact.

Within the scope of the general principles and principles observed by the Bank in the context of risk management, the internal capital adequacy assessment process (İSEDES) is established in parallel with the budgeting process to determine the internal capital targets consistent with the risk profile and the activity environment and the effects of scenario outcomes on Bank projections is evaluated.

As a part of risk appetite structure, risk limits are set and over-limit exemptions and early warning levels are observed/followed. The Bank’s risk level is limited to the limits consistent with risk appetite. Risk limits are determined in accordance with the size and complexity of the Bank’s risk levels, activities, products and services. The limits are reviewed regularly according to market conditions, the Bank’s strategy and the risk appetite and updated when necessary. In addition to the limits, early warning levels indicating that the limits are approached are also determined. If the limit levels are approached or exceeded, the relevant units take the necessary actions.

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT(Continued)

The risks may arise from the new products and services and effects of these risks are analyzed. For the quantification of quantifiable risks and the qualitative evaluation of non-quantifiable. Effective and applicable systems which are compatible with the Bank's product range and fields of activity are developed.

In response to the sudden and unexpected changes in the macroeconomic indicators and Bank's specific circumstances, the risks the can be exposed to such as income/expenditure effect, capital loss, economic value change, liquidity adequacy are presented by various reports and stress tests conducted daily, weekly, monthly and annually. These reports and stress tests play an active role in the process of making decisions in the context of risk based approach. Risks subject to stress tests contains all the risks related to bank's risk group (on the balance sheet - off the balance sheet).These risks are subject to stress test applications independently, and can be subject to stress test applications in an integrated way taking into account interactions between them.

Risks which are subject to stress test applications can be evaluated on portfolio and activities basis, consolidated and non - consolidated basis, at specific and general levels. Specific stress test applications are performed with sensitivity and scenario analysis specific to particular portfolio and activity. General stress test applications are established to ensure that bank's risks are seen in an integrated perspective. Relations between risks are taken into account by the correlation effect and relations between portfolios are considered with diversification effect. Furthermore in addition to stress tests, reverse stress tests that enable us to evaluate which risk factors and which risk concentrations causes significant loss indicators designed from the outset are conducted.

The Risk Management Department uses the methods appropriate to national legislation and international practices to evaluate and monitor the developments in risks, to take necessary measures, to establish risk limits, to stay within the specified limits, and to perform the necessary analysis, measurement and reporting.

The development of risk culture in parallel with the changes in the economic conjuncture and risk perception is an important element of the Bank and aims to ensure risk awareness and sensitivity in the actions to be taken. In this respect, training programs, risk measurements and reports provided to the Board of Directors, Senior Management and risk reporting to the committees, the Bank's risk appetite framework and internal capital adequacy assessment process make a significant contribution to the dissemination of risk culture.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

Risk Weighted Amounts

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period- December 31, 2021	Prior Period - December 31, 2020	Current Period- December 31, 2021
1 Credit Risk (excluding counterparty credit risk) ^(*)	489,312,822	359,439,993	39,145,026
2 Standardised approach	489,312,822	359,439,993	39,145,026
3 Internal rating based approach	-	-	-
4 Counterparty Credit Risk	9,242,103	11,764,135	739,368
5 Standardised approach for counterparty credit risk	9,242,103	11,764,135	739,368
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	7,806	411	625
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	7,469,054	2,612,406	597,524
17 Standardised approach	7,469,054	2,612,406	597,524
18 Internal model approaches	-	-	-
19 Operational Risk	29,601,490	23,878,837	2,368,119
20 Basic Indicator Approach	29,601,490	23,878,837	2,368,119
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)	535,633,275	397,695,782	42,850,662

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

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

1. Linkages between Financial Statements and Regulatory Exposures

a) Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	Carrying values as reported in published financial statements	Carrying values of items (according to TAS)				Not subject to capital requirements or deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to the securitization	Subject to market risk	
Current Period - December 31, 2021						
Assets						
Cash and balances at central bank	144,148,987	144,148,987	-	-	-	-
Banks	21,306,338	21,306,338	-	-	-	-
Receivables from money markets	6,914,400	-	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	16,403,503	463,763	-	-	-	-
Financial Assets at Fair Value through other comprehensive Income	133,471,303	133,471,303	75,043,394	-	-	-
Financial Assets Measured at amortised cost	73,861,983	73,861,983	57,188,376	-	-	-
Derivative financial assets	21,487,370	-	21,487,370	-	425,540	-
Non-performing financial assets	18,309,561	18,309,561	-	-	-	-
Allowance for expected credit losses	(25,948,866)	(14,133,868)	-	-	-	(11,814,998)
Loans (Net)	573,700,310	573,689,517	-	-	-	10,793
Non-current assets or disposal groups "held for sale" and" from discontinued operations	755,033	755,033	-	-	-	-
Investments in associates (net)	2,047,712	2,047,712	-	-	-	-
Investments in subsidiaries (net)	4,650,121	4,650,121	-	-	-	-
Investments in joint ventures (net)	-	-	-	-	-	-
Tangible assets (net)	4,866,852	4,683,411	-	-	-	183,441
Intangible assets (net)	276,221	-	-	-	-	276,221
Investment properties (net)	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Other assets	10,962,869	11,008,920	-	-	-	(46,051)
Total assets	1,007,213,697	974,262,781	153,719,139	-	425,540	(11,390,594)
Liabilities						
Deposits	590,943,387	-	-	-	-	590,943,387
Funds borrowed	91,430,530	-	-	-	-	91,430,530
Money market funds	143,880,784	-	137,805,660	-	-	6,075,124
Marketable Securities (net)	61,974,897	-	-	-	-	61,974,897
Funds	3,005	-	-	-	-	3,005
Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-
Derivatives liabilities	5,490,278	-	5,490,278	-	426,764	-
Factoring liabilities	-	-	-	-	-	-
Lease liabilities	953,912	-	-	-	-	953,912
Provisions	3,849,848	-	-	-	-	3,849,848
Current tax liabilities	943,940	-	-	-	-	943,940
Deferred tax liabilities	46,378	-	-	-	-	46,378
Non-current liabilities or disposal groups "held for sale" and" from discontinued operations	-	-	-	-	-	-
Subordinated debts	28,968,427	-	-	-	-	28,968,427
Other liabilities	26,775,571	-	-	-	-	26,775,571
Equity	51,952,740	-	-	-	-	51,952,740
Total liabilities	1,007,213,697	-	143,295,938	-	426,764	863,917,759

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

1. Linkages between Financial Statements and Regulatory Exposures (Continued)

a) Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (Continued)

	Carrying values as reported in published financial statements	Carrying values of items (according to TAS)				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to the securitization	Subject to market risk	
Prior Period - December 31, 2020						
Assets						
Cash and balances at central bank	93,188,786	93,188,786	-	-	-	-
Financial assets held for trading	2,584,919	2,584,919	-	-	-	-
Financial assets designated at fair value through profit or loss	187,753	-	-	-	-	-
Banks	7,330,931	330,930	-	-	-	-
Receivables from money markets	80,432,200	80,432,200	25,744,884	-	-	-
Available for sale financial assets (net)	58,747,252	58,747,252	38,158,427	-	-	-
Loans and receivables	8,731,143	-	8,731,143	-	254,068	-
Factoring receivables	17,444,257	17,444,257	-	-	-	-
Held to maturity investments (net)	(21,597,063)	(13,307,248)	-	-	-	(8,289,815)
Investments in associates (net)	422,043,159	422,032,047	-	-	-	11,112
Investments in subsidiaries (net)	1,256,254	1,256,254	-	-	-	-
Investments in joint ventures (net)	1,394,406	1,394,406	-	-	-	-
Leasing receivables	3,651,134	3,651,134	-	-	-	-
Derivative financial assets held for hedges	-	-	-	-	-	-
Tangible assets (net)	4,825,602	4,639,425	-	-	-	186,177
Intangible assets (net)	255,263	-	-	-	-	255,263
Investment properties (net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	1,125,282	1,125,282	-	-	-	-
Other assets	17,295,840	17,420,264	-	-	-	(124,424)
Total assets	698,897,118	690,939,908	72,634,454	-	254,068	(7,961,687)
Liabilities						
Deposits	414,043,543	-	-	-	-	414,043,543
Derivative financial liabilities held for trading	46,986,798	-	-	-	-	46,986,798
Loans	99,051,464	-	54,994,594	-	-	44,056,870
Debt to money markets	45,512,967	-	-	-	-	45,512,967
Debt securities in issue	3,053	-	-	-	-	3,053
Funds	-	-	-	-	-	-
Various debts	6,085,314	-	6,085,314	-	251,958	-
Other liabilities	-	-	-	-	-	-
Factoring debts	974,793	-	-	-	-	974,793
Debts from leasing transactions	2,972,407	-	-	-	-	2,972,407
Derivative financial liabilities held for hedges	902,502	-	-	-	-	902,502
Provisions	-	-	-	-	-	-
Tax liability	-	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale (net)	19,458,798	-	-	-	-	19,458,798
Subordinated debts	16,420,821	-	-	-	-	16,420,821
Equity	46,484,658	-	-	-	-	46,484,658
Total liabilities	698,897,118	-	61,079,908	-	251,958	637,817,210

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

1. Linkages between Financial Statements and Regulatory Exposures (Continued)

b) Main sources of differences between regulatory exposure amounts and carrying values in financial statements

Current Period - December 31, 2021		Total	Items subject to credit risk	Items subject to securitisation	Items subject to counterparty credit risk	Items subject to market risk
1	Asset carrying value amount under scope of regulatory consolidation	1,018,604,291	974,262,781	-	153,719,139	425,540
2	Liabilities carrying value amount under regulatory scope of consolidation	143,295,938	-	-	143,295,938	426,764
3	Total net amount under regulatory scope of consolidation	875,308,353	974,262,781	-	10,423,201	1,224
4	Off-balance sheet amounts	-	-	-	8,219,733	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Differences due to risk reduction	-	-	-	118,553,256	-
10	Exposure amounts considered for regulatory	-	974,262,781	-	126,772,989	1,224

Prior Period - December 31, 2020		Total	Items subject to credit risk	Items subject to securitisation	Items subject to counterparty credit risk	Items subject to market risk
1	Asset carrying value amount under scope of regulatory consolidation	706,858,805	690,939,908	-	72,634,454	254,068
2	Liabilities carrying value amount under regulatory scope of consolidation	61,079,908	-	-	61,079,908	251,958
3	Total net amount under regulatory scope of consolidation	645,778,897	690,939,908	-	11,554,546	2,110
4	Off-balance sheet amounts	-	-	-	8,770,776	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Differences due to risk reduction	-	-	-	62,294,964	-
10	Exposure amounts considered for regulatory	-	690,939,908	-	71,065,740	2,110

c) Explanations of differences between accounting and regulatory exposure amounts

There is no significant difference between the amounts assessed pursuant to TAS and the risk amounts used within the scope of capital adequacy reported on the 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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations

a) General Information on Credit Risk

If the counterparty does not partially or completely fulfil its obligations in accordance with contract, the credit risk is exposed. Bank’s definition of credit risk contains the credit risk in all products and activities based on the credit definition of law of banking.

In accordance with the articles 51 and 54 of banking law and in compliance with legal legislation in order to restrict the credit risk in the crediting operations; branches, regional directorates, general directorate crediting units, deputy general manager responsible for credits, general manager, credit committee and board of directors determine the credit limits for counterparties within the framework of lending authority limits and provide credits within these limits.

Crediting activities are one of the basic and extensive fields of activities. The bank can provide all kind of crediting activities with its experience, competitiveness, variety of product and services. Parallel to this, it has a wide range of organization, regulation (legislation/documentation) and system infrastructure for the marketing, allocation and monitoring process of credit.

While establishing infrastructure, it is also supervised that all activities can be performed on a risk basis, in addition to providing the highest level of efficiency in the processes of the credits.

Credit management is not the single function within the bank and it is not restricted to the only one unit and responsibility area. Credit management is a process carried out together with different units and employees with different roles, authorities and responsibilities.

Credit facility functions are mainly carried out by the consecration units and in addition to the transactions done by the business units announced by the head of the Credit Management Department, relevant policy, strategy and framework documents are constituted by taking account of the international implementations and domestic regulations in order to ensure the effective and healthy management of the credit risk. The basic principles and principles of the policy, strategy and framework documents and the identification, measurement, monitoring and reporting of risk within the scope of risk management are determined. In the management of the credit risk, it is essential to consider all risk categories that may lead to capital requirements. In this subjected process, allocation units, intelligence units and risk management units are playing an active role.

The Risk Management Department continues its activities to assess, analyze and report on the credit risk in line with the policy document and measurement results and to determine the effect of the Bank on the capital requirement.

Within the results of the studies made in this context, it is possible to establish better portfolios with lower potential asset classes (credit types and/or counterparties) by sharing them with the bank’s top management and the units managing the loan portfolios, trying to be a guide in these matters.

In order to identify the risks which are created by loan concentrations and to create a balanced loan portfolio, sectoral, large credit and country risk limits have been determined, and these limits are regularly reviewed and updated taking into account the Bank’s credit policy, risk appetite and economic changes.

The eventual aim of the Bank is using credit risk inherent management methods in accordance with Basel III and best international implementations. In this context, studies of IRB (Internal Ratings Based Approach) are carried out. Within the scope of IRB studies, politics and procedures are updated as risk-focused. In addition, the work involves the correctness, precision and consistency of the models, which are used by the Bank, and the ratios of them in determining these criteria, measuring the general coherence of the other parts of the models, and basically, the work is continued in terms of qualitative and quantitative validation (verification) of the Bank’s inner credit rating systems.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Credit quality of assets

Current Period- December 31, 2021		Gross carrying values of (according to TAS)			Net Values
		Defaulted Exposures	Defaulted Exposures	Allowances / Impairment	
1	Loans	18,309,561	573,700,310	25,926,377	566,083,494
2	Debt Securities	-	209,519,063	1,722,015	207,797,048
3	Off-balance sheet exposure	507,691	279,325,328	44,305	279,788,714
4	Total	18,817,252	1,062,544,701	27,692,697	1,053,669,256

Prior Period - December 31, 2020		Gross carrying values of (according to TAS)			Net Values
		Defaulted Exposures	Defaulted Exposures	Allowances / Impairment	
1	Loans	17,444,257	422,043,159	21,587,738	417,899,678
2	Debt Securities	-	139,887,388	377,005	139,510,383
3	Off-balance sheet exposure	473,440	168,273,427	43,756	168,703,111
4	Total	17,917,697	730,203,974	22,008,499	726,113,172

Changes in stock of defaulted loans and debt securities^(*)

		Current Period - December 31, 2021	Prior Period - December 31, 2020
1	Defaulted Loans and debt securities at end of the previous reporting period	17,444,257	17,314,228
2	Loans and debt securities that have defaulted since the last reporting period	5,238,803	5,602,302
3	Returned to non-defaulted status	143,467	1,649,753
4	Amounts written-off	834,885	890,789
5	Other Changes	(3,395,147)	(2,931,731)
6	Defaulted Loans and debt securities at end of the reporting period (1+2-3-4±5)	18,309,561	17,444,257

(*) Provisions for non-cash loans that are not indemnified and not converted into cash are not included.

Additional disclosure related to the credit quality of assets:

As per the provisions of “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Set Aside” published by BRSA, capital and interest payments, and loans unpaid within their maturity or on their due date are accepted to be overdue. Loans the collection of whose capital and interest payments are overdue more than 90 days and the loans whose debtors are decided by the Bank to have lost their credit ratings are deemed to be depreciated or loans for which provision is allocated.

The Bank calculates its expected loss provisions in scope of TFRS 9, as laid out in detail in Information on Expected Loss Provisions no. VIII in the Accounting Policies.

Restructuring that can be applied for performing or non-performing receivables is done by changing the terms of the loan contract or by partially or completely refinancing the loan due to the financial difficulties that the borrower is facing or is likely to encounter in the payments.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Breakdown of receivables in terms of geographic regions, sectors and remaining maturities

	Credit receivables/risks December 31, 2021	Credit receivables/risks December 31, 2020
Domestic	524,985,405	393,152,708
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	2,939,074	1,469,341
Other	45,775,831	27,421,110
Total	573,700,310	422,043,159

(*) OECD Countries other than EU countries, USA and Canada.

Breakdown of loan receivables by sector

Current Period - December 31, 2021			
Breakdown of loan receivables by sector	Cash Loans	Impaired Loans	Provisions
Agricultural	4,069,482	176,928	136,875
Farming and raising livestock	3,925,370	165,123	127,861
Forestry	39,107	1,840	1,632
Fishing	105,005	9,965	7,382
Manufacturing	159,370,804	4,071,499	3,350,947
Mining and Quarrying	15,640,395	311,180	249,905
Production	108,912,378	2,875,211	2,383,602
Electricity, Gas, Water	34,818,031	885,108	717,440
Construction	61,826,191	3,962,355	3,056,452
Services	213,896,239	6,935,582	5,396,495
Wholesale and Retail Trade	72,759,783	4,086,735	3,400,971
Accommodation and Dining	21,678,986	250,646	188,316
Transportation and Telecommunication	73,814,527	510,392	420,383
Financial Institutions	12,938,865	44,747	38,055
Real Estate and Rental Services	22,827,502	204,269	176,480
Professional Services	5,680,181	1,639,195	1,005,035
Educational Services	2,268,613	97,498	75,311
Health and Social Services	1,927,782	102,100	91,944
Other	134,537,594	3,163,197	2,193,099
Total	573,700,310	18,309,561	14,133,868
Prior Period - December 31, 2020			
Breakdown of loan receivables by sector	Cash Loans	Impaired Loans	Provisions
Agricultural	2,996,323	162,659	124,644
Farming and raising livestock	2,895,930	148,578	114,970
Forestry	27,213	3,165	2,693
Fishing	73,180	10,916	6,981
Manufacturing	106,750,487	4,082,623	3,157,896
Mining and Quarrying	9,065,755	260,952	221,327
Production	77,238,748	2,938,233	2,322,938
Electricity, Gas, Water	20,445,984	883,438	613,631
Construction	39,875,209	3,919,908	2,721,953
Services	155,090,673	6,484,805	5,203,694
Wholesale and Retail Trade	57,745,990	4,231,887	3,447,037
Accommodation and Dining	14,855,232	231,806	181,606
Transportation and Telecommunication	47,483,626	569,034	466,628
Financial Institutions	11,089,083	51,975	42,405
Real Estate and Rental Services	15,697,471	227,035	192,807
Professional Services	4,027,100	960,270	701,168
Educational Services	2,362,254	102,166	78,410
Health and Social Services	1,829,917	110,632	93,633
Other	117,330,467	2,794,262	2,099,062
Total	422,043,159	17,444,257	13,307,249

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Breakdown by outstanding maturity

Current Period - December 31, 2021

Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
55,110,275	27,426,156	108,012,809	218,046,147	165,104,923	573,700,310

Prior Period - December 31, 2020

Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
37,371,225	15,731,263	50,114,639	213,430,390	105,395,642	422,043,159

Amounts of provision allocated receivables (According to the definition used by the Bank in accounting based on geographical area and sector and amounts deducted from the assets with the related provisions)

Breakdown of the provision allocated receivables and related provisions by geographical regions

Current Period - December 31, 2021

Geographical area	Loans Receivables(Risks)	Provisions
Domestic	18,210,199	14,070,046
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	98,620	63,080
Other	742	742
Total	18,309,561	14,133,868

(*) OECD Countries other than EU countries, USA and Canada.

Prior Period - December 31, 2020

Geographical area	Loans Receivables(Risks)	Provisions
Domestic	17,372,809	13,275,264
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	71,448	31,985
Other	-	-
Total	17,444,257	13,307,249

(*) OECD Countries other than EU countries, USA and Canada.

Aging analysis for overdue receivables

	Current Period - December 31, 2020	Prior Period - December 31, 2019
31-60 days	2,984,425	2,451,660
61-90 days	1,837,407	1,888,537

(*) Loan receivables with overdue loans are taken into consideration.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Breakdown of restructured receivables based on whether or not provisions are allocated

Payment Plan Extensions	Current Period - December 31, 2021	Prior Period - December 31, 2020
Standard Loans	114,299	395,256
Loans Under Close Monitoring	24,664,128	15,426,911
Non-performing Loans	2,126,026	1,520,159

b) Credit Risk Mitigation

Qualitative disclosure on credit risk mitigation techniques

Credit risk mitigation techniques in the Bank are evaluated within the scope of the "Policy Document on Credit Risk Management". Within the scope of "Communiqué on Credit Risk Mitigation", simple financial guarantee method is used for financial guarantees. Cash and cash equivalents and guarantees are used to mitigate credit risk

Policies regarding the valuation of financial collateral and the appraisal of the valuations and policies and procedures for the valuation of real estate established for the collateral of mortgage-backed loans, which are an asset class, have been established. These policies and procedures have been prepared in accordance with the "Communiqué on Credit Risk Mitigation" and cover the minimum requirements for collateral valuation and management.

The Bank receives collaterals such as mortgages, sureties/guarantees and financial collaterals for the loans given.

Credit risk mitigation techniques

Current Period December 31, 2021	Exposures unsecured: carrying amount	Exposures secured by collaterals	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1 Loans	405,509,775	160,573,719	105,407,593	63,010,541	51,179,363	-	-
2 Debt Securities	207,797,048	-	-	-	-	-	-
3 Total	613,306,823	160,573,719	105,407,593	63,010,541	51,179,363	-	-
4 Of which Defaulted	18,309,561	-	-	-	-	-	-

Prior Period December 31, 2020	Exposures unsecured: carrying amount	Exposures secured by collaterals	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives , of which: secured amount
1 Loans	302,041,404	115,858,274	81,963,062	79,568,632	51,767,847	-	-
2 Debt Securities	134,687,182	-	-	-	-	-	-
3 Total	436,728,586	115,858,274	81,963,062	79,568,632	51,767,847	-	-
4 Of which Defaulted	17,444,257	-	-	-	-	-	-

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

c) Credit risk under standardized approach

Qualitative disclosures on banks’ use of external credit ratings under the standardized approach for credit risk

In determining the risk weights of the risk classes specified in article 6 of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy, the external ratings of the counterparties are used which the Fitch Ratings international rating agency graded. Fitch Ratings international rating agency is used to determine the risk weights of the risk classes of banks receivables and intermediary institutions

When an international rating is taken into account for the entire risk category of central government or central banks, the centralized and central banks that are not rated by the Fitch Ratings international rating agency are based on the country risk classification issued by the Organization for Economic Co-operation and Development (OECD).

The following table shows that the rating scale of the credit rating agency corresponds to the credit quality levels reported in the annex of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy.

Ratings Matched	Credit Quality	Fitch Ratings
	Rank	
Long Term Credit Ratings	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
Short Term Credit Ratings	1	F1+ and F1
	2	F2
	3	F3
	4	F3 below
	5	-
	6	-

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

Credit risk exposure and credit risk mitigation effects

Current Period - December 31, 2021		Exposures before Credit Conversion Factors and CRM		Exposures post- Credit Conversion Factors and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA
1	Exposures to central governments or central banks	312,898,519	771,950	326,577,791	431,534	264,930	0.08%
2	Exposures to regional governments or local authorities	7,607,869	565,467	7,607,869	276,239	3,936,999	49.94%
3	Exposures to public sector entities	812,676	192,293	812,676	75,366	873,575	98.37%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to institutions	18,487,682	5,509,853	18,487,682	3,531,966	6,910,515	31.38%
7	Exposures to corporates	232,562,747	192,598,388	218,883,475	79,744,135	287,252,517	96.19%
8	Retail exposures	110,973,807	70,467,000	110,973,807	10,896,764	91,348,974	74.96%
9	Exposures secured by residential property	49,604,814	1,985,151	49,604,814	822,645	17,649,611	35.00%
10	Exposures secured by commercial real estate	51,442,638	8,532,029	51,442,638	5,431,096	38,485,571	67.67%
11	Past-due loans	4,184,225	-	4,184,225	-	2,759,821	65.96%
12	Higher-risk categories by the Agency Board	14,102,871	24,196	14,102,871	12,098	21,078,475	149.33%
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	7,806	-	7,806	-	7,806	100.00%
16	Other assets	17,868,460	-	17,868,460	-	12,118,245	67.82%
17	Investment in equities	6,633,588	-	6,633,588	-	6,633,588	100.00%
18	Total	827,187,702	280,646,327	827,187,702	101,221,843	489,320,627	52.71%

Current Period - December 31, 2020		Exposures before Credit Conversion Factors and CRM		Exposures post- Credit Conversion Factors and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA
1	Exposures to central governments or central banks	267,877,091	706,727	279,881,167	418,309	107,345	0.04%
2	Exposures to regional governments or local authorities	9,399,917	435,493	9,399,917	211,087	4,801,103	49.95%
3	Exposures to public sector entities	326,915	236,428	326,915	113,956	431,845	97.95%
4	Exposures to multilateral development banks	-	9,335	-	9,335	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to institutions	15,963,547	4,422,741	15,963,547	2,987,847	7,902,405	41.70%
7	Exposures to corporates	175,863,238	131,980,215	163,859,162	52,187,220	210,881,856	97.61%
8	Retail exposures	91,811,683	49,011,543	91,811,683	5,537,565	72,240,052	74.21%
9	Exposures secured by residential property	38,627,320	1,547,589	38,627,320	617,967	13,735,851	35.00%
10	Exposures secured by commercial real estate	40,625,947	6,091,631	40,625,947	3,605,144	29,651,253	67.04%
11	Past-due loans	3,841,385	-	3,841,385	-	2,023,660	52.68%
12	Higher-risk categories by the Agency Board	195,994	6,229	195,994	4,941	301,403	150.00%
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	411	-	411	-	411	100.00%
16	Other assets	16,675,293	-	16,675,293	-	12,106,290	72.60%
17	Investment in equities	5,256,930	-	5,256,930	-	5,256,930	100.00%
18	Total	666,465,671	194,447,931	666,465,671	65,693,371	359,440,404	49.09%

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

Exposures by asset classes and risk weights

Current Period - December 31, 2021	Asset Classes/ Risk Weight*	0%	10%	20%	35% (secured by real estate)	50%	75%	100%	150%	200%	250%	Other Risk Weights	Total credit risk exposure amount (After CCF and CRM)
1	Exposures to central governments or central banks	326,832,705	-	-	-	-	-	-	176,620	-	-	-	327,009,325
2	Exposures to regional governments or local authorities	9,955	-	260	-	7,873,893	-	-	-	-	-	-	7,884,108
3	Exposures to public sector entities	8,877	-	6,988	-	-	-	872,177	-	-	-	-	888,042
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to International organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	610,567	-	14,615,790	-	5,611,869	-	1,181,422	-	-	-	-	22,019,648
7	Exposures to corporates	944,602	-	7,671,585	-	8,586,446	-	281,424,977	-	-	-	-	298,627,610
8	Retail exposures	793,721	-	990,724	-	-	115,741,186	4,344,940	-	-	-	-	121,870,571
9	Exposures secured by residential property	-	-	-	50,427,459	-	-	-	-	-	-	-	50,427,459
10	Exposures secured by commercial real estate	-	-	-	-	36,776,326	-	20,097,408	-	-	-	-	56,873,734
11	Past-due loans	-	-	-	-	2,945,951	-	1,141,131	97,143	-	-	-	4,184,225
12	Higher Risk categories by the Agency Board	32,146	-	35,200	-	-	-	-	14,047,623	-	-	-	14,114,969
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessments	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	7,806	-	-	-	-	7,806
16	Other assets	-	-	-	-	-	-	6,633,588	-	-	-	-	6,633,588
17	Investments in equities	3,839,801	-	2,388,015	-	-	-	11,640,644	-	-	-	-	17,868,460
18	Total	333,072,374	-	25,708,562	50,427,459	61,794,485	115,741,186	327,344,093	14,321,386	-	-	-	928,409,545

Prior Period - December 31, 2020	Asset Classes/ Risk Weight*	0%	10%	20%	35% (secured by real estate)	50%	75%	100%	150%	200%	250%	Other Risk Weights	Total credit risk exposure amount (After CCF and CRM)
1	Exposures to central governments or central banks	280,227,913	-	-	-	-	-	-	71,563	-	-	-	280,299,476
2	Exposures to regional governments or local authorities	8,675	-	206	-	9,602,123	-	-	-	-	-	-	9,611,004
3	Exposures to public sector entities	7,236	-	2,238	-	-	-	431,397	-	-	-	-	440,871
4	Exposures to multilateral development banks	9,335	-	-	-	-	-	-	-	-	-	-	9,335
5	Exposures to International organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	678,058	-	5,149,131	-	12,503,252	-	620,953	-	-	-	-	18,951,394
7	Exposures to corporates	872,927	-	2,214,360	-	5,040,222	-	207,918,873	-	-	-	-	216,046,382
8	Retail exposures	489,162	-	736,387	-	-	96,123,699	-	-	-	-	-	97,349,248
9	Exposures secured by residential property	-	-	-	39,245,287	-	-	-	-	-	-	-	39,245,287
10	Exposures secured by commercial real estate	-	-	-	-	29,159,676	-	15,071,415	-	-	-	-	44,231,091
11	Past-due loans	-	-	-	-	3,643,888	-	189,060	8,437	-	-	-	3,841,385
12	Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	200,935	-	-	-	200,935
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessments	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	411	-	-	-	-	411
16	Other assets	-	-	-	-	-	-	5,256,930	-	-	-	-	5,256,930
17	Investments in equities	3,169,013	-	1,749,983	-	-	-	11,756,297	-	-	-	-	16,675,293
18	Total	285,462,319	-	9,852,305	39,245,287	59,949,161	96,123,699	241,245,336	280,935	-	-	-	732,159,042

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations

Qualitative disclosure on counterparty credit risk

The counterparty credit risk that may be incurred by the counterparty that is a party to a transaction that is liable to both parties due to default before the final payment in the cash flow is managed within the Bank's "Counterparty Credit Risk Management Policy Document". The counterparty credit risk amounts calculated using the "Fair Value Valuation Method" within the scope of the "Communiqué on Credit Risk Mitigation" are calculated on the basis of the portfolios in the trading accounts and banking accounts, and these amounts are used within the scope of capital adequacy calculations. Various scenarios and stress tests are applied to the counterparty credit risk.

Processes related to counterparty credit risk management activities have been written down. In the direction of the policy document and measurement results, activities of evaluating, analyzing and reporting the counterparty credit risk and determining the effect of the capital requirement of the bank are being continued.

In addition to the measurement activities, sensitivity and scenario analysis are used to evaluate the resistance of the Bank to the changes that may be experienced in risk factors against economic developments. Monthly stress test reports include analyzes of counterparty credit risk. The distributions of positions subject to counterparty credit risk calculation, the ratings of these counterparties from independent rating agencies and transaction concentration are regularly monitored by the Risk Management Department. The Risk Management Department monitors the level of concentration in terms of the counterparty of derivative transactions. The collateral process of derivative transactions, repo, marketable securities transactions etc. with foreign banks is covered with ISDA and ISMA contracts and the collateral agreements regarding the mutual rights and obligations for the transactions between the two parties.

Treasury transactions are valued on a daily basis over the market prices taking into account these contracts and rules from the beginning to the closing of the transaction and the difference between the favorable and unfavorable values of the transactions against the market prices cause the settlement call movements by agreeing with the related banks. In compliance with the limitations of the bank which exposed to counterparty risk, the Bank follows the limit follow up system. Limits, which are defined as loan limits and compromise limits in the system, are monitored instantaneously.

The Bank has fulfilled its statutory obligations under EMIR (European Markets Infrastructure Regulation). The clearing member of the bank has been transmitted to the "counterparty" via a bank and transactions that provide conditions within the existing transactions in the portfolio have started to be cleared under the conditions of EMIR.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Counterparty credit risk (CCR) approach analysis

Current Period - December 31, 2021		Renewal Cost	Potentially the amount of credit risk	EBPRT	Legal risk Alpha used for the calculation of the amount of	The amount of risk after credit risk mitigation	Risk-weighted amounts
1	Fair value method - KKR (for derivatives)	6,745,255	1,474,478			8,219,733	4,234,431
2	Standard approach - KKR (for derivatives)	-	-		1.4	-	-
3	Internal Model Method(for derivative financial instruments,repurchase agreement, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap için)			-	-	-	-
4	Simple methods that can be used to mitigate credit risk-(for derivative financial instruments,securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					118,553,256	1,961,169
5	A comprehensive method for credit risk reduction-(for derivative financial instruments,securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					-	-
6	Repurchase transactions, securities or commodities lending or borrowing transactions, trade credit transactions in securities value at risk for processes with long time					-	-
7	Total						6,195,600

Prior Period - December 31, 2020		Renewal Cost	Potentially the amount of credit risk	EBPRT	Legal risk Alpha used for the calculation of the amount of	The amount of risk after credit risk mitigation	Risk-weighted amounts
1	Fair value method - KKR (for derivatives)	7,561,240	1,209,536			8,770,776	4,349,358
2	Standard approach - KKR (for derivatives)	-	-		1.4	-	-
3	Internal Model Method(for derivative financial instruments,repurchase agreement, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap için)			-	-	-	-
4	Simple methods that can be used to mitigate credit risk-(for derivative financial instruments,securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					62,294,964	4,914,070
5	A comprehensive method for credit risk reduction-(for derivative financial instruments,securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					-	-
6	Repurchase transactions, securities or commodities lending or borrowing transactions, trade credit transactions in securities value at risk for processes with long time					-	-
7	Total						9,263,428

Capital requirement for credit valuation adjustment (CVA)

Current Period - December 31, 2020		EAD post CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation		-	-
1	(i) VaR component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital obligation	8,219,733	3,021,813
4	Total subject to the CVA capital obligation	8,219,733	3,021,813
Prior Period - December 31, 2020		EAD post CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation		-	-
1	(i) VaR component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital obligation	8,770,776	2,487,581
4	Total subject to the CVA capital obligation	8,770,776	2,487,581

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Standardized approach CCR exposures by risk class and risk weights

Current Period - December 31, 2021

Risk Classes / Risk Weights	0%	10%	20%	35% Secured by real estate	50%	75%	100%	150%	Diğer	Total Credit Exposures(*)
Claims from central governments and central banks	89,178,835	-	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	4,441	26	-	-	-	-	-	-	449
Claims from administration and non commercial entity	-	63	-	-	-	-	-	-	-	6
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from institutions	18,886,681	-	6,962,858	-	5,151,513	-	66,075	-	920,632	4,052,816
Corporates	896,983	3,375,992	-	-	-	-	1,770,288	-	277,571	2,113,439
Retail portfolios	79,031	380,460	-	-	-	19,744	-	-	25,162	53,357
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-	-
Other Assets(**)	-	-	-	-	-	-	-	-	-	-
Total	109,041,530	3,760,956	6,962,884	-	5,151,513	19,744	1,836,363	-	1,223,365	6,220,067

(*) Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

(**) Other assets: The counterparty reported in the counter counterparty risks includes amounts not included in the credit risk.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Standardized approach CCR exposures by risk class and risk weights (Continued)

Prior Period - December 31, 2020

Risk Classes / Risk Weights	0%	10%	20%	35% Secured by real estate	50%	75%	100%	150%	Diğer	Total Credit Exposures(*)
Claims from central governments and central banks	26,969,395	-	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	690	1	-	-	-	-	-	-	69
Claims from administration and non commercial entity	-	1,943	-	-	-	-	1,756	-	-	1,950
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from institutions	11,950,554	-	19,275,061	-	5,973,404	-	432,657	-	360,620	7,281,584
Corporates	992,708	3,137,447	-	-	-	-	1,603,665	-	202,421	1,921,458
Retail portfolios	65,032	653,730	-	-	-	7,696	-	-	17,363	71,492
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-	-
Other Assets(**)	-	-	-	-	-	-	-	-	-	-
Total	39,977,689	3,793,810	19,275,062	-	5,973,404	7,696	2,038,078	-	580,404	9,276,553

(*) Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

(**) Other assets: The counterparty reported in the counter counterparty risks includes amounts not included in the credit risk.

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Collaterals for counterparty credit risk

Current Period - December 31, 2021	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	117,366,019	-
Cash-foreign currency	-	-	-	-	13,734,825	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	131,100,844	-

Prior Period - December 31, 2020	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	35,649,667	-
Cash-foreign currency	-	-	-	-	19,290,727	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	54,940,394	-

Loan Derivatives

Current Period - December 31, 2021	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	1,169,754	5,676,270
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total Notionals	1,169,754	5,676,270
Fair Values	185,667	2,340,553
Positive fair values (asset)	185,667	-
Negative fair values (liability)	-	2,340,553
Prior Period - December 31, 2020	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	1,169,754	3,017,124
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total Notionals	1,169,754	3,017,124
Fair Values	125,557	634,601
Positive fair values (asset)	125,557	-
Negative fair values (liability)	-	634,601

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 YEAR ENDED DECEMBER 31, 2021

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Central counterparty risks

Current Period - December 31, 2021		Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		24,690
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,223,365	24,467
3	(i) OTC Derivatives	254,347	5,087
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	969,018	19,380
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	88,375	223
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Prior Period - December 31, 2020		Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		13,126
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	580,404	11,608
3	(i) OTC Derivatives	189,143	3,783
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	391,261	7,825
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	650,000	1,518
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

4. Explanations on Market Risk

Qualitative disclosure requirements related to market risk

As a result of fluctuations in the financial market, the Bank is exposed to market risk, depending on the exchange rates, interest rates and changes in the market prices of the shares.

In order to evaluate the market risk, liquidity risk, interest risk or condensation risk that Bank is facing or could face, with the policies and limitations that are lineup for to control the risks there is “Market Risk Management Directorate” and it carries out the market risk management. In this extent, this Directorate design the risk measurement models, measurement results and getting regular reports from the other analyzes and give notices from the report of the analyzes to the necessary departments.

Market risks get measured and monitored with the internal models that are parallel to international applications. This market risk management process continues by including buying and selling balance sheet both internally and externally, meeting the legal necessities, being able to analyze the all risks that can be caused from buying-selling activities and by identifying the market risk that can be caused by all portfolios.

Risk management of the Bank is important in order to be understood by the all management stages and be able to get an opportunity to manage risk. In addition to that, it is similarly important to handle the loss that might cause when a risk occurs. Therefore measurements must cover the evaluations for the fund needs near the size of the risk and evaluations of the conditions that caused it. By using the methods of scenario and stress test, it is possible to see risk levels and needs of funds that can be generated from different circumstances and risky conditions.

In addition to the results of market risk measurements using standard method, which calculated in monthly periods, other daily risk dependencies can be also calculated by using internal model. Only by using the 99% of trust range, other measurements that are subject to risk can be daily calculated by using the historical stimulation and Monte Carlo stimulation. There are daily back testings occurred in order to examine the trustworthiness and performance of the model results. Besides, there are also scenario analyzes and stress tests are happening in order to backing up the standard method and internal models. In addition to this, in order to limit the market risks, daily limit implementation and limit implementation in accordance with the early warning system can be monitored on daily basis.

Market Risk- Standardized approach

		Current Period – December 31, 2021	Prior Period – December 31, 2020
		RAT	RAT
Outright products			
1	Interest rate risk (general and specific)	1,785,263	1,400,687
2	Stock risk (general and specific)	-	-
3	Foreign exchange risk	5,199,107	1,188,943
4	Commodity risk	457,555	-
Options			
5	Simplified approach	-	-
6	Delta-plus method	27,129	22,776
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	7,469,054	2,612,406

**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 YEAR ENDED DECEMBER 31, 2021**

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

5. Explanations on Operational Risk

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 29511 on 23 October 2015 is used in the operational risk calculation of the Bank. Under the scope of the calculation, the value found by multiplying the average of the fifteen percent of the year-end gross income amounts realized by the Bank over the last three years by twelve and half is considered as the operational risk.

Annual gross revenue is calculated by deducting profit/loss derived from the sale of available-for-sale assets and held-to-maturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non-interest income.

All staff of the Bank is responsible within the scope of their own roles and work processes of controlling and decreasing operational risks. All units of the Bank are responsible of taking risk-reducing measures through insurance or other risk transfer mechanisms to reduce operational risks that may arise in their own business activities.

Current Period - December 31, 2021	2PP	1PP	CP Amount	Total/Positive GI year number	Ratio (%)	Total
Gross income	13,854,660	14,087,440	19,420,283	15,787,461	15	2,368,119
Amount subject to Operational Risk (Amount*12,5)	-	-	-	-	-	29,601,490

Prior Period- December 31,2020	2PP	1PP	CP Amount	Total/Positive GI year number	Ratio (%)	Total
Gross income	10,264,039	13,854,660	14,087,440	12,735,380	15	1,910,307
Amount subject to Operational Risk (Amount*12,5)	-	-	-	-	-	23,878,837

6. Interest Rate Risk Related to Banking Book

Bank has evaluated to Interest rate risk arising from on-balance sheet and off-balance sheet positions in banking accounts in accordance with "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" performs and reports on these measurement based results and analyzes on weekly and monthly periods. In addition, in the Asset-Liability Management Committee meetings, the sensitivity of the active, passive and off-balance sheet items to the interest rate is evaluated taking into consideration the market developments.

In line with the management of interest rate risk arising from banking accounts; Scenario analysis, gap analysis to date of re-pricing, behavioral analysis, core demand deposit level, duration and maturity mismatch metrics, option risk, base risk and yield curve risk components are followed together.

Current Period - December 31, 2021	Currency	Applied Shock (+/- x basis points)*	Gains/Losses	Gains / Shareholders' Equity Losses/ Shareholders' Equity
1	TRY	500/(400)	(5,486,562)/5,070,845	(%7.06) / %6.53
2	EURO	200/(200)	(4,431,583)/785,195	(%5.71) / %1.01
3	USD	200/(200)	(737,408)/786,504	(%0.95) / %1.01
Total (for negative shocks)			6,642,544	(%13.72)
Total (for positive shocks)			(10,655,553)	%8.55

Prior Period - December 31, 2020	Currency	Applied Shock (+/- x basis points)*	Gains/Losses	Gains / Shareholders' Equity Losses/ Shareholders' Equity
1	TRY	500/(400)	(7,823,623)/7,246,356	(11.97%) / 11.09%
2	EURO	200/(200)	(1,342,194)/(206,353)	(1.50%) / 0.82%
3	USD	200/(200)	(980,927)/535,680	(2.05%) / (0.32%)
Total (for negative shocks)			7,575,682	11.59%
Total (for positive shocks)			(10,146,744)	(15.53%)

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 YEAR ENDED DECEMBER 31, 2021

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

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 - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Cash	1,930,251	2,017,698	1,681,202	1,416,757
Central Bank of the Republic of Turkey (*)	26,610,644	109,585,919	12,390,091	75,644,781
Other	819,015	3,185,460	590,716	1,465,239
Total	29,359,910	114,789,077	14,662,009	78,526,777

(*) TL 56,969,055 (December 31, 2020: TL 26,455,637) 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% to 8% (December 31, 2020: ranging from 1% to 6%). For foreign currency liabilities, all banks shall provide a reserve rate ranging from 5% to 26% in US Dollar or Euro (December 31, 2020: ranging from 5% to 22%).

Balances with the Central Bank of Republic of Turkey

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Unrestricted demand deposits	25,948,962	52,616,864	12,069,426	36,135,248
Restricted demand deposits	375,623	-	259,120	-
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	13,053,896
Reserve Deposits	286,059	56,969,055	61,545	26,455,637
Total	26,610,644	109,585,919	12,390,091	75,644,781

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 December 31, 2021	Prior Period December 31, 2020
Collateralized/blocked investment securities	14,383,082	-
Investments subject to repurchase agreements	-	7,000,000
Total	14,383,082	7,000,000

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Forward transactions	1,186,318	5,610	50,686	9,940
Swap transactions	18,215,437	1,894,303	7,086,102	1,581,652
Futures	-	-	-	-
Options	12,457	173,245	1,420	1,343
Other	-	-	-	-
Total	19,414,212	2,073,158	7,138,208	1,592,935

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 December 2021, the fair value of this transaction is TL 1,079,186, with a nominal amount of 120 million USD and an average maturity of 2.54 years. (As of 31 December 2020, the fair value of this transaction was 247,734 TL, with a nominal amount of 120 million USD, and an average maturity of 4.6 years.)

3. Information on banks

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Banks				
Domestic	50	307,252	26	-
Foreign ^(*)	1,120,350	19,878,686	-	2,584,893
Foreign Head Offices and Branches	-	-	-	-
Total	1,120,400	20,185,938	26	2,584,893

^(*) As a result of the changes in the Uniform Chart of Accounts implemented by the BRSA as of January 1, 2021, the collaterals given for the derivative transactions given by the Bank to foreign banks, which were monitored in the other assets account in the bank balance sheet in the previous periods, which are started to be accounted in the banks account as of the current period. As of December 31, 2021 the relevant amount is TL 14,009,088.

Due from foreign banks

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	Unrestricted Balance	Restricted Balances ^(**)	Unrestricted Balance	Restricted Balances ^(**)
EU Countries	308,052	1,029,715	218,872	-
USA, Canada	2,149,336	3,809,939	741,114	1,005,650
OECD Countries ^(*)	2,252,210	10,828,879	235,131	-
Off-shore Banking Regions	1,350	-	626	-
Others	619,555	-	383,500	-
Total	5,330,503	15,668,533	1,579,243	1,005,650

^(*) OECD countries except from EU countries, USA, Canada.

^(**) Restricted balances that occur from securization loans and other common banking activities

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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 – December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FP
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	13,880,235	2,604,505	4,241,350	34,972,671
Other	-	-	-	-
Total	13,880,235	2,604,505	4,241,350	34,972,671

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

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Government bonds	10,777,067	56,651,084	13,031,822	3,901,929
Treasury bills	-	-	-	-
Other debt securities	-	7,615,243	-	8,811,133
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	10,777,067	64,266,327	13,031,822	12,713,062

Information on financial assets at fair value through other comprehensive income

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Debt securities	135,177,712	80,798,466
Quoted on a Stock Exchange	134,904,123	80,710,286
Unquoted	273,589	88,180
Equity securities	7,246	4,028
Quoted on a Stock Exchange	-	-
Unquoted	7,246	4,028
Provisions for impairment losses (-)	1,713,655	370,294
Total	133,471,303	80,432,200

5. Information on loans

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

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders		8,344		32,511
Legal entities	-	8,344	-	32,511
Real persons	-	-	-	-
Indirect loans provided to the shareholders				
Loans provided to the employees	481,072	-	470,993	-
Total	481,072	8,344	470,993	32,511

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Current 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

All creditors, including the Bank, have agreed that the loans provided in scope of loan agreements to Ojer Telekomünikasyon A.Ş. (OTAŞ), the main shareholder of Türk Telekomünikasyon A.Ş. (Türk Telekom) shall be restructured. All creditors shall be direct or indirect partners to Levent Yapılandırma Yönetimi A.Ş., a special purpose company established in Turkish Republic, and 192,500,000,000 of A group shares, owned by OTAŞ pledged to be the warranty of current loans, which make up the 55% of issued capital of Türk Telekom, were taken over by LYY Telekomünikasyon AŞ as December 21, 2018. The Bank participated in LYY Telekomünikasyon AŞ with a 4.2559% share. At the Ordinary General Assembly Meeting of LYY dated September 23, 2019, it was decided that a portion of the loan would be converted to capital and added to the capital of LYY. In this context, the nominal value of the Bank's shares in LYY increased from TL 2 to TL 169,483. This amount is presented under “Financial assets at fair value through profit or loss” in the financial statements. As of 31 December 2021, the amount is TL 1,984,833 (31 December 2020: TL 1,067,728) and the provision is TL1,248,790 (31 December 2020: TL 341,044).

Prior Period - December 31, 2020

	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	388,012,748	18,603,500	2,840,854	12,586,057
Loans given to enterprises	142,380,085	10,267,775	2,123,492	11,878,202
Export loans	12,139,158	154,374	-	-
Import loans	-	-	-	-
Loans given to financial sector	8,319,904	869	-	227
Consumer loans	94,965,604	462,764	113,847	672,195
Credit cards	14,393,403	177,385	66,585	-
Other	115,814,594	7,540,333	536,930	35,433
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	388,012,748	18,603,500	2,840,854	12,586,057

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Current 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
Prior Period - December 31, 2020	Standard Loans	Loans under close monitoring
12-Month expected credit losses	3,168,803	-
Significant Increase in Credit Risk	-	5,111,686

Maturity analysis of cash loans

Current Period - December 31, 2021	Loans under close monitoring		
	<i>Standard Loans</i>	<i>Loans not Subject to Restructuring</i>	<i>Loans Restructured</i>
Short-term Loans	131,581,167	10,123,891	140,321
Medium, Long-term Loans	379,959,892	27,371,232	24,523,807

Prior Period - December 31, 2020	Loans under close monitoring		
	<i>Standard Loans</i>	<i>Loans not Subject to Restructuring</i>	<i>Loans Restructured</i>
Short-term Loans	73,415,029	4,133,792	83,326
Medium, Long-term Loans	314,597,719	14,469,708	15,343,585

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 YEAR ENDED DECEMBER 31, 2021

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

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 - 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

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 YEAR ENDED DECEMBER 31, 2021

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

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, 2020	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	1,167,352	89,104,078	90,271,430
Housing loans	3,209	40,609,960	40,613,169
Automobile loans	4,902	473,614	478,516
General purpose loans	1,159,241	48,020,504	49,179,745
Other	-	-	-
Consumer loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Retail credit cards – TL	10,919,678	92,959	11,012,637
With instalment	4,430,552	89,060	4,519,612
Without instalment	6,489,126	3,899	6,493,025
Retail credit cards – FC	14,017	-	14,017
With instalment	-	-	-
Without instalment	14,017	-	14,017
Personnel loans – TL	9,505	334,082	343,587
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	9,505	334,082	343,587
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	126,608	592	127,200
With instalment	44,823	549	45,372
Without instalment	81,785	43	81,828
Personnel credit cards – FC	206	-	206
With instalment	-	-	-
Without instalment	206	-	206
Overdraft Checking Accounts – TL (Real person)	5,599,005	-	5,599,005
Overdraft Checking Accounts – FC (Real person)	388	-	388
Total	17,836,759	89,531,711	107,368,470

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 YEAR ENDED DECEMBER 31, 2021

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

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 - 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

Prior Period - December 31, 2020	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	2,743,103	117,586,396	120,329,499
Real estate loans	2,779	1,178,097	1,180,876
Automobile loans	137,470	2,635,208	2,772,678
General purpose loans	2,602,854	113,773,091	116,375,945
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	453,243	453,243
Real estate loans	-	-	-
Automobile loans	-	25,550	25,550
General purpose loans	-	427,693	427,693
Other	-	-	-
Instalment-based commercial loans – FC	249,088	27,218,678	27,467,766
Real estate loans	-	-	-
Automobile loans	-	31,494	31,494
General purpose loans	249,088	27,187,184	27,436,272
Other	-	-	-
Corporate credit cards – TL	3,382,956	97,503	3,480,459
With instalment	1,194,567	89,774	1,284,341
Without instalment	2,188,389	7,729	2,196,118
Corporate credit cards – FC	2,854	-	2,854
With instalment	-	-	-
Without instalment	2,854	-	2,854
Overdraft Checking Accounts – TL (Corporate)	943,370	-	943,370
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	7,321,371	145,355,820	152,677,191

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Allocation of loan customers^()*

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Public Sector	22,781,460	15,643,650
Private Sector	550,918,850	406,399,509
Total	573,700,310	422,043,159

^(*) Non-performing loans are not included.

Allocation of domestic and overseas loans^()*

	Current Period- December 31, 2021	Prior Period - December 31, 2020
Domestic loans	572,705,445	421,400,244
Foreign loans	994,865	642,915
Total	573,700,310	422,043,159

^(*) Non-performing loans are not included.

Loans to associates and subsidiaries

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Direct loans to associates and subsidiaries	3,978,742	3,582,369
Indirect loans to associates and subsidiaries	-	-
Total	3,978,742	3,582,369

Specific provisions accounted for loans (Stage 3)

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Loans and receivables with limited collectability	527,488	304,135
Loans and receivables with doubtful collectability	923,721	1,338,598
Uncollectible loans and receivables	12,682,659	11,664,516
Total	14,133,868	13,307,249

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 - 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
Prior Period - December 31, 2020			
Gross Amounts Before The Reserves	37,444	291,885	1,190,830
Loans Which Are Restructured	37,444	291,885	1,190,830

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 - 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 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 3.23% to 3.09%.

	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, 2020			
Balance at the beginning of the period	3,171,887	3,470,044	10,672,297
Additions (+)	4,336,204	86,691	1,179,406
Transfers from other categories of loans under follow-up (+)	-	6,703,801	5,761,562
Transfers to other categories of loans under follow-up (-)	6,703,801	5,761,562	-
Collections (-) ^(*)	318,094	2,120,427	2,142,962
Write-offs (-) ^(**)	-	-	890,789
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	486,196	2,378,547	14,579,514
Provision (-)	304,135	1,338,598	11,664,516
Net balance	182,061	1,039,949	2,914,998

^(*) 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, 2020, the Bank has TL 890,789 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 4.16% to 3.97%.

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

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 YEAR ENDED DECEMBER 31, 2021

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

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 Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current 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
Prior Period - December 31, 2020			
Balance at the end of the period	238,306	1,342,222	4,008,204
Provision (-)	155,951	728,467	3,124,868
Net balance on balance sheet	82,355	613,755	883,336

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 Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current 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
Prior Period - December 31, 2020			
Current Period (Net)	182,061	1,039,949	2,914,998
Consumer and Commercial Loans (Gross)	485,060	2,377,140	14,555,704
Provision (-)	303,001	1,337,194	11,640,724
Consumer and Commercial Loans (Net)	182,059	1,039,946	2,914,980
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,136	1,407	23,810
Provision (-)	1,134	1,404	23,792
Other Loans and Receivables (Net)	2	3	18

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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) - 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
Prior Period (Net) - December 31, 2020	10,442	84,433	658,148
Interest accruals and valuation differences	25,935	201,036	1,786,371
Provision (-)	15,493	116,603	1,128,223

6. Information on other financial assets measured at amortized cost

Information on measured at amortized cost government debt securities

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Government bonds	48,358,190	15,883,492	44,159,655	7,895,261
Treasury bills	-	-	-	-
Other securities issued by the governments	-	9,293,290	-	6,447,138
Total	48,358,190	25,176,782	44,159,655	14,342,399

Information on financial assets measured at amortized cost

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Debt Securities	73,861,983	58,747,252
Quoted at stock exchanges	73,593,922	58,598,242
Unquoted at stock exchanges	268,061	149,010
Impairment losses (-)	-	-
Total	73,861,983	58,747,252

The movement table of other financial assets measured at amortized cost

	Current Period - December 31, 2021	Prior Period- December 31, 2020
Balances at the beginning of the period	58,747,252	47,014,633
Foreign currency differences on monetary assets	9,987,748	3,415,268
Purchases during the period	1,418,048	10,980,105
Disposals through sales/redemptions	(2,975,048)	(5,718,504)
Change in Impairment losses	-	-
Change in amortized costs of the securities (*)	6,683,983	3,055,750
Balances at the end of the period	73,861,983	58,747,252

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

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 - 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.

Prior Period - December 31, 2020	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	5,025,295	4,255,426	7,421,128	4,522,402
Investments subject to repurchase agreements	23,856,260	9,231,311	28,591,836	9,566,589
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	5,366,141	433,569	8,205,641	439,656
Total	34,247,696	13,920,306	44,218,605	14,528,647

(*) 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 Enternasyonel Otelcilik AŞ (*)	İstanbul/ Turkey	5.00	5.00
8 İstanbul Takas ve Saklama Bankası AŞ (*)	İstanbul/ Turkey	4.37	4.37
9 Kredi Garanti Fonu AŞ (*)	Ankara/ Turkey	1.49	1.49
10 Türkiye Ürün İhtisas Borsası AŞ (*)	Ankara/ Turkey	3.00	3.00
11 Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ (*)	İstanbul/ Turkey	33.33	33.33
12 JCR Avrasya Derecelendirme AŞ (*)	İstanbul/ Turkey	2.86	2.86
13 Birleşik İpotek Finansmanı AŞ (*)	İstanbul/ Turkey	8.33	8.33
14 Platform Ortak Karlılı Sistemler AŞ	İstanbul/ Turkey	20.00	20.00
15 Tasfiye Halinde World Vakıf UBB Ltd. (**)	Lefkoşa/KKTC	83.00	83.59

**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 YEAR ENDED DECEMBER 31, 2021**

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

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	2,412,322	131,233	9,214	177,649	4,746	20,690	15,695	-
2	61,775,687	6,751,364	1,397,066	2,357,953	754,460	774,602	528,164	4,040,400
3	10,624,267	3,333,806	1,387,768	31,871	-	783,247	235,009	15,839,000
4	397,536	328,592	96,050	27,498	-	93,651	35,413	-
5	544,660	339,776	297,247	13,036	-	47,719	48,549	-
6	133,569	(73,530)	88,096	3,782	-	21,149	(28,485)	-
7	80,377	(272,464)	75,401	-	-	(67,129)	(87,402)	-
8	31,274,420	3,002,208	162,283	528,839	76,573	655,999	359,199	-
9	1,123,996	868,953	19,242	58,949	-	87,977	138,849	-
10	102,273	89,489	25,829	10,162	-	28,767	13,078	-
11	202,521	165,159	70,205	9,281	-	6,173	168	-
12	82,592	73,849	28,099	2,043	-	46,508	(1,399)	-
13	55,060	52,696	2,535	6,976	-	2,508	70	-
14	5,711	5,682	38	1,263	-	918	(464)	-
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 September 30, 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 - December 31, 2021	Prior Period - December 31, 2020
Balance at the beginning of the period	1,394,406	1,001,717
Movements during the period	653,306	392,689
Transfers	-	-
Acquisitions	-	70,692
Bonus shares received	-	10,193
Share of current year profit	-	-
Sales/liquidations	-	(700)
Fair value changes	732,825	312,504
Impairment losses	(79,519)	-
Balance at the end of the period	2,047,712	1,394,406
Capital commitments	3,150	3,150
Share percentage at the end of period (%)	-	-

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the prior period, it has been decided to increase the paid-in capital of Bileşim Finansal Teknolojiler ve Ödeme Sistemler A.Ş. from TL 26,000 to TL 145,000 TL 104,987 of the capital increase made was paid, where TL 14,013 part of it was paid from internal resources. The shares amounting to TL 34,992 corresponding to the share of the Bank are shown under Acquisition in the Movement Table of Investments in Associates, the shares amounting to TL 4,671 corresponding to the share of the Bank are shown under Bonus Shared Received in the Movement Table of Investments in Associates.

In the prior period, it has been decided to increase the capital of Birleşik İpotek Finansmanı from TL 10,000 to TL 50,000. The shares amounting to TL 3,333 corresponding to the share of the Bank are shown under Acquisition in the Movement Table of Investments in Associates.

In the prior period, the difference amounting to TL 32 corresponding to the Bank's share due to the corrections made in the JCR Avrasya Rating AŞ's paid in capital records, is shown in the transaction table of the subsidiaries under the Purchases

In the prior period, at the Ordinary General Assembly of one of the Bank's affiliates Bankalararası Kart Merkezi, it has been decided to increase firm's capital from TL 30,000 to TL 177,493 TL, by funding TL 56,950 of it internally and for the part of TL 90,543 by increasing the pre-emptive rights of the existing shareholders. The bonus share amounting to TL 5,522, which corresponds to the bank share, is shown in Bonus Shares in the transaction table of subsidiaries.

In the prior period, the Bank's subsidiaries in Türkiye Ürün İhtisas Borsası AŞ's Ordinary General Meeting held on March 2, 2020, it was decided to reduce the company's charter capital in the amount of TL 50,000 to TL 100,000. As of September 30, 2020, the Bank's remaining capital debt has been paid and 750 TL of shares have been included in the Purchases table of Affiliates.

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

In the prior period, PTT AS joined the Platform Ortak Kartlı Sistemler A.Ş. on June 3, 2020. Nominal share of capital has decreased to TL 4,200 due to the transfer of the Bank's nominal share part of TL 1,400 of TL 5,600 to PTT A.Ş. TL 350 shares sold are shown in Sales in the transaction table of subsidiaries.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Sectoral distribution of investments in financial associates

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Banks	379,004	458,523
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	11,825	11,825
Total	390,829	470,348

Quoted associates

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Quoted at domestic stock exchanges	338,484	418,003
Quoted at international stock exchanges	-	-
Total	338,484	418,003

Investments in associates disposed during the period

In the current period, all of the 39.30% shares owned by the Bank in Keskinöglü 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.

In the prior period, the Bank has become a shareholder of Keskinöglü Tavukçuluk ve Damızlık İşletmeleri Sanayi Ticaret AŞ on September 3, 2020. The Bank's nominal share in the capital is TL 45,952 and the bank's share ratio is 41.77%. In the previous period, the Bank transferred 2.47% of its shares in Keskinöglü Tavukçuluk ve Damız İşletmeleri Sanayi Ticaret AŞ, one of its subsidiaries, to the former shareholders upon the Board of Directors decision taken by the Company.

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

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

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

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 YEAR ENDED DECEMBER 31, 2021

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

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 - 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

(^{c)} Reviewed BRSA financial statements as of December 31, 2021 are considered.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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, 2020						
Paid in Capital	311,248	200,000	100,000	250,000	460,000	30,000
Share Premium	-	9,044	137	-	300,577	121
Equity share premiums	-	-	-	-	278,978	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	9,044	137	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	31,506	(628)	4,397	(13)	(40)
Other accumulated comprehensive income that will be reclassified in profit or loss	1,207,608	-	11,637	-	-	-
Profit Reserves	17,882	54,290	23,089	120,688	130,828	408
Legal Reserves	17,882	11,317	10,390	18,286	9,056	395
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	42,973	12,699	102,402	121,225	13
Other Profit Reserves	-	-	-	-	547	-
Profit/Loss	100,665	1,455	281,938	67,998	61,260	(1,399)
<i>Prior Period's Profit/Loss</i>	42,062	(57,263)	124,550	(18,796)	10,351	(1,737)
<i>Current Period's Profit/Loss</i>	58,603	58,718	157,388	86,794	50,909	338
Minority Rights	-	-	-	-	-	-
Total Core Capital	1,637,403	296,295	416,173	443,083	952,652	29,090
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
CAPITAL	1,637,403	296,295	416,173	443,083	952,652	29,090
NET AVAILABLE EQUITY	1,637,403	296,295	416,173	443,083	952,652	29,090

(*) Reviewed BRSA financial statements as of December 31, 2020 are considered.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Information on investments in subsidiaries

Title	Address (City / Country)	Bank’s Share –If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1 Vakıf Faktoring AŞ	İstanbul/Turkey	78.39	80.62
2 Vakıf Finansal Kiralama AŞ	İstanbul/ Turkey	58.71	58.71
3 Vakıf Yatırım Menkul Değerler AŞ	İstanbul/ Turkey	99.25	99.40
4 VakıfBank International AG	Vienna/Austria	100.00	100.00
5 Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ	İstanbul/ Turkey	17.37	17.37
6 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	İstanbul/ Turkey	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 (*)	Ankara/ Turkey	97.14	97.14

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year’s Profit/Loss	Prior Period’s Profit/Loss	Fair Value
1	7,179,447	590,674	4,627	362,341	-	116,286	98,106	587,367
2	6,296,924	702,444	29,674	371,352	-	128,071	60,321	1,541,500
3	2,107,175	518,651	59,287	145	18,696	202,267	182,348	599,853
4	13,630,500	2,627,814	1,777	191,576	0	108,269	52,828	1,369,078
5	32,529	32,165	179	2,067	6	3,067	350	166,620
6	4,619,815	2,441,130	1,611,186	13,082	-	474,688	118,592	1,599,000
7	352,409	223,414	245,128	2,215	-	(4,077)	(3,823)	43,911
8	471,377	452,321	194,910	25,629	-	50,921	11,787	555,605
9	139,878	66,427	85,654	4,016	197	(422)	1,426	81,009
10	38,554	26,745	425	4,775	-	(8,654)	(2,377)	26,667

(*) 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 - December 31, 2021	Prior Period - December 31, 2020
Balance at the beginning of the period	3,651,134	1,799,559
Movements during the period	998,987	1,851,575
Transfers(*)	-	-
Acquisitions	526,846	223,782
Bonus shares received	183,689	102,205
Share of current year profit	(99,250)	-
Sales and liquidations	-	-
Fair value changes	981,424	1,528,136
Impairment losses	(593,722)	(2,548)
Balance at the end of the period	4,650,121	3,651,134
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the current period, it has been decided to increase the capital of Vakıf 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 current 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 current 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 current 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 current 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 current 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 current 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.

In the prior period, it has been decided to increase the capital of Vakıf Faktoring AŞ from 170,000 TL to TL 250,000. The bonus shares amounting to TL 62,714 corresponding to the share of the Bank are shown under Bonus Shares Received in the Movement Table of Investments in Subsidiaries.

In the prior period, the capital of “Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ” was increased from TL 20,000 to TL 30,000. After the addition 3,314 VKFYO shares, the Bank's pre-emptive right was fully exercised for TL 3,473 nominal share in the company's capital. The shares amounting to TL 1,737 corresponding to the share of the bank are shown under Acquisitions in the Movement Table of Investments in Subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Yatırım Menkul Değerler AŞ from TL 75,000 to TL 100,000. Bonus shares amounting to TL 24,813 corresponding to the share of the Bank are shown under Bonus Shares Received in the Movement Table of Investments in Subsidiaries.

In the prior period, it has been decided to increase the capital of Vakıf Finansal Kiralama AŞ from TL 175,000 to TL 200,000. Bonus shares amounting to TL 14,678 corresponding to the share of the Bank are included under Bonus Shares Received in the Movement Table of Investments in Subsidiaries.

In the prior period, the paid-in capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ, which was TL 230,000 within the registered capital ceiling of TL 1,000,000, was increased to TL 460,000 with an increase of TL 230,000. Total shares amounting to TL 148,741 are presented under Purchases in the movement table of subsidiaries.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the prior period, one of the Vakıfbank International AG partners, all of the 10% shares of Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı was acquired by the Bank for TL 57,083, in March 24 2020. Shares are shown in themovement table relating to subsidiaries.

In the prior period, the paid-in capital of Vakıf Gayrimenkul Değerleme A.Ş., which was 14,000 TL, is increased by 16,000 TL to 30,000 TL. The share of the bank is TL 15,543 shown in purchases in the movement table of subsidiaries.

In the prior period, The Bank has paid TL 678 for TL 400 nominal share of Vakıf Emeklilik ve Hayat AŞ one of the partners of Vakıf Gayrimenkul Değerleme AŞ, on January 16, 2020. The shares are shown in the movement table related to subsidiaries in the purchases.

Methods to measure investments in subsidiaries

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Measured at cost	-	-
Measured at fair value	4,650,121	3,651,134
Equity method of accounting	-	-
Total	4,650,121	3,651,134

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

Sectoral distribution of investments in financial subsidiaries

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Banks	1,369,078	935,314
Factoring companies	460,454	443,029
Leasing companies	905,048	502,224
Financing companies	-	-
Other financial subsidiaries	1,407,055	1,392,295
Total	4,141,635	3,272,862

Quoted subsidiaries

	Current Period December 31, 2021	Prior Period December 31, 2020
Quoted at domestic stock exchanges	1,716,749	1,302,025
Quoted at international stock exchanges	-	-
Total	1,716,749	1,302,025

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

9. In the current 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.

10. **Investments in joint-ventures**

None.

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

11. Information on finance lease receivables (net)

None.

12. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

13. Information on tangible assets

	Real Estates	Right of Use Assets	Vehicles	Other Tangible Assets	Total
Balance at the end of the prior year:					
Cost	3,293,710	1,365,269	225,290	1,898,199	6,782,468
Accumulated depreciation(-)	47,462	468,720	58,292	1,369,778	1,944,252
Impairment(-)	8,438	-	-	4,176	12,614
Net book value	3,237,810	896,549	166,998	524,245	4,825,602
Net book value at the beginning of the current year	3,237,810	896,549	166,998	524,245	4,825,602
Additions	134,583	427,145	-	186,106	747,834
Transferred cost	969,054	-	-	-	969,054
Transferred amortization	7,993	-	-	-	7,993
Cost of the disposals	1,030,065	221,224	4,477	38,311	1,294,077
Depreciation of the disposals (-)	60	32,615	3,289	15,315	51,279
Depreciation of the current year	8,520	273,001	41,545	150,484	473,550
Impairment (-)	-	-	-	4,162	4,162
Exchange differences related to foreign associates	-	-	509	28,046	28,555
Cost at the end of the current year	3,367,282	1,571,190	221,322	2,074,040	7,233,834
Accumulated depreciation at the end of the year (-)	47,929	709,106	96,548	1,504,947	2,358,530
Impairment (-)	8,438	-	-	14	8,452
Net book value at the end of the current year	3,310,915	862,084	124,774	569,079	4,866,852

14. Information on intangible assets

Bank’s intangible assets consist of computer softwares and licences. The estimated useful life of intangible assets is five years. Intangible assets are amortized on a straight-line basis over the estimated useful lives. The Bank divides the extinction share of intangible assets according to inflation adjusted values.

There is not any intangible asset that is important for fullest extend of financial statements.

Bank does not have any intangible asset that is collateral or acquired by government promotion and has a limitation on usage.

The Bank did not declared a commitment to purchase intangible assets.

15. Information on investment properties

None.

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

16. Information on deferred tax assets

The deferred tax asset of the Bank as of December 31, 2021 is None. (31.12.2020: 1,125,282). 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.

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

As of December 31, 2021, the cost of property and equipment held for sale purpose and related to discontinued operations are TL 756,779 (December 31, 2020: TL 1,263,718) and the provision for impairment is TL 1,746 (December 31, 2020: TL 7,467). The amount of other assets held for sales and discontinued operations is TL None. (31 December 2020: TL 3).

18. Information on other assets

As at December 31, 2021 and December 31, 2020 “Other Asset” item does not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

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

	Current Period - December 31, 2021	Prior Period – December 31, 2020
Balances with the Central Bank	1,532	990
Banks	12,710	1,739
Total	14,242	2,729
Financial Assets Measured at Amortized Cost	8,247	6,596
Total	22,489	9,325

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

1. Information on maturity profile of deposits

Current Period December 31, 2021	7 Days Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	15,231,477	-	11,559,594	46,268,755	10,470,493	1,432,528	1,827,314	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	590,943,387

(*) Savings deposit balance, includes TL 8,958,208 "Turkish Lira Time Deposits with Currency Protection", which was opened within the scope of the announcement of the Ministry of Treasury and Finance dated 24 December 2021 and TL 1,231,731 opened within the scope of the product "Currency Conversion Currency Protected Turkish Lira Time Deposits" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696.

Prior Period December 31, 2020	7 Days Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	10,033,091	-	9,141,056	49,160,575	1,414,287	309,055	717,266	70,784,254
Foreign currency deposits	25,786,582	-	23,946,240	100,992,729	4,488,116	2,943,414	7,772,530	165,929,611
Residents in Turkey	24,614,391	-	23,552,235	98,182,126	3,659,298	1,956,144	3,640,307	155,604,501
Residents in abroad	1,172,191	-	394,005	2,810,603	828,818	987,270	4,132,223	10,325,110
Public sector deposits	9,869,935	-	16,555,520	9,056,028	835,740	172,860	122,980	36,613,063
Commercial deposits	6,891,407	-	24,952,915	31,747,855	199,071	510,308	271,607	64,573,163
Other	9,124,141	-	2,401,792	20,331,158	1,278,713	362,348	851,775	34,349,927
Precious metal deposits	17,226,185	-	2,231	4,909	-	1,385,635	173,116	18,792,076
Bank deposits	1,604,981	-	14,161,699	6,881,876	322,934	29,959	-	23,001,449
Central Bank	3,418	-	-	-	-	-	-	3,418
Domestic banks	655,960	-	13,871,431	1,180,543	322,934	-	-	16,030,868
Foreign banks	253,437	-	290,268	5,701,333	-	29,959	-	6,274,997
Participation banks	692,166	-	-	-	-	-	-	692,166
Other	-	-	-	-	-	-	-	-
Total	80,536,322	-	91,161,453	218,175,130	8,538,861	5,713,579	9,909,274	414,043,543

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

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
Saving deposits	38,157,515	48,642,384	34,549,132	36,235,122
Foreign currency saving deposits	35,113,479	119,335,680	26,578,612	57,449,267
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
Total	73,270,994	167,978,064	61,127,744	93,684,389

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 YEAR ENDED DECEMBER 31, 2021

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

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 - December 31, 2021	Prior Period - December 31, 2020
Deposits and other accounts at foreign branches	127,496	68,685
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	17,472	9,753
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 - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Forwards	1,167,111	3,555	46,128	1,739
Swaps	428,039	3,702,220	4,015,689	2,019,300
Futures	-	-	-	-
Options	14,062	175,291	1,367	1,091
Other	-	-	-	-
Total	1,609,212	3,881,066	4,063,184	2,022,130

3. Information on funds borrowed

a) *Information on banks and other financial institutions*

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	484,900	1,791,814	162,800	1,346,184
Domestic banks and institutions	404,632	5,356,443	293,228	5,952,876
Foreign banks, institutions and funds	170,844	83,221,897	340,202	38,891,508
Total	1,060,376	90,370,154	796,230	46,190,568

b) *Maturity information of funds borrowed*

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Short-term (*)	718,210	2,552,479	455,228	2,269,424
Medium and Long-term (*)	342,166	87,817,675	341,002	43,921,144
Total	1,060,376	90,370,154	796,230	46,190,568

(*) 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 9.57% (December 31, 2020: %7.20) of the Bank’s liabilities. There is no risk concentration on funding sources of the Bank.

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.

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Syndicated Loans Received

Beginning From	Maturity (Days)	Currency	Amount (Millions)	Interest rate	Coordinator Bank	Agent Bank
9 December 2021	367	USD	296	Libor+2.15%	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	313,5	Euribor+1.75%	The Commercial Bank (P.S.Q.C.) Emirates NBD Bank (P.J.S.C) The Commercial Bank (P.S.Q.C.)	Emirates NBD Bank (P.J.S.C)
10 May 2021	367	USD	237,5	Libor + 2.50%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) MUFG Bank Standard Chartered Bank	Mizuho Bank
	367	EUR	691,3	Euribor + 2.25%	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 December 31, 2021, the total securitization balance is equivalent of USD 1,689 million and EUR 337 million. (31 December 2020: USD 1,175 million and EUR 168 million).

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 YEAR ENDED DECEMBER 31, 2021

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

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.

	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Current Period - December 31, 2021				
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
	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Prior Period - December 31, 2020				
Nominal	5,169,940	5,180,500	2,177,273	32,494,250
Cost	5,043,291	5,180,500	2,175,570	32,339,042
Net Book Value	5,150,249	5,301,603	2,188,163	32,872,952

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 December 31, 2021 and December 31, 2020 are presented below.

Current 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
Prior Period - December 31, 2020	Service Buildings	Vehicles	Total
Lease payables	1,322,486	21,988	1,344,474
Deferred rental expenses(-)	366,940	2,741	369,681
Lease payables (Net)	955,546	19,247	974,793
Right of use assets	878,265	18,284	896,549

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (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, 81,738 TL of lease payments were made in the related period. (December 31, 2020: TL 72,951).

	Current Period - December 31, 2021		Prior Period - December 31, 2020	
	Gross	Net	Gross	Net
Under 1 year	47,705	44,359	24,228	23,200
1-4 Years	364,367	297,588	338,843	293,475
Over 4 years	1,078,021	611,965	981,403	658,118
Total	1,490,093	953,912	1,344,474	974,793

With the “TFRS 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.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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 December 31, 2021, TL 979,244 (December 31, 2020: TL 781,077) provision for severance pay and TL 95,048 (December 31, 2020 TL 88,612) provision for unused vacation are stated in financial statements under employee rights provision.

Movement of severance pay provision in the period:

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Opening balance	781,077	598,412
Current service cost	76,353	59,591
Previous service cost	377	37
Interest cost	95,976	69,032
Paid compensation	(39,964)	(38,940)
Payment/Reduction of benefits/Layoff accordingly composed loss/(gain)	2,055	382
Actuary loss/(gain)	63,370	92,563
Closing balance	979,244	781,077

Information on pension rights

The technical financial statements of the Fund are audited by an actuary registered in the actuarial registry in accordance with Article 21 of the Insurance Law No. 5684 registered to "Actuarial Regulation" issued pursuant to this article. Based on the actuarial report dated January 2022, neither technical nor actual deficit has been identified that requires provisioning.

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Transferable retirement and health liabilities		
Net Present Value of Transferable Retirement Liabilities	(10,570,828)	(9,103,430)
Net Present Value of Transferable Retirement and Health Contributions	10,470,302	7,319,847
General Administration Expenses	(105,708)	(91,034)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(206,234)	(1,874,618)
Fair Value of Plan Assets (2)	7,215,596	6,577,453
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	7,009,362	4,702,835

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on pension rights (Continued)

Actuarial assumptions used in valuation of Non Transferable Benefits based on TAS 19 are as follows

Discount Rates	Current Period - December 31, 2021	Prior Period - December 31, 2020
Benefits Transferable to SSI	9.80%	9.80%
Non Transferable Benefits	2.50%	2.50%

Distribution of total assets of the Retirement Fund as of December 31, 2021 and December 31, 2020 is presented below:

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Bank placements	4,183,613	2,462,572
Government Bonds and Treasury Bill, Fund and Accrual Interest Income	518,000	1,476,099
Tangible assets*	2,232,947	2,387,853
Other	281,036	250,929
Total	7,215,596	6,577,453

(*) As of 31 December 2021, the value of the fixed assets are shown considering the fair value of the properties owned instead of the balance sheet value.

Provision for currency exchange loss on foreign currency indexed loans

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Provision for currency exchange loss on foreign currency indexed loans	-	5,871

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

As of December 31, 2021, Bank has recorded TL 44,305 (December 31, 2020: TL 43,756) as provisions for non-cash loans that are not indemnified or converted into cash.

Information on provision for probable risks

As of December 31, 2021, the free provision in the financial statements amounted to a total of TL 1,772,000, of which is constituted by TL 700,000 in the current period and TL 1,072,000 in the prior periods. (31 December 2020: TL 1,072,000)

8. Taxation

Current taxes

Tax provision

As of December 31, 2021, the Bank's corporate tax payable is TL 10,325 (December 31, 2020: TL 360,486).

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

8. Taxation (Continued)

Information on taxes payable

	Current Period December 31, 2021	Prior Period December 31, 2020
Corporate taxes payable	10,325	360,486
Taxation on securities	372,700	283,597
Capital gains tax on property	5,763	1,561
Banking and Insurance Transaction Tax (BITT)	350,451	196,109
Taxes on foreign exchange transactions	59,585	8,002
Value added tax payable	21,368	6,957
Other	114,146	41,467
Total	934,338	898,179

Information on premiums payable

	Current Period December 31, 2021	Prior Period December 31, 2020
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	3,114	1,441
Unemployment insurance- employer share	6,229	2,882
Other	259	-
Total	9,602	4,323

Information on deferred tax liabilities

The deferred tax asset / liability schedule as of December 31, 2021 and December 31, 2020 is as follows:

	Current Period December 31, 2021	Prior Period December 31, 2020
As of 1 January	1,125,282	747,323
Deferred tax income/(loss)	(953,358)	470,328
Deferred tax that is accounted under Equity	(193,287)	(86,658)
Other	(25,015)	(5,711)
Deferred tax asset/(Liability)	(46,378)	1,125,282

The reconciliation of the deferred tax on the assets directly related to the equity is as follows:

	Current Period December 31, 2021	Prior Period December 31, 2020
Securities available for sale	(190,521)	(12,162)
Associates and subsidiaries	(15,773)	(71,343)
Tangible assets	333	(21,666)
Assets held for sale	-	-
Actuarial gains and losses	12,674	18,513
The effect of changes in accounting policies	-	-
Total	(193,287)	(86,658)

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

None.

10. Information on subordinated debts

Stated bonds' total balance sheet value is TL 28,968,427 as of December 31, 2021 (December 31, 2020: TL 19,458,798).

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	5,145,230	11,018,134	5,144,984	6,627,849
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	5,145,230	11,018,134	5,144,984	6,627,849
Debt instruments to be included in the additional capital calculation	1,259,521	11,545,542	1,256,477	6,429,488
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	1,259,521	11,545,542	1,256,477	6,429,488
Total	6,404,751	22,563,676	6,401,461	13,057,337

(*)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 - September 30, 2021	Prior Period - December 31, 2020
Common Stock	3,905,622	3,905,622
Preferred Stock	-	-

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

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

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

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

There is no capital and capital share increase made in the current period.

In the prior period, the Bank increased its paid-in capital from TL 2,500,000 to TL 3,905,622, provided that it is within the registered capital ceiling, based on the decision taken at the Board of Directors meeting dated 11 May 2020. Accordingly, the amendment made in the related article of the Articles of Association was registered on 9 June 2020.

Information on share capital increases from revaluation funds

None.

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

None.

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

None.

Information on the privileges given to stocks representing the capital

None.

Valuation differences of the marketable securities

	Current Period		Prior Period	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	3,002,827	(182,919)	2,520,234	(4,066)
Financial assets at fair value through other comprehensive income	1,251,170	354,576	138,957	700,035
Foreign exchange differences	80,727	-	80,727	-
Total	4,334,724	171,657	2,739,918	695,969

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 - December 3, 2021	Prior Period - December 31, 2020
Commitments for credit card limits	30,687,962	21,320,698
Loan granting commitments	34,013,637	26,086,273
Commitments for cheque payments	7,029,711	5,723,932
Asset purchase sale commitments	13,030,758	11,842,849
Other	2,931,623	2,537,078
Total	87,693,691	67,510,830

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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 507,691 (December 31, 2020: TL 473,440) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 44,305 (December 31, 2020: TL 43,756).

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period – December 31, 2021	Prior Period – December 31, 2020
Provisional letters of guarantee	3,239,783	2,300,586
Final letters of guarantee	51,344,606	26,707,408
Letters of guarantee for advances	14,848,052	6,997,981
Letters of guarantee given to custom offices	2,542,604	2,335,826
Other letters of guarantee	61,543,637	36,742,124
Total	133,518,682	75,083,925

2. Non-cash loans

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Non-cash loans given for cash loan risks	44,781,413	23,475,004
<i>With original maturity of 1 year or less</i>	8,896,727	3,761,496
<i>With original maturity of more than 1 year</i>	35,884,686	19,713,508
Other non-cash loans	147,357,915	77,761,033
Total	192,139,328	101,236,037

3. Sectoral risk concentrations of non-cash loans

	Current Period - December 31, 2021				Prior Period - December 31, 2020			
	TL	%	FC	%	TL	%	FC	%
Agricultural	139,996	0.23	615,401	0.47	92,169	0.21	711,771	1.23
Farming and Cattle	124,298	0.20	537,647	0.41	85,536	0.20	663,623	1.15
Forestry	12,157	0.02	-	-	4,980	0.01	-	-
Fishing	3,541	0.01	77,754	0.06	1,653	-	48,148	0.08
Manufacturing	19,502,805	31.59	71,808,891	55.07	14,223,619	32.77	32,550,812	56.28
Mining	436,029	0.70	1,021,326	0.78	943,206	2.17	377,971	0.65
Production	12,775,324	20.70	65,154,049	49.97	8,627,927	19.88	29,210,184	50.51
Electric, gas and water	6,291,452	10.19	5,633,516	4.32	4,652,486	10.72	2,962,657	5.12
Construction	14,800,027	23.98	17,549,761	13.46	9,697,538	22.34	7,984,351	13.81
Services	26,235,282	42.50	34,094,890	26.14	18,169,868	41.87	15,093,021	26.09
Wholesale and retail trade	11,533,354	18.69	13,427,929	10.30	7,509,189	17.30	8,560,076	14.80
Hotel, food and beverage Services	599,846	0.97	863,562	0.66	399,272	0.92	596,204	1.03
Transportation and telecommunication	5,179,687	8.39	16,557,465	12.70	3,508,135	8.08	3,935,289	6.80
Financial institutions	4,694,387	7.60	1,545,143	1.18	3,597,437	8.29	315,020	0.54
Real estate and renting Services	2,180,150	3.53	1,323,085	1.01	1,652,822	3.81	1,310,291	2.27
Self-employment services	1,721,447	2.79	315,385	0.24	1,179,304	2.72	369,557	0.64
Education services	124,387	0.20	49,930	0.04	67,596	0.16	1,012	-
Health and social services	202,024	0.33	12,391	0.01	256,113	0.59	5,572	0.01
Other	1,051,765	1.70	6,340,510	4.86	1,221,017	2.81	1,491,871	2.59
Total	61,729,875	100.00	130,409,453	100.00	43,404,211	100.00	57,831,826	100.00

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

Current Period – December 31, 2021	Group I		Group II	
	TL	FC	TL	FC
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

Prior Period - December 31, 2020	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	41,583,843	30,826,591	1,323,090	895,488
Confirmed Bills of Exchange and Acceptances	4,258	5,098,493	-	-
Letters of Credit	253,982	20,506,928	-	155,028
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	114,896	-	-
Non-Cash Loans	41,842,083	56,546,908	1,323,090	1,050,516

5. Information on derivative transactions

	Current Period - December 31, 2021	Prior Period - December 31, 2020
Trading Derivatives		
Foreign Currency Related		
Derivative Transactions (I)	151,003,473	120,375,323
Currency Forwards	14,493,825	3,073,644
Currency Swaps	129,227,973	115,753,278
Currency Futures	-	382,085
Currency Options	7,281,675	1,166,316
Interest Rate Derivative		
Transactions (II)	127,590,653	79,926,312
Interest Rate Forwards	-	-
Interest Rate Swaps	127,590,653	79,926,312
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivatives (III)	71,235,697	29,788,647
A. Total Trading Derivatives		
(I+II+III)	349,829,823	230,090,282
Hedging Derivatives		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Hedges for Foreign Currency	-	-
Investments	-	-
B. Total Hedging Derivatives		
Derivative Transactions (A+B)	349,829,823	230,090,282

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Current Period - December 31, 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Currency swaps:						
Purchase	26,452,780	11,471,724	6,770,828	-	223,500	44,918,832
Sale	29,705,301	11,170,733	6,975,396	-	-	47,851,430
Currency forwards:						
Purchase	50,100	301,063	1,178,211	17,153	-	1,546,527
Sale	50,014	300,610	1,159,418	17,075	-	1,527,117
Cross currency interest rate swaps:						
Purchase	-	-	7,579,285	1,639,000	3,278,760	12,497,045
Sale	-	-	6,817,007	1,177,650	2,491,314	10,485,971
Interest rate swaps:						
Purchase	65,000	95,000	5,272,432	4,363,072	30,167,652	39,963,156
Sale	65,000	95,000	5,272,432	4,363,072	30,167,652	39,963,156
Options:						
Purchase	442,822	93,412	38,000	-	-	574,234
Sale	461,568	97,208	33,306	-	-	592,082
Trading Securities:						
Purchase	-	-	-	-	-	-
Sale	-	-	-	-	-	-
Futures:						
Purchase	-	-	186,250	-	-	186,250
Sale	-	-	195,835	-	-	195,835
Other trading derivatives:						
Purchase	2,614,950	563,977	2,045,191	4,085,486	7,884,604	17,194,208
Sale	4,386	563,977	1,789,764	3,139,412	7,096,900	12,594,439
Total purchases	29,625,652	12,525,176	23,070,197	10,104,711	41,554,516	116,880,252
Total sales	30,286,269	12,227,528	22,243,158	8,697,209	39,755,866	113,210,030
Total	59,911,921	24,752,704	45,313,355	18,801,920	81,310,382	230,090,282

Prior Period - December 31, 2020	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Currency swaps:						
Purchase	26,452,780	11,471,724	6,770,828	-	223,500	44,918,832
Sale	29,705,301	11,170,733	6,975,396	-	-	47,851,430
Currency forwards:						
Purchase	50,100	301,063	1,178,211	17,153	-	1,546,527
Sale	50,014	300,610	1,159,418	17,075	-	1,527,117
Cross currency interest rate swaps:						
Purchase	-	-	7,579,285	1,639,000	3,278,760	12,497,045
Sale	-	-	6,817,007	1,177,650	2,491,314	10,485,971
Interest rate swaps:						
Purchase	65,000	95,000	5,272,432	4,363,072	30,167,652	39,963,156
Sale	65,000	95,000	5,272,432	4,363,072	30,167,652	39,963,156
Options:						
Purchase	442,822	93,412	38,000	-	-	574,234
Sale	461,568	97,208	33,306	-	-	592,082
Trading Securities:						
Purchase	-	-	-	-	-	-
Sale	-	-	-	-	-	-
Futures:						
Purchase	-	-	186,250	-	-	186,250
Sale	-	-	195,835	-	-	195,835
Other trading derivatives:						
Purchase	2,614,950	563,977	2,045,191	4,085,486	7,884,604	17,194,208
Sale	4,386	563,977	1,789,764	3,139,412	7,096,900	12,594,439
Total purchases	29,625,652	12,525,176	23,070,197	10,104,711	41,554,516	116,880,252
Total sales	30,286,269	12,227,528	22,243,158	8,697,209	39,755,866	113,210,030
Total	59,911,921	24,752,704	45,313,355	18,801,920	81,310,382	230,090,282

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Contingent assets and liabilities

Bank allocates TL 37,141 as provision for lawsuits against the Bank (December 31, 2020: TL 37,141).

7. 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 December 31, 2021		Prior Period December 31, 2020	
	TL	FC	TL	FC
Short-term Loans	13,234,079	847,202	5,914,891	628,901
Medium and Long-Term Loans	29,637,589	8,152,410	23,751,436	5,778,851
Non-performing Loans	662,874	-	657,031	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	43,534,542	8,999,612	30,323,358	6,407,752

Information on interest income received from banks

	Current Period December 31, 2021		Prior Period December 31, 2020	
	TL	FC	TL	FC
Central Bank of Republic of Turkey	-	-	-	-
Domestic Banks	6,698	3,107	5,606	7,328
Foreign Banks	-	10,341	-	29,719
Foreign Head Office and Branches	-	-	-	-
Total	6,698	13,448	5,606	37,047

Information on interest income received from marketable securities portfolio

	Current Period – December 31, 2021		Prior Period – December 31, 2020	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss	-	217,454	-	90,514
Financial assets at fair value through other comprehensive income	6,861,009	2,383,084	3,345,422	1,000,826
Financial assets measured at amortized cost	8,260,089	1,010,249	5,209,672	682,258
Total	15,121,098	3,610,787	8,555,094	1,773,598

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Information on interest income received from associates and subsidiaries

	Current Period – December 31, 2021	Prior Period – December 31, 2020
Interest Received from Associates and Subsidiaries	349,291	107,364

2. Interest expense

Interest expense on funds borrowed

	Current Period – December 31, 2021		Prior Period – December, 2020	
	TL	FC	TL	FC
Banks	86,909	1,406,586	91,591	1,132,701
Central Bank of Republic of Turkey	17,505	7,059	3,324	3,161
Domestic Banks	44,764	124,257	28,353	109,872
Foreign Banks	24,640	1,275,270	59,914	1,019,668
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	70,446	-	69,959
Total	86,909	1,477,032	91,591	1,202,660

Interest expense paid to associates and subsidiaries

	Current Period December 31, 2021	Prior Period December 31, 2020
Interest Paid to Associates and Subsidiaries	174,488	228,144

Interest expense on securities issued

Interest paid to securities issued as at for the period ended December 31, 2021 is TL 6,172,494 (TL 2,631,272 and 3,541,222 FC). (December 31, 2020: TL 4,580,755 (TL 2,322,948 and 2,257,807 FC).

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Maturity structure of the interest expense on deposits

Current Period December 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	-	371,866	756,887	-	-	-	-	1,128,753
Saving deposits	762	1,578,025	9,318,284	406,703	174,710	206,367	745	11,685,596
Public sector deposits	36,343	905,346	1,162,027	101,172	58,270	10,175	-	2,273,333
Commercial deposits	2,009	4,241,305	5,388,939	213,160	113,171	40,389	-	9,998,973
Other deposits	56	344,756	2,587,379	484,868	281,539	164,856	-	3,863,454
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	39,170	7,441,298	19,213,516	1,205,903	627,690	421,787	745	28,950,109
<i>FC</i>								
Foreign currency deposits	21,574	300,187	1,460,099	88,275	68,162	95,741	-	2,034,038
Interbank deposits	4,552	50,563	102,912	-	-	-	-	158,027
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	24	-	7,364	1,034	-	8,422
Total	26,126	350,750	1,563,035	88,275	75,526	96,775	-	2,200,487
Grand Total	65,296	7,792,048	20,776,551	1,294,178	703,216	518,562	745	31,150,596

Prior Period December 31, 2020	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	-	358,213	220,177	-	-	-	-	578,390
Saving deposits	-	1,038,790	4,328,406	197,155	31,782	207,488	783	5,804,404
Public sector deposits	11,608	1,415,586	518,925	96,913	48,357	3,197	-	2,094,586
Commercial deposits	197	1,982,637	2,540,215	71,883	72,599	84,683	-	4,752,214
Other deposits	3	176,293	1,152,718	137,070	18,037	28,009	-	1,512,130
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	11,808	4,971,519	8,760,441	503,021	170,775	323,377	783	14,741,724
<i>FC</i>								
Foreign currency deposits	13,368	191,168	1,284,061	63,324	21,338	82,159	-	1,655,418
Interbank deposits	5,032	62,072	38,154	-	-	-	-	105,258
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	74	-	3,572	790	-	4,436
Total	18,400	253,240	1,322,289	63,324	24,910	82,949	-	1,765,112
Grand Total	30,208	5,224,759	10,082,730	566,345	195,685	406,326	783	16,506,836

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

3. Dividend Income

	Current Period December 31, 2021	Prior Period December 31, 2020
Financial assets at fair value through profit or loss	997	645
Financial assets at fair value through other comprehensive income	-	-
Others	119,852	167,194
Total	120,849	167,839

4. Information on trading income/loss

	Current Period December 31, 2021	Prior Period December 31, 2020
Profit	65,735,232	36,157,135
Income from capital market operations	796,843	1,624,022
Income from derivative financial instruments	39,351,597	23,300,603
Foreign exchange gains	25,586,792	11,232,510
Losses	(70,485,017)	(38,707,859)
Loss from capital market operations	(48,151)	(19,103)
Loss from derivative financial instruments	(46,060,164)	(24,851,761)
Foreign exchange loss	(24,376,702)	(13,836,995)
Net trading profit/loss	(4,749,785)	(2,550,724)

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 5,413,043 as at and for the year ended December 31, 2021 (December 31, 2020: TL 1,683,496 net loss).

5. Information on other operating income

	Current Period December 31, 2021	Prior Period December 31, 2020
Income from reversal of the specific provisions for loans from prior periods	6,782,862	4,475,937
Communication income	22,335	16,148
Gain on sale of assets	867,987	691,491
Rent income	8,973	8,129
Other income	265,236	190,628
Total	7,947,393	5,382,333

(*) In line with the Bank’s write-off policy, a netting transaction amounting to TL 890.789 has been made in the item of reversing the provisions set aside in previous periods, dated December 31, 2020, and an explanation is given in the Classification Note of the Third Section.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Expected Credit Loss and Other Provision Expenses

	Current Period December 31, 2021	Prior Period December 31, 2020
Expected Credit Loss	11,849,562	11,513,884
12 month expected credit loss (stage 1)	2,009,424	2,728,571
Significant increase in credit risk (stage 2)	6,337,465	4,337,225
Non-performing loans (stage 3)	3,502,673	4,448,088
Marketable Securities Impairment Expense	9,529	11,734
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	9,529	11,734
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	700,000^(*)	244,000
Total	12,559,091	11,769,618

^(*)Free provision balance calculated in 2021 is TL 700,000 (December 31, 2020 TL 220,000)

7. Information on other operating expenses

	Current Period – December 31, 2021	Prior Period – December 31, 2020
Reserve for Employee Termination Benefits	134,796	90,103
Deficit Provision for Pension Funds	-	0
Impairment Losses on Tangible Assets	-	4,791
Depreciation Expenses on Tangible Assets	473,550	457,624
Impairment Losses on Intangible Assets	-	0
Impairment Losses on Goodwill	-	0
Amortization Expenses on Intangible Assets	42,932	36,405
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	0
Impairment Losses on Assets to be Disposed	-	0
Depreciation Expenses on Assets to be Disposed	-	0
Impairment Losses on Assets Held for Sale	-	0
Other Operating Expenses	3,263,434	2,744,818
<i>Leasing expenses related toIFRS 16 exceptions</i>	<i>81,738</i>	<i>72,951</i>
<i>Repair and maintenance expenses</i>	<i>130,960</i>	<i>79,431</i>
<i>Advertisement expenses</i>	<i>260,521</i>	<i>171,163</i>
<i>Other expenses</i>	<i>2,790,215</i>	<i>2,421,273</i>
Loss on sale of assets	4,267	8,506
Other ^(*)	1,590,209	1,396,647
Total	5,509,188	4,738,894

^(*) Other operating expenses amounted TL 1,590,209 (31 December 2020: TL 1,396,647); Dividend provision expenses to be paid to staff amounted 375,840 TL (31 December 2020: 349,663 TL), 364,378 TL (31 December 2020: 299,133 TL) taxes, duties, fees and funds, 515,735 TL (31 December 2020: 451,999 TL) SDIF expenses and 334,256 TL (31 December 2020: 295,852 TL) consists of other expenses.

^(**) In line with the Bank's write-off policy, a set-off transaction amounted to TL 890,789 has been made in the Other item dated 31 December 2020, and an explanation is also included in the Classification Note of the Third Section.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. 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.

9. Information on tax provision from discontinued and continuing operations

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

10. 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.

11. 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 166,899 (December 31, 2020: TL 1,899,145) from the net taxable profit calculated in accordance the laws and regulations in effect.

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

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

As of December 31, 2021, the Bank's deferred tax income from the occurrence/(Closing) of deductible temporary differences is TL 1,884,224 (December 31, 2020: 874,717), from the taxable temporary differences(Occurrence)/Closing (2,837,582) TL (December 31, 2020: (404,389) TL) has deferred tax expense.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

12. 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 72,200,597 interest income, TL 52,657,216 interest expenses, TL 4,501,363 net fees and commissions income, from ordinary banking transactions (December 31, 2020: TL 47,263,551 interest income, TL 27,376,148 interest expenses, TL 3,395,062 net fees and commissions income).

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

None.

13. 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.

14. Bağımsız denetim kuruluşundan alınan hizmetlere ilişkin ücretler

In accordance with the decision of the KGK dated March 26, 2021, the fees for the reporting period concerning the services acquired by the Bank from the independent auditor or independent audit firm are given in the table below, excluding VAT.

	Current Period December 31, 2021	Previous Period December 31, 2020
Independent audit fee for the reporting period	3,109,250	2,346,051
Fees for other assurance services	2,770,991	2,256,931
Total	5,880,241	4,602,982

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

1. Information on increases of revaluation of available-for-sale investments

Movement tables related to revaluation differences of available-for-sale investments where valuation differences arising from the fair value measurement of fair value through other comprehensive income assets, subsidiaries and affiliates are recorded are as follows:

Valuation Differences of Marketable Securities	Current Period - December 31, 2021	Prior Period - December 31, 2020
Valuation differences at the beginning of the year	838,992	786,036
Fair value changes in the current year	892,961	58,928
Valuation differences transferred to the statement of income	74,353	6,190
Effect of deferred and corporate taxes	(200,560)	(12,162)
Valuation differences at the end of the year	1,605,746	838,992

Valuation Difference of the Subsidiaries and Affiliates	Current Period - December 31, 2021	Prior Period - December 31, 2020
Valuation differences at the beginning of the year	2,596,895	1,100,855
Fair value changes in the current year	319,513	1,567,384
Valuation differences transferred to the statement of income	-	-
Effect of deferred and corporate taxes	(15,773)	(71,344)
Valuation differences at the end of the year	2,900,635	2,596,895

2. Information on increases in cash flow hedges

None.

3. Reconciliation of the beginning and end of the year balances of foreign exchange differences

None.

4. Information on differences in shareholders’ equity accounts due to inflation accounting

In compliance with BRSA’s Circular on April 28, 2005 on ceasing the inflation accounting application, the balances resulted from the inflation accounting application as at December 31, 2004 and booked according to the Uniform Chart of Accounts and the related Articles, are transferred to the main accounts that were subject to the inflation accounting adjustments except for “capital reserves from inflation adjustments”. The balance of “capital reserves from inflation adjustments” account is transferred to “other capital reserves” account. In 2006, the Bank has increased its paid in capital through “other capital reserves” by TL 605,763.

5. Information on profit distribution

At the 67th General Assembly Meeting of the Bank held on March 26, 2021, it was decided to distribute TL 5,010,456 of the distributable net period profit of 2021 totalling TL 501,046 to shareholders as legal reserves, TL 4,345,995 of it as extraordinary reserves, TL 163,415 as special funds.

6. Information on decreases of revaluation of available-for-sale investments

Revaluation differences of available-for-sale investments has resulted with decrease in the current year. Detailed information about the decreases is explained above in Note 1.

**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 YEAR ENDED DECEMBER 31, 2021**

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. INFORMATION AND DISCLOSURES ON STATEMENT OF CASH FLOWS

1. Disclosures for “other” items in statement of cash flows and effect of change in foreign currency rates cash and cash equivalents

“Other” item under the “operating profit before changes in operating assets and liabilities” amounting to TL (12,759,483) (December 31, 2020: 11,084,264) is comprised of income from capital market transactions and derivative financial instruments and foreign exchange gains for the year ended.

“Net increase/decrease in other liabilities” amounting to TL 54,734,348 (December 31, 2020: 76,916,434 TL) under “changes in operating assets and liabilities” is mainly comprised of cash inflows from miscellaneous payables and rcrepuhase agreements.

“Other” item under “net cash flow from investing activities” amounting to TL (47,261) (December 31, 2020: (57,422) TL) is comprised of purchases of intangible assets.

When calculating exchange rate effect on cash and cash equivalents, related assests’ high turnover rate are taken into consideration. Each exchange rate’s arithmetic average of the last five days before the report date and provision of average TL that is calculated from the difference from current period’s exchange rate are reflected as an effect of exchange rate change on the cash flow statement. Except for the above-mentioned, banks that have less than three months to maturity are accepted as cash equivalents and average TL provision is calculated by difference between related operation’s per term exchange rate and current period’s exchange rate. As of December 31, 2021 impact of the exchange rate change on cash and cash equivalents is TL 5,926,375 (December 31, 2020: 20,761 TL).

2. Cash outflows from acquisition of associates, subsidiaries and joint-ventures

It is explained in footnotes 7 and 8 of subsidiaries and affiliates in the Section V.

3. Cash flows from the disposal of associates, subsidiaries and joint-ventures

It is explained in footnotes 7 and 8 of subsidiaries and affiliates in the Section V.

4. Information on cash and cash equivalents

Information on cash and cash equivalents at the beginning of the year

	Period Period December 31, 2020	Prior Period December 31, 2019
Cash on hand	3,097,959	2,454,174
Cash in TL	1,681,202	1,450,294
Cash in foreign currency	1,416,757	1,003,880
Cash equivalents	51,953,636	27,311,000
CBRT	88,034,872	33,262,426
Banks	2,584,919	5,861,343
Receivables from money markets	187,753	-
Other ^(*)	2,055,955	778,620
Loans and advances to banks having maturity of more than 3 months	(73,182)	(342,411)
Restricted cash and cash equivalents	(40,835,818)	(12,245,275)
Unrealized foreign exchange rate differences on cash equivalents	(863)	(3,703)
Total	55,051,595	29,765,174

^(*) As of 31 December 2020, TL 2,055,955 (31 December 2019: 778,620) and TL 1,848,689 (31 December 2019: 629,315) out of TL, 207,266 (31 December 2019: 149,305) that were classified under “Other” was cash in transit and precious metals, respectively.

**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 YEAR ENDED DECEMBER 31, 2021**

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

**DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VI. INFORMATION AND DISCLOSURES ON STATEMENT OF CASH FLOWS (Continued)

Information on cash and cash equivalents at the end of the year

	Current Period December 31, 2021	Prior Period December 31, 2020
Cash on hand	3,947,949	3,097,959
Cash in TL	1,930,251	1,681,202
Cash in foreign currency	2,017,698	1,416,757
Cash equivalents	94,693,591	51,953,636
CBRT	136,196,563	88,034,872
Banks	21,306,338	2,584,919
Receivables from money markets	6,914,400	187,753
Other ^(*)	4,004,475	2,055,955
Loans and advances to banks having maturity of more than 3 months	(425,803)	(73,182)
Restricted cash and cash equivalents	(73,299,265)	(40,835,818)
Unrealized foreign exchange rate differences on cash equivalents	(3,117)	(863)
Total	98,641,540	55,051,595

^(*) As of 31 December 2021, TL 4,004,475 (31 December 2020: 2,055,955) and TL 3,164,175 (31 December 2020: 1,848,689) out of TL, 840,300 (31 December 2020: 207,266) that were classified under “Other” was cash in transit and precious metals, respectively

5. Management comment on restricted cash and cash equivalents due to legal requirements or other reasons taking materiality principle into account

Reserve requirements at CBRT amounting to TL 57,255,114 as at (December 31, 2020: TL 39,571,078) has not been included in cash and cash equivalents.

Foreign currency bank deposits amounting to TL 16,044,151 (December 31, 2020: TL 1,264,740) is blocked and has not been included in cash and cash equivalents due to securitization loans and other ordinary banking operations of the Bank.

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. 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 - December 31, 2021	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	349,291	422	-	-	5,337	43
Prior Period - December 31, 2020	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	921,932	868,629	-	29,783	334,910	57,317
Balance at the end of the year	3,582,369	772,579	-	32,511	63,311	64,767
Interest and commission income	107,364	456	-	-	19,611	43

Information on deposits held by the Bank’s risk group

	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the year	2,682,838	1,443,698	2,237,815	298,861	117,989	89,490
Balance at the end of the year	2,729,465	2,682,838	3,908,130	2,237,815	82,435	117,989
Interest on deposits	174,488	228,144	548,536	99,294	1,892	8,271

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	850,262	-	-	-	-	-
Total profit/loss	(2,567)	(203)	-	-	-	-
Transactions for Hedging Purposes	-	-	-	-	-	-
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total income/loss	-	-	-	-	-	-

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 YEAR ENDED DECEMBER 31, 2021

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

Information on Benefits Provided to Directors

In the accounting period ending on December 31, 2021, a total amount of TL 43,399 was paid to the Bank's top management. (December 31, 2020: 32,806 TL).

VIII. INFORMATION ON DOMESTIC, FOREIGN AND OFF-SHORE BRANCHES OR INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES

Domestic and foreign branches and representative offices

	Number of Branches	Number of Employees			
Domestic Branches ^(*)	936	16,888			
Foreign Representative Offices	-	-			
				Total Assets	Capital
Foreign Branches	1	20	USA	5,460,786	221,100
	1	13	Iraq	1,335,545	670,000
	1	3	Qatar	4,039	-
Off-shore Branches	1	5	Bahrain	63,524,595	-

(*) Free zone branches in Turkey is included to domestic branches.

Opening or closing of domestic and foreign branches and representative offices and significant changes in organizational structure

During 2021, 4 new domestic branches (2020: 3 domestic branches) 1 foreign branches have been opened and 1 braches have been closed (2020: 10).

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 YEAR ENDED DECEMBER 31, 2021

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

SECTION SIX

OTHER DISCLOSURES

I. OTHER DISCLOSURES ON THE BANK’S ACTIVITY

As per the resolution of 67th Annual General Assembly held on March 26, 2021, the net profit of year 2020 has been decided to be distributed as follows:

Profit Distribution Table of Year 2020	
Bank’s unconsolidated profit in its statutory financial statements	5,010,456
Deferred tax credits	-
Net profit of the year subject to distribution	5,010,456
Legal reserves	501,046
<i>First Legal Reserves</i>	250,523
<i>Reserves allocated according to banking law and articles of association.</i>	250,523
Net profit of the year subject to distribution	4,509,410
Gain on sale of immovable and shares of associates and subsidiaries	163,415
Extraordinary reserves	4,345,995
Dividends to shareholders	-

It is planned to transfer 654,718 TL of the amount of 900,871 TL, which was accounted in prior years’ gains, into special fund within the scope of Article 5/1-e of the Corporate Tax Law numbered 5520 and 90,087 TL was to be allocated to legal reserves, and the remaining amount of 156,066 TL to Extraordinary Reserves.

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

December 2021*	Fitch Ratings
Long Term Foreign Currency	B+
Short Term Foreign Currency	B
Foreign Currency Outlook	Negative
Long Term Local Currency	BB-
Short Term Local Currency	B
Local Currency Outlook	Negative
National Long Term	AA (tur)
National Outlook	Stable
Government Support Rating Floor	b
Viability Note	b+
December 2020*	Moody’s Investors Service
Baseline Credit Assessment	caa2
Local Currency Deposit Rating	B2/NP
Local Currency Outlook	Negative
Foreign Currency Deposit Rating	B2/NP
Foreign Currency Outlook	Negative
June 2021*	JCR Eurasia
Long Term International FC	BB (Stable)
Short Term International FC	B (Stable)
Long Term International TL	BB
Short Term International TL	B
Long Term NSR	AAA (Stable)
Short Term NSR	A-1 + (Stable)
Support Note	1
Independency from Shareholders	A

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

**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 YEAR ENDED DECEMBER 31, 2021**

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

OTHER DISCLOSURES (Continued)

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

Between 7 January 2022 and 4 February 2022, the Bank has issued financial bills with various maturities.

With the decision no. 95466 of the Board of Directors of the Bank , dated February 9, 2022 It has been decided to increase the issued capital of 3,905,622,489.96 TL (three billion nine hundred five million six hundred twenty-two thousand and four hundred eighty-nine Turkish Lira Ninety-six Kuruş) consisting of shares with a nominal value of TL 0.01, in cash by the total nominal capital amount to be calculated according to the share sales price to be determined within the buying and purchasing framework of Borsa İstanbul A.Ş , by completely restricting the pre-emptive rights of the existing shareholders, in a way to obtain a total of 13.400.000.000,00 TL (thirteen billion four hundred Turkish Liras) sales revenue paid and it has been decided that all of the shares to be issued due to the capital increase will be sold to the Turkey Wealth Fund with the allocated sales method.

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 the year ended December 31, 2021 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 February 14, 2021 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.