

**TÜRKİYE VAKIFLAR BANKASI TRK ANONİM ORTAKLIĐI  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AND RELATED DISCLOSURES AT SEPTEMBER 30, 2021  
TOGETHER WITH AUDITOR’S REVIEW REPORT**

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

**AUDITOR’S REVIEW REPORT ON INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

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

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

**Independent Auditors’ Report on Review of Consolidated Interim Financial Information**

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

*Introduction*

We have reviewed the consolidated statement of financial position of Türkiye Vakıflar Bankası T.A.O. (“the Bank”) and its subsidiaries (together will be referred as “the Group”) at September 30, 2021 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by Banking Regulation and Supervision Authority (“BRSA”) and Turkish Accounting Standard (“TAS”) 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

*Scope of Review*

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

### *Basis of Qualified Conclusion*

As explained in Section Five Part II.7, the accompanying consolidated financial statements as at September 30, 2021 include a free provision at an amount of TL 1,472,000 thousands of which TL 1,072,000 thousands was provided in prior years and TL 400,000 thousands provided in the current period by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

### *Qualified Conclusion*

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of the Group at September 30, 2021 and of the results of its consolidated operations and its consolidated cash flows for the nine-month-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

### *Other Matter*

The consolidated financial statements of the Group as at December 31, 2020 and September 30, 2020 which were prepared in accordance with "BRSA Accounting Financial Reporting Legislation" were audited and reviewed by another audit firm respectively. Audit firm expressed a qualified opinion and a qualified conclusion in their reports issued on February 18, 2021 and November 9, 2020 respectively since the consolidated financial statements which included in their reports dated February 18, 2021 include a free provision at an amount of TL 1,072,000 thousands of which TL 852,000 thousands was provided in prior years and TL 220,000 thousands was provided within 2020 by the Group management and their reports dated November 9, 2020 included a free provision at an amount of TL 852,000 Thousands which was wholly provided in prior years for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions.

### *Report on other regulatory requirements arising from legislation*

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

*Additional paragraph for convenience translation to English*

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated 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

November 4, 2021

Istanbul, Turkey

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED 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  
CONSOLIDATED FINANCIAL REPORT  
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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The consolidated financial report as at and for the nine-month period ended September 30, 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 PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON ACCOUNTING POLICIES APPLIED IN THE PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REVIEW REPORT
- INTERIM ACTIVITY REPORT

The subsidiaries and associates included in the consolidated financial report are as follows:

SUBSIDIARIES	ASSOCIATES	JOINT-VENTURES
Vakıf Faktoring AŞ	Kıbrıs Vakıflar Bankası Ltd.	-
Vakıf Finansal Kiralama AŞ	Türkiye Sınai Kalkınma Bankası AŞ	-
Vakıf Yatırım Menkul Değerler AŞ	-	-
VakıfBank International AG	-	-
Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	-	-
Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ	-	-

In addition, VB DPR Finance Company, which is a “Structured Entity”, although not a subsidiary of our Bank, is included in the consolidation.

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

November 4, 2021

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:

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**SECTION ONE**

**GENERAL INFORMATION**

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (“The Bank” or “The Parent 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 PARENT 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 Parent Bank is the Republic of Turkey Ministry of Treasury and Finance.

As at September 30, 2021 and December 31, 2020 the Parent Bank’s paid-in capital is TL 3,905,622 TL divided into 390,562,248,996 shares with each has a nominal value of Kr 1.

The Parent Bank’s shareholders structure as at September 30, 2021 and December 31, 2020 are stated below:

<b>Shareholders September 30, 2021</b>	<b>Number of Shares (100 unit)</b>	<b>Nominal Value of the Shares – Thousands of TL</b>	<b>Share Percentage (%)</b>
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
<b>Total</b>	<b>3,905,622,490</b>	<b>3,905,622</b>	<b>100.00</b>

<b>Shareholders December 31, 2020</b>	<b>Number of Shares (100 unit)</b>	<b>Nominal Value of the Shares – Thousands of TL</b>	<b>Share Percentage (%)</b>
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
<b>Total</b>	<b>3,905,622,490</b>	<b>3,905,622</b>	<b>100.00</b>

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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**GENERAL INFORMATION (Continued)**

**II. THE PARENT 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 Parent Bank's share has been transferred to the Treasury and has been recorded in the Parent Bank's share book on behalf of the Ministry of Treasury and Finance of the Republic of Turkey.

With the decision of the Parent 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 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 20 May 2020, 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 CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**GENERAL INFORMATION (Continued)**

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

<b>Name and Surname</b>	<b>Responsibility</b>	<b>Date of Appointment</b>	<b>Education</b>	<b>Experience in Banking and Management</b>
<b><u>Board of Directors</u></b>				
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
<b><u>Audit Committee</u></b>				
Serdar TUNÇBİLEK	Member	June 15, 2017	Bachelor’s	35 years
Dilek YÜKSEL	Member	June 12, 2020	Bachelor’s	11 years
<b><u>Auditor</u></b>				
Hasan TÜRE	Auditor	June 9, 2017	Bachelor’s	37 years
Mehmet Emin BAYSA	Auditor	June 12, 2020	Master’s	2 years
<b><u>Assistant General Managers</u></b>				
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	Retail Banking Marketing, Deposit Management and Marketing, Payment Systems Banking Marketing, Retail Banking Marketing	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 HİDİR	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	Support Services Application of Credit Policies and Processes, 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	24 years
Muhammed Onay ÖZKAN	Treasury Management., International Banking and Investor Relations Treasury Middle Office	May 31, 2019	Bachelor’s	20 years
Arif ÇOKÇETİN	Corporate Loans Allocation Management Retail and SME Loans Allocation Management Commercial Loans Allocation Managemen 1-2 Featured Loans Management	July 8, 2020	Bachelor’s	26 years
Kadir KARATAŞ	Human Resources, Corporate Development and Academy	August 13, 2020	Bachelor’s	24 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 CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**GENERAL INFORMATION (Continued)**

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

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

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.

**IV. INFORMATION ON THE PARENT BANK'S QUALIFIED SHAREHOLDERS**

**Current Period - September 30, 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 September 30, 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 Parent 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 Parent Bank on May 20, 2020, the material event disclosure made by the Parent Bank and the changes brought about the Parent 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 CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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**GENERAL INFORMATION (Continued)**

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

The Parent 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 Parent Bank as stated at its Articles of Association are as follows:

The Parent 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 Parent 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 Parent 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 Parent 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 Parent Bank can establish, either individually or collectively in an equal manner, pledge or mortgage.

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

As at September 30, 2021, The Parent Bank has 934 domestic, 4 foreign, in total 938 branches (December 31, 2020: 933 domestic, 3 foreign, in total 936 branches). As at September 30, 2021, The Parent Bank has 16,821 employees (December 31, 2020: 16,748 employees).

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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**GENERAL INFORMATION (Continued)**

**VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED  
FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND  
SHORT EXPLANATION ABOUT THE INSTITUTIONS SUBJECT TO LINE-BY-LINE METHOD  
OR PROPORTIONAL CONSOLIDATION AND INSTITUTIONS WHICH ARE DEDUCTED FROM  
EQUITY OR NOT INCLUDED IN THESE THREE METHODS**

As at and for the nine-month period ended September 30, 2021, the financial statements of T. Vakıflar Bankası T.A.O., Vakıfbank International AG, Vakıf Finansal Kiralama AŞ, Vakıf Faktoring AŞ, Vakıf Yatırım Menkul Değerler AŞ, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ and Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ have been included in the full consolidated financial statements of the Group.

As at and for the nine-month period ended September 30, 2021, the financial statements of Kıbrıs Vakıflar Bankası Ltd. and Türkiye Sınai Kalkınma Bankası AŞ have been consolidated per equity method in the consolidated financial statements of the Group.

İstanbul Takas ve Saklama Bankası AŞ, Kredi Garanti Fonu AŞ and Birleşik İpotek Finansmanı AŞ are excluded from the scope of consolidation according to the Communiqué on Preparation of Consolidated Financial Statements. Since Bankalararası Kart Merkezi AŞ, Kredi Kayıt Bürosu AŞ, Roketsan Roket Sanayi ve Ticaret AŞ, Güçbirliği Holding AŞ, İzmir Enternasyonal AŞ, Platform Ortak Karlı Sistemler AŞ, Türkiye Ürün İhtisas Borsası AŞ, Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ, JCR Avrasya Derecelendirme AŞ are not financial associates; these associates have not been consolidated. These associates have been accounted for as per TFRS-9 in the consolidated financial statements.

Vakıf Enerji ve Madencilik AŞ, Taksim Otelcilik AŞ, Vakıf Pazarlama Sanayi ve Ticaret AŞ and Vakıf Gayrimenkul Değerleme AŞ have not been consolidated since they are not among the financial subsidiaries of the Bank. Therefore, the subsidiaries whose fair value can be reliably measured are reflected in the consolidated financial statements at their fair values in accordance with TFRS 9.

**VII. CURRENT OR LIKELY ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF  
EQUITY OR REPAYMENT OF DEBTS BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES**

None.

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED BALANCE SHEET  
(STATEMENT OF FINANCIAL POSITION) AS AT SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Notes	Current Period September 30, 2021			Prior Period December 31, 2020		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>67,611,463</b>	<b>146,945,491</b>	<b>214,556,954</b>	<b>53,386,866</b>	<b>143,243,468</b>	<b>196,630,334</b>
<b>1.1 Cash and cash equivalents</b>	<b>V-I-1</b>	<b>15,710,154</b>	<b>74,807,591</b>	<b>90,517,745</b>	<b>14,925,286</b>	<b>81,577,857</b>	<b>96,503,143</b>
1.1.1 Cash and balances at Central Bank	V-I-1	14,532,522	63,266,967	77,799,489	14,662,490	78,544,752	93,207,242
1.1.2 Banks	V-I-3	1,179,889	11,540,637	12,720,526	58,997	3,033,183	3,092,180
1.1.3 Receivables from Money Markets		5,149	-	5,149	206,589	-	206,589
1.1.4 Allowance for expected credit losses (-)	V-I-16	7,406	13	7,419	2,790	78	2,868
<b>1.2 Financial assets at fair value through profit or loss</b>	<b>V-I-2</b>	<b>315,456</b>	<b>11,577,792</b>	<b>11,893,248</b>	<b>297,243</b>	<b>7,161,038</b>	<b>7,458,281</b>
1.2.1 Public debt securities		111,098	11,382,587	11,493,685	110,576	7,000,000	7,110,576
1.2.2 Equity instruments		170,679	195,205	365,884	170,609	161,038	331,647
1.2.3 Other financial assets		33,679	-	33,679	16,058	-	16,058
<b>1.3 Financial assets at fair value through other comprehensive income</b>	<b>V-I-4</b>	<b>45,321,697</b>	<b>59,133,031</b>	<b>104,454,728</b>	<b>31,026,129</b>	<b>52,901,796</b>	<b>83,927,925</b>
1.3.1 Public debt securities		44,738,993	57,673,261	102,412,254	30,422,704	51,083,898	81,506,602
1.3.2 Equity instruments		14,731	4,802	19,533	14,131	4,028	18,159
1.3.3 Other financial assets		567,973	1,454,968	2,022,941	589,294	1,813,870	2,403,164
<b>1.4 Derivative financial assets</b>	<b>V-I-2</b>	<b>6,264,156</b>	<b>1,427,077</b>	<b>7,691,233</b>	<b>7,138,208</b>	<b>1,602,777</b>	<b>8,740,985</b>
1.4.1 Derivative financial assets at fair value through profit or loss		6,264,156	1,427,077	7,691,233	7,138,208	1,602,777	8,740,985
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>374,733,177</b>	<b>171,337,820</b>	<b>546,070,997</b>	<b>343,944,228</b>	<b>142,525,708</b>	<b>486,469,936</b>
<b>2.1 Loans</b>	<b>V-I-5</b>	<b>345,954,628</b>	<b>151,361,986</b>	<b>497,316,614</b>	<b>315,239,878</b>	<b>125,612,148</b>	<b>440,852,026</b>
<b>2.2 Receivables from leasing transactions</b>	<b>V-I-10</b>	<b>1,212,375</b>	<b>2,513,897</b>	<b>3,726,272</b>	<b>903,110</b>	<b>2,367,900</b>	<b>3,271,010</b>
<b>2.3 Factoring receivables</b>		<b>3,943,583</b>	<b>578,668</b>	<b>4,522,251</b>	<b>5,481,094</b>	<b>270,646</b>	<b>5,751,740</b>
<b>2.4 Financial assets measured at amortised cost</b>	<b>V-I-6</b>	<b>45,589,140</b>	<b>17,125,790</b>	<b>62,714,930</b>	<b>44,218,605</b>	<b>14,528,647</b>	<b>58,747,252</b>
2.4.1 Public debt securities		45,530,190	16,903,769	62,433,959	44,159,655	14,342,399	58,502,054
2.4.2 Other financial assets		58,950	222,021	280,971	58,950	186,248	245,198
<b>2.5 Allowance for expected credit losses (-)</b>		<b>21,966,549</b>	<b>242,521</b>	<b>22,209,070</b>	<b>21,898,459</b>	<b>253,633</b>	<b>22,152,092</b>
<b>III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"</b>	<b>V-I-14</b>	<b>1,105,452</b>	<b>-</b>	<b>1,105,452</b>	<b>1,256,254</b>	<b>-</b>	<b>1,256,254</b>
3.1 Held for sale purpose		1,105,452	-	1,105,452	1,256,254	-	1,256,254
3.2 Related to discontinued operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>1,931,738</b>	<b>3</b>	<b>1,931,741</b>	<b>1,883,825</b>	<b>3</b>	<b>1,883,828</b>
<b>4.1 Investments in associates (Net)</b>	<b>V-I-7</b>	<b>1,546,539</b>	<b>3</b>	<b>1,546,542</b>	<b>1,495,974</b>	<b>3</b>	<b>1,495,977</b>
4.1.1 Associates accounted by using equity method		585,323	-	585,323	530,191	-	530,191
4.1.2 Unconsolidated associates		961,216	3	961,219	965,783	3	965,786
<b>4.2 Investments in subsidiaries (Net)</b>	<b>V-I-8</b>	<b>385,199</b>	<b>-</b>	<b>385,199</b>	<b>387,851</b>	<b>-</b>	<b>387,851</b>
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		385,199	-	385,199	387,851	-	387,851
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>V-I-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>		<b>4,996,894</b>	<b>18,213</b>	<b>5,015,107</b>	<b>4,882,144</b>	<b>14,266</b>	<b>4,896,410</b>
<b>VI. INTANGIBLE ASSETS AND GOODWILL (Net)</b>		<b>297,271</b>	<b>339</b>	<b>297,610</b>	<b>273,776</b>	<b>348</b>	<b>274,124</b>
6.1 Goodwill		14,631	-	14,631	14,631	-	14,631
6.2 Other		282,640	339	282,979	259,145	348	259,493
<b>VII. INVESTMENT PROPERTIES (Net)</b>	<b>V-I-12</b>	<b>809,554</b>	<b>-</b>	<b>809,554</b>	<b>502,143</b>	<b>-</b>	<b>502,143</b>
<b>VIII. CURRENT TAX ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSETS</b>	<b>V-I-13</b>	<b>901,398</b>	<b>-</b>	<b>901,398</b>	<b>1,234,832</b>	<b>-</b>	<b>1,234,832</b>
<b>X. OTHER ASSETS</b>	<b>V-I-15</b>	<b>8,217,058</b>	<b>2,939,735</b>	<b>11,156,793</b>	<b>8,005,234</b>	<b>10,937,422</b>	<b>18,942,656</b>
<b>TOTAL ASSETS</b>		<b>460,604,005</b>	<b>321,241,601</b>	<b>781,845,606</b>	<b>415,369,302</b>	<b>296,721,215</b>	<b>712,090,517</b>

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED BALANCE SHEET  
(STATEMENT OF FINANCIAL POSITION) AS AT SEPTEMBER 30, 2021**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		Notes	Current Period September 30, 2021			Prior Period December 31, 2020		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	<b>V-II-1</b>	<b>239,112,828</b>	<b>229,857,716</b>	<b>468,970,544</b>	<b>214,241,507</b>	<b>203,280,375</b>	<b>417,521,882</b>
<b>II.</b>	<b>BORROWINGS</b>	<b>V-II-3</b>	<b>2,325,148</b>	<b>60,986,187</b>	<b>63,311,335</b>	<b>2,450,296</b>	<b>49,238,699</b>	<b>51,688,995</b>
<b>III.</b>	<b>MONEY MARKET FUNDS</b>		<b>74,581,356</b>	<b>23,403,966</b>	<b>97,985,322</b>	<b>79,758,688</b>	<b>21,553,517</b>	<b>101,312,205</b>
<b>IV.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>	<b>V-II-3</b>	<b>10,706,127</b>	<b>37,911,829</b>	<b>48,617,956</b>	<b>11,262,156</b>	<b>34,892,367</b>	<b>46,154,523</b>
4.1	Bills		5,262,364	442,940	5,705,304	5,960,553	2,188,163	8,148,716
4.2	Asset backed securities		-	-	-	-	-	-
4.3.	Bonds		5,443,763	37,468,889	42,912,652	5,301,603	32,704,204	38,005,807
<b>V.</b>	<b>FUNDS</b>		<b>3,005</b>	<b>-</b>	<b>3,005</b>	<b>3,053</b>	<b>-</b>	<b>3,053</b>
5.1	Borrower funds		-	-	-	-	-	-
5.2	Other		3,005	-	3,005	3,053	-	3,053
<b>VI.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>	<b>V-II-2</b>	<b>269,492</b>	<b>2,422,862</b>	<b>2,692,354</b>	<b>4,061,171</b>	<b>2,022,130</b>	<b>6,083,301</b>
7.1	Derivative financial liabilities at fair value through profit or loss		269,492	2,422,862	2,692,354	4,061,171	2,022,130	6,083,301
7.2	Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
<b>VIII.</b>	<b>FACTORING PAYABLES</b>		<b>959</b>	<b>-</b>	<b>959</b>	<b>672</b>	<b>-</b>	<b>672</b>
<b>IX.</b>	<b>LEASE PAYABLES (Net)</b>	<b>V-II-5</b>	<b>951,235</b>	<b>-</b>	<b>951,235</b>	<b>978,735</b>	<b>-</b>	<b>978,735</b>
<b>X.</b>	<b>PROVISIONS</b>	<b>V-II-7</b>	<b>3,280,128</b>	<b>81,293</b>	<b>3,361,421</b>	<b>2,980,102</b>	<b>70,295</b>	<b>3,050,397</b>
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		1,532,141	8,926	1,541,067	1,555,683	5,534	1,561,217
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		1,747,987	72,367	1,820,354	1,424,419	64,761	1,489,180
<b>XI.</b>	<b>CURRENT TAX LIABILITIES</b>	<b>V-II-8</b>	<b>800,143</b>	<b>2,523</b>	<b>802,666</b>	<b>950,476</b>	<b>4,329</b>	<b>954,805</b>
<b>XII.</b>	<b>DEFERRED TAX LIABILITIES</b>	<b>V-II-8</b>	<b>-</b>	<b>48,772</b>	<b>48,772</b>	<b>103</b>	<b>57,525</b>	<b>57,628</b>
<b>XIII.</b>	<b>LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)</b>	<b>V-II-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SUBORDINATED DEBT</b>	<b>V-II-10</b>	<b>6,251,641</b>	<b>15,139,672</b>	<b>21,391,313</b>	<b>6,401,461</b>	<b>13,057,337</b>	<b>19,458,798</b>
14.1	Loans		-	-	-	-	-	-
14.2	Other debt instruments		6,251,641	15,139,672	21,391,313	6,401,461	13,057,337	19,458,798
<b>XV.</b>	<b>OTHER LIABILITIES</b>	<b>V-II-4</b>	<b>18,322,490</b>	<b>5,571,303</b>	<b>23,893,793</b>	<b>13,798,644</b>	<b>3,874,792</b>	<b>17,673,436</b>
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>V-II-11</b>	<b>47,901,585</b>	<b>1,913,346</b>	<b>49,814,931</b>	<b>45,408,347</b>	<b>1,743,740</b>	<b>47,152,087</b>
16.1	Paid-in capital	<b>V-II-11</b>	<b>3,905,622</b>	<b>-</b>	<b>3,905,622</b>	<b>3,905,622</b>	<b>-</b>	<b>3,905,622</b>
16.2	Capital reserves		<b>6,337,416</b>	<b>-</b>	<b>6,337,416</b>	<b>6,265,527</b>	<b>-</b>	<b>6,265,527</b>
16.2.1	Equity share premiums		6,303,367	-	6,303,367	6,303,347	-	6,303,347
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		34,049	-	34,049	(37,820)	-	(37,820)
<b>16.3</b>	<b>Other accumulated comprehensive income that will not be reclassified in profit or loss</b>		<b>1,590,376</b>	<b>-</b>	<b>1,590,376</b>	<b>1,603,596</b>	<b>-</b>	<b>1,603,596</b>
<b>16.4</b>	<b>Other accumulated comprehensive income that will be reclassified in profit or loss</b>		<b>(108,720)</b>	<b>1,372,106</b>	<b>1,263,386</b>	<b>169,087</b>	<b>1,210,809</b>	<b>1,379,896</b>
<b>16.5</b>	<b>Profit reserves</b>		<b>32,648,682</b>	<b>304,690</b>	<b>32,953,372</b>	<b>26,431,074</b>	<b>273,876</b>	<b>26,704,950</b>
16.5.1	Legal reserves		3,450,266	17,882	3,468,148	2,811,181	17,882	2,829,063
16.5.2	Statutory reserves		6,337	-	6,337	6,337	-	6,337
16.5.3	Extraordinary reserves		26,571,028	283,193	26,854,221	21,810,638	252,379	22,063,017
16.5.4	Other profit reserves		2,621,051	3,615	2,624,666	1,802,918	3,615	1,806,533
<b>16.6</b>	<b>Profit or loss</b>		<b>2,458,941</b>	<b>231,880</b>	<b>2,690,821</b>	<b>6,291,176</b>	<b>254,385</b>	<b>6,545,561</b>
16.6.1	Prior years' profits or losses		13,964	62,388	76,352	196,734	11,374	208,108
16.6.2	Current period net profit or loss		2,444,977	169,492	2,614,469	6,094,442	243,011	6,337,453
<b>16.7</b>	<b>Minority interests</b>		<b>1,069,268</b>	<b>4,670</b>	<b>1,073,938</b>	<b>742,265</b>	<b>4,670</b>	<b>746,935</b>
			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>404,506,137</b>	<b>377,339,469</b>	<b>781,845,606</b>	<b>382,295,411</b>	<b>329,795,106</b>	<b>712,090,517</b>

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED OFF-BALANCE SHEET  
ITEMS AS AT SEPTEMBER 30, 2021**

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

		Current Period September 30, 2021			Prior Period December 31, 2020		
	Notes	TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>	<b>215,421,449</b>	<b>336,444,456</b>	<b>551,865,905</b>	<b>168,755,052</b>	<b>278,884,858</b>	<b>447,639,910</b>
<b>I.</b>	<b>GUARANTEES AND WARRENTIES</b>	<b>53,161,813</b>	<b>84,537,577</b>	<b>137,699,390</b>	<b>43,928,944</b>	<b>58,547,258</b>	<b>102,476,202</b>
1.1.	Letters of guarantee	<b>52,445,829</b>	<b>45,446,551</b>	<b>97,892,380</b>	<b>43,395,971</b>	<b>32,027,856</b>	<b>75,423,827</b>
1.1.1.	Guarantees subject to state tender law	2,743,495	13,012,197	15,755,692	2,594,448	10,005,488	12,599,936
1.1.2.	Guarantees given for foreign trade operations	2,695,782	-	2,695,782	2,335,826	-	2,335,826
1.1.3.	Other letters of guarantee	47,006,552	32,434,354	79,440,906	38,465,697	22,022,368	60,488,065
<b>1.2.</b>	<b>Bank acceptances</b>	<b>4,258</b>	<b>8,276,881</b>	<b>8,281,139</b>	<b>4,258</b>	<b>5,111,534</b>	<b>5,115,792</b>
1.2.1.	Import letter of acceptance	-	420,568	420,568	-	289,665	289,665
1.2.2.	Other bank acceptances	4,258	7,856,313	7,860,571	4,258	4,821,869	4,826,127
<b>1.3.</b>	<b>Letters of credit</b>	<b>99,643</b>	<b>29,950,018</b>	<b>30,049,661</b>	<b>253,982</b>	<b>20,667,442</b>	<b>20,921,424</b>
1.3.1.	Documentary letters of credit	99,643	29,950,018	30,049,661	253,982	20,667,442	20,921,424
1.3.2.	Other letters of credit	-	-	-	-	-	-
<b>1.4.</b>	<b>Pre-financings given as guarantee</b>	<b>-</b>	<b>7,062</b>	<b>7,062</b>	<b>-</b>	<b>5,925</b>	<b>5,925</b>
<b>1.5.</b>	<b>Endorsements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1.5.1.	Endorsements to the Central Bank of the Republic of Turkey	-	-	-	-	-	-
1.5.2.	Other endorsements	-	-	-	-	-	-
<b>1.6.</b>	<b>Purchase guarantees for securities issued</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>1.7.</b>	<b>Factoring guarantees</b>	<b>252,083</b>	<b>728,140</b>	<b>980,223</b>	<b>1,000</b>	<b>474,188</b>	<b>475,188</b>
<b>1.8.</b>	<b>Other guarantees</b>	<b>159,999</b>	<b>128,925</b>	<b>288,924</b>	<b>187,331</b>	<b>106,963</b>	<b>294,294</b>
<b>1.9.</b>	<b>Other warranties</b>	<b>200,001</b>	<b>-</b>	<b>200,001</b>	<b>86,402</b>	<b>153,350</b>	<b>239,752</b>
<b>II.</b>	<b>COMMITMENTS</b>	<b>84,149,026</b>	<b>48,449,010</b>	<b>132,598,036</b>	<b>72,066,613</b>	<b>42,415,370</b>	<b>114,481,983</b>
<b>2.1.</b>	<b>Irrevocable commitments</b>	<b>73,847,681</b>	<b>9,017,675</b>	<b>82,865,356</b>	<b>62,318,729</b>	<b>6,517,443</b>	<b>68,836,172</b>
2.1.1.	Asset purchase and sales commitments	3,201,435	7,955,499	11,156,934	5,695,753	6,147,096	11,842,849
2.1.2.	Deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3.	Share capital commitments to associates and subsidiaries	3,150	-	3,150	3,150	-	3,150
2.1.4.	Loan granting commitments	30,767,674	2,701	30,770,375	26,086,273	2,419	26,088,692
2.1.5.	Securities issuance brokerage commitments	-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7.	Commitments for cheque payments	6,728,332	-	6,728,332	5,723,932	-	5,723,932
2.1.8.	Tax and fund liabilities on export commitments	-	-	-	-	-	-
2.1.9.	Commitments for credit card expenditure limits	29,160,261	-	29,160,261	21,320,698	-	21,320,698
2.1.10.	Commitments for credit card and banking services promotions	790,071	-	790,071	597,623	-	597,623
2.1.11.	Receivables from short sale commitments on marketable securities	-	-	-	-	-	-
2.1.12.	Payables from short sale commitments on marketable securities	-	-	-	-	-	-
2.1.13.	Other irrevocable commitments	3,196,758	1,059,475	4,256,233	2,891,300	367,928	3,259,228
<b>2.2.</b>	<b>Revocable commitments</b>	<b>10,301,345</b>	<b>39,431,335</b>	<b>49,732,680</b>	<b>9,747,884</b>	<b>35,897,927</b>	<b>45,645,811</b>
2.2.1.	Revocable loan granting commitments	10,301,345	39,431,335	49,732,680	9,747,884	35,897,927	45,645,811
2.2.2.	Other revocable commitments	-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>78,110,610</b>	<b>203,457,869</b>	<b>281,568,479</b>	<b>52,759,495</b>	<b>177,922,230</b>	<b>230,681,725</b>
<b>3.1.</b>	<b>Derivative financial instruments held for hedging purposes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1.1.	Fair value hedges	-	-	-	-	-	-
3.1.2.	Cash flow hedges	-	-	-	-	-	-
3.1.3.	Hedging for investments made in foreign countries	-	-	-	-	-	-
<b>3.2.</b>	<b>Trading transactions</b>	<b>78,110,610</b>	<b>203,457,869</b>	<b>281,568,479</b>	<b>52,759,495</b>	<b>177,922,230</b>	<b>230,681,725</b>
3.2.1.	Forward foreign currency purchase and sale transactions	7,969,787	7,618,867	15,588,654	1,523,642	1,550,002	3,073,644
3.2.1.1.	Forward foreign currency purchase transactions	3,997,625	3,809,464	7,807,089	864,639	681,888	1,546,527
3.2.2.	Forward foreign currency sales	3,972,162	3,809,403	7,781,565	659,003	868,114	1,527,117
3.2.2.	Currency and interest rate swaps	59,597,710	153,914,391	213,512,101	42,382,470	153,888,563	196,271,033
3.2.2.1.	Currency swap purchase transactions	501,543	66,034,712	66,536,255	1,626,406	56,087,175	57,713,581
3.2.2.2.	Currency swap sale transactions	56,656,167	5,720,759	62,376,926	37,636,064	20,995,076	58,631,140
3.2.2.3.	Interest rate swap purchase transactions	1,220,000	41,079,460	42,299,460	1,560,000	38,403,156	39,963,156
3.2.2.4.	Interest rate swaps sale transactions	1,220,000	41,079,460	42,299,460	1,560,000	38,403,156	39,963,156
3.2.3.	Currency, interest rate and security options	2,132,709	3,327,131	5,459,840	247,144	919,172	1,166,316
3.2.3.1.	Currency purchase option	745,222	1,976,041	2,721,263	143,814	430,420	574,234
3.2.3.2.	Currency sale option	1,387,487	1,351,090	2,738,577	103,330	488,752	592,082
3.2.3.3.	Interest rate purchase options	-	-	-	-	-	-
3.2.3.4.	Interest rate sale options	-	-	-	-	-	-
3.2.3.5.	Security purchase options	-	-	-	-	-	-
3.2.3.6.	Security sale options	-	-	-	-	-	-
3.2.4.	Currency futures	-	-	-	195,835	186,250	382,085
3.2.4.1.	Currency purchase futures	-	-	-	-	186,250	186,250
3.2.4.2.	Currency sales futures	-	-	-	195,835	-	195,835
3.2.5.	Interest rate futures	-	-	-	-	-	-
3.2.5.1.	Interest rate purchases futures	-	-	-	-	-	-
3.2.5.2.	Interest rate sales futures	-	-	-	-	-	-
3.2.6.	Other	8,410,404	38,597,480	47,007,884	8,410,404	21,378,243	29,788,647
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>	<b>5,729,341,208</b>	<b>5,210,797,461</b>	<b>10,940,138,669</b>	<b>3,978,687,376</b>	<b>3,684,354,649</b>	<b>7,663,042,025</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>	<b>83,983,766</b>	<b>30,480,853</b>	<b>114,464,619</b>	<b>73,978,380</b>	<b>28,612,031</b>	<b>102,590,411</b>
4.1.	Customer fund and portfolio balances	4,915,409	-	4,915,409	4,274,226	-	4,274,226
4.2.	Securities held in custody	52,266,451	9,757,756	62,024,207	47,305,937	8,853,001	56,158,938
4.3.	Checks received for collection	17,517,905	2,686,630	20,204,535	11,974,344	1,763,897	13,738,241
4.4.	Commercial notes received for collection	6,715,396	1,625,107	8,340,503	8,327,754	1,406,998	9,734,752
4.5.	Other assets received for collection	2,152	355	2,507	2,152	298	2,450
4.6.	Securities received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	399,511	13,644,113	14,043,624	636,516	10,335,188	10,971,704
4.8.	Custodians	2,166,942	2,766,892	4,933,834	1,457,451	6,252,649	7,710,100
<b>V.</b>	<b>PLEDGED ITEMS</b>	<b>953,025,033</b>	<b>302,199,935</b>	<b>1,255,224,968</b>	<b>775,302,799</b>	<b>312,599,654</b>	<b>1,087,902,453</b>
5.1.	Marketable securities	242,318	205,308	447,626	321,148	200,660	521,808
5.2.	Guarantee notes	1,023,865	5,036,033	6,059,898	1,153,894	4,085,645	5,239,539
5.3.	Commodity	123,927,043	4,008,007	127,935,050	111,710,308	3,495,630	115,205,938
5.4.	Warrant	-	-	-	-	-	-
5.5.	Immovables	687,281,175	247,819,297	935,100,472	529,461,764	262,692,582	792,154,346
5.6.	Other pledged items	140,060,529	44,988,035	185,048,564	132,138,333	41,983,730	174,122,063
5.7.	Depositories receiving pledged items	490,103	143,255	633,358	517,352	141,407	658,759
<b>VI.</b>	<b>ACCEPTED GUARANTEES AND WARRANTS</b>	<b>4,692,332,409</b>	<b>4,878,116,673</b>	<b>9,570,449,082</b>	<b>3,129,406,197</b>	<b>3,343,142,964</b>	<b>6,472,549,161</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>5,944,762,657</b>	<b>5,547,241,917</b>	<b>11,492,004,574</b>	<b>4,147,442,428</b>	<b>3,963,239,507</b>	<b>8,110,681,935</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

	Notes	Current Period January 1, 2021- September 30, 2021	Current Period July 1, 2021- September 30, 2021	Prior Period January 1, 2020- September 30, 2020	Prior Period July 1, 2020- September 30, 2020
<b>I. INTEREST INCOME</b>	<b>V-IV-1</b>	<b>49,680,789</b>	<b>18,468,222</b>	<b>33,987,371</b>	<b>12,463,481</b>
1.1 Interest on loans	V-IV-1	37,059,740	13,378,828	26,864,696	9,620,021
1.2 Interest received from reserve deposits		620,443	256,211	89,803	55,552
1.3 Interest received from banks	V-IV-1	22,256	7,446	84,587	18,794
1.4 Interest received from money market transactions		3,495	462	1,117	367
1.5 Interest received from marketable securities portfolio	V-IV-1	11,729,116	4,739,437	6,731,921	2,688,938
1.5.1 Financial assets at fair value through profit or loss		138,979	59,147	267,831	212,819
1.5.2 Financial assets at fair value through other comprehensive income		5,728,443	2,302,075	2,855,268	1,152,429
1.5.3 Financial assets measured at amortised cost		5,861,694	2,378,215	3,608,822	1,323,690
1.6 Finance lease interest income		230,884	82,499	196,956	73,532
1.7 Other interest income		14,855	3,339	18,291	6,277
<b>II. INTEREST EXPENSES (-)</b>	<b>V-IV-2</b>	<b>38,566,441</b>	<b>13,570,342</b>	<b>17,837,385</b>	<b>6,937,189</b>
2.1 Interest on deposits	V-IV-2	22,964,775	7,912,374	10,277,438	4,173,064
2.2 Interest on funds borrowed	V-IV-2	1,211,095	421,009	1,153,349	353,354
2.3 Interest on money market transactions		9,950,806	3,683,976	2,614,951	1,040,712
2.4 Interest on securities issued	V-IV-2	4,248,572	1,503,629	3,405,224	1,185,356
2.5 Leasing interest income		108,420	40,326	108,140	31,322
2.6 Other interest expenses		82,773	9,028	278,283	153,381
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>11,114,348</b>	<b>4,897,880</b>	<b>16,149,986</b>	<b>5,526,292</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>2,814,231</b>	<b>1,101,971</b>	<b>2,355,865</b>	<b>750,952</b>
4.1 Fees and commissions received		3,811,959	1,493,983	2,956,576	947,585
4.1.1 Non-cash loans		696,022	246,232	554,095	191,659
4.1.2 Other		3,115,937	1,247,751	2,402,481	755,926
4.2 Fees and commissions paid (-)		997,728	392,012	600,711	196,633
4.2.1 Non-cash loans		8,020	4,039	5,344	1,027
4.2.2 Other		989,708	387,973	595,367	195,606
<b>V. DIVIDEND INCOME</b>		<b>22,995</b>	<b>207</b>	<b>17,459</b>	<b>172</b>
<b>VI. TRADING PROFIT/LOSS (Net)</b>	<b>V-IV-3</b>	<b>(3,718,659)</b>	<b>(1,842,868)</b>	<b>(2,373,182)</b>	<b>(1,606,526)</b>
6.1 Profit/losses from capital market transactions	V-IV-3	627,391	73,244	1,440,546	706,848
6.2 Profit/losses from derivative financial transactions	V-IV-3	(4,941,123)	(2,104,976)	(1,184,079)	(148,135)
6.3 Foreign exchange profit/losses	V-IV-3	595,073	188,864	(2,629,649)	(2,165,239)
<b>VII. OTHER OPERATING INCOME</b>	<b>V-IV-4</b>	<b>6,733,542</b>	<b>1,486,827</b>	<b>5,968,548</b>	<b>1,564,095</b>
<b>VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>16,966,457</b>	<b>5,644,017</b>	<b>22,118,676</b>	<b>6,234,985</b>
<b>IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>V-IV-5</b>	<b>6,473,399</b>	<b>1,966,156</b>	<b>9,057,680</b>	<b>2,689,386</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>V-IV-5</b>	<b>411,045</b>	<b>(921)</b>	<b>57,588</b>	<b>(20,579)</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>2,863,487</b>	<b>998,547</b>	<b>2,605,791</b>	<b>855,986</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>V-IV-6</b>	<b>3,892,500</b>	<b>1,400,213</b>	<b>3,664,886</b>	<b>1,213,055</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>3,326,026</b>	<b>1,280,022</b>	<b>6,732,731</b>	<b>1,497,137</b>
<b>XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>68,039</b>	<b>26,880</b>	<b>46,596</b>	<b>18,639</b>
<b>XVI. NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)</b>	<b>V-IV-7</b>	<b>3,394,065</b>	<b>1,306,902</b>	<b>6,779,327</b>	<b>1,515,776</b>
<b>XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>V-IV-10</b>	<b>(682,093)</b>	<b>(349,570)</b>	<b>(1,238,520)</b>	<b>(198,436)</b>
18.1 Current tax provision	V-IV-10	(291,961)	(70,572)	(1,329,413)	443,652
18.2 Expense effect of deferred tax (+)	V-IV-10	(2,489,953)	(846,361)	(1,536,086)	(909,318)
18.3 Income effect of deferred tax (-)	V-IV-10	2,099,821	567,363	1,626,979	267,230
<b>XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>V-IV-9</b>	<b>2,711,972</b>	<b>957,332</b>	<b>5,540,807</b>	<b>1,317,340</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23.1 Current tax provision		-	-	-	-
23.2 Expense effect of deferred tax (+)		-	-	-	-
23.3 Income effect of deferred tax (-)		-	-	-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/LOSSES (XIX+XXIV)</b>	<b>V-IV-11</b>	<b>2,711,972</b>	<b>957,332</b>	<b>5,540,807</b>	<b>1,317,340</b>
25.1 Group's profit/(loss)		2,614,469	919,756	5,490,542	1,298,278
25.2 Minority shares (-)		97,503	37,576	50,265	19,062
Profit/Loss per 100 shares (full TL)	III-XXIV	0.6944	0.2451	1.6818	0.3243

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER  
30, 2021**

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

		Current Period January 1, 2021- September 30, 2021	Prior Period January 1, 2020- September 30, 2020
	<b>PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
<b>I.</b>	<b>PROFIT (LOSS)</b>	<b>2,711,972</b>	<b>5,540,807</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>(130,491)</b>	<b>(424,361)</b>
<b>2.1.</b>	<b>Other comprehensive income that will not be reclassified to profit or loss</b>	<b>(13,981)</b>	<b>(13,284)</b>
2.1.1.	Gains (Losses) on Revaluation of Property, Plant and Equipment	-	(9,728)
2.1.2.	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3.	Gains (losses) on remeasurements of defined benefit plans	(89)	(1,368)
2.1.4.	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	(14,673)	(3,477)
2.1.5.	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	781	1,289
<b>2.2.</b>	<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>	<b>(116,510)</b>	<b>(411,077)</b>
2.2.1.	Exchange Differences on Translation	61,803	249,682
2.2.2.	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(345,247)	(633,337)
2.2.3.	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4.	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	98,025	(137,510)
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	68,909	110,088
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)</b>	<b>2,581,481</b>	<b>5,116,446</b>

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

STATEMENT OF CHANGES IN SHAREHOLDERS						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss									
	Notes	Paid in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total SE Except minority share	Minority interest	Total Shareholders' Equity	
Current Period September 30, 2021																		
I.	Prior Period End Balance	3,905,622	6,303,347	-	(37,820)	888,033	(181,150)	896,713	525,776	1,038,528	(184,408)	26,704,950	6,545,561	-	46,405,152	746,935	47,152,087	
II.	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	6,303,347	-	(37,820)	888,033	(181,150)	896,713	525,776	1,038,528	(184,408)	26,704,950	6,545,561	-	46,405,152	746,935	47,152,087	
IV.	Total Comprehensive Income	-	-	-	-	-	(35)	(13,911)	61,803	(276,338)	98,025	-	-	2,614,469	2,484,013	97,468	2,581,481	
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	-	20	-	71,869	-	-	-	-	-	-	1,029,624	(1,244,218)	-	(142,705)	230,138	87,433	
XI.	Profit Distribution	-	-	-	-	726	-	-	-	-	-	5,218,798	(5,224,991)	-	(5,467)	(603)	(6,070)	
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(6,265)	-	(6,265)	(603)	(6,868)	
11.2.	Transfers to Reserves	-	-	-	-	726	-	-	-	-	-	5,215,447	(5,215,375)	-	798	-	798	
11.3.	Other	-	-	-	-	-	-	-	-	-	-	3,351	(3,351)	-	-	-	-	
	Ending Balance (I+II+...X+XI)	3,905,622	6,303,367	-	34,049	888,759	(181,185)	882,802	587,579	762,190	(86,383)	32,953,372	76,352	2,614,469	48,740,993	1,073,938	49,814,931	

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

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

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

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

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

						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Reviewed	Notes	Paid in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total SE Except minority share	Minority interest	Total Shareholders' Equity
Prior Period September 30, 2020																	
I.	Prior Period End Balance	2,500,000	723,962	-	115,979	693,898	(105,972)	697,496	407,474	879,787	(43,358)	23,631,390	3,180,500	-	32,681,156	871,134	33,552,290
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	723,962	-	115,979	693,898	(105,972)	697,496	407,474	879,787	(43,358)	23,631,390	3,180,500	-	32,681,156	871,134	33,552,290
IV.	Total Comprehensive Income	-	-	-	-	(10,204)	(740)	(1,091)	249,682	(523,249)	(137,510)	-	-	5,490,542	5,067,430	49,016	5,116,446
V.	Capital Increase by Cash	1,405,622	5,579,424	-	-	-	-	-	-	-	-	-	-	-	6,985,046	-	6,985,046
VI.	Capital Increase by Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	(158,472)	-	-	-	-	-	-	207,606	(107,701)	-	(58,567)	(193,700)	(252,267)
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	2,864,691	(2,864,691)	-	-	-	-
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	2,864,691	(2,864,691)	-	-	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		3,905,622	6,303,386	-	(42,493)	683,694	(106,712)	696,405	657,156	356,538	(180,868)	26,703,687	208,108	5,490,542	44,675,065	726,450	45,401,515

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

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED STATEMENT OF CASH  
FLOW FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

	Notes	Current Period September 30, 2021	Prior Period September 30, 2020
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities (+)</b>		<b>4,269,980</b>	<b>3,504,907</b>
1.1.1 Interest received (+)		48,576,779	28,050,565
1.1.2 Interest paid (-)		(38,170,554)	(17,885,669)
1.1.3 Dividends received (+)		22,995	17,459
1.1.4 Fees and commissions received (+)		3,996,682	3,586,403
1.1.5 Other income (+)		355,777	312,659
1.1.6 Collections from previously written off loans and other receivables (+)		2,640,704	3,790,905
1.1.7 Cash payments to personnel and service suppliers (-)		(2,865,255)	(2,647,225)
1.1.8 Taxes paid (-)		(2,673,706)	(2,374,022)
1.1.9 Other (+/-)		(7,613,442)	(9,346,168)
<b>1.2 Changes in operating assets and liabilities subject to banking operations</b>		<b>796,961</b>	<b>37,390,210</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(4,399,453)	(7,541,437)
1.2.2 Net decrease (increase) in due from banks (+/-)		(4,460,611)	(7,472,720)
1.2.3 Net decrease (increase) in loans		(63,898,154)	(130,258,789)
1.2.4 Net decrease (increase) in other assets (+/-)		9,774,391	(10,072,786)
1.2.5 Net increase (decrease) in bank deposits (+/-)		(2,414,631)	2,316,867
1.2.6 Net increase (decrease) in other deposits (+/-)		53,041,900	140,849,210
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 (+/-)		10,436,075	7,718,455
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		2,717,444	41,851,410
<b>I. Net cash provided from banking operations (+/-)</b>		<b>5,066,941</b>	<b>40,895,117</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities (+/-)</b>		<b>(19,343,097)</b>	<b>(63,784,736)</b>
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		-	(48,556)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		-	700
2.3 Cash paid for the purchase of tangible and intangible asset (-)		(1,770,591)	(1,768,004)
2.4 Cash obtained from the sale of tangible and intangible asset (+)		1,275,244	371,516
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(32,256,326)	(73,712,229)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		11,964,790	17,584,717
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(1,261,761)	(10,987,874)
2.8 Cash obtained from sale of financial assets at amortised cost (+)		2,748,820	4,824,545
2.9 Other (+/-)		(43,273)	(49,551)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flows from financing activities (+/-)</b>		<b>3,743,657</b>	<b>19,650,068</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		13,513,786	28,276,135
3.2 Cash outflow from funds borrowed and securities issued (-)		(9,488,172)	(15,336,922)
3.3 Equity instruments issued (+)		-	7,000,000
3.4 Dividends paid (-)		(603)	-
3.5 Payments for finance lease liabilities (-)		(281,354)	(289,145)
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>90,768</b>	<b>190,164</b>
<b>V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)</b>		<b>(10,441,731)</b>	<b>(3,049,387)</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>		<b>55,596,047</b>	<b>29,986,852</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>		<b>45,154,316</b>	<b>26,937,465</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED  
FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**SECTION THREE  
ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated November 1, 2006 and in accordance with the regulations, communiques, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA Turkey Accounting Standard 34 ( "TAS 34") , Interim Financial Reporting Standard and Turkish Financial Reporting Standards ("TFRS") enforced by Public Oversight, Accounting and Auditing Standards Authority ("POA") and related appendices and interpretations (together referred as BRSA Accounting and Reporting Legislation). The format and content of the publicly announced consolidated 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 Parent 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 consolidated 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 Group has explained the effects of Covid-19, which it reflects in the financial statements dated September 30, 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 Parent 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 Parent Bank's financial position or performance. The process for the Benchmark Interest Rate Reform is expected to be completed by December 31, 2021, and the Parent Bank's efforts to adapt to the changes continue. As of 30 September 2021, the Parent Bank has no hedging transactions based on the benchmark interest rate.

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.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED  
FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

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**ACCOUNTING POLICIES (Continued)**

**I. BASIS OF PRESENTATION (Continued)**

**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 consolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated 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**

The Parent Bank's core operations 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 Parent Bank intensively utilizes financial instruments. The Parent 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 Parent Bank other than the deposits are its equity and medium and long-term borrowings obtained from foreign financial institutions. The Parent 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 Parent Bank attaches 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 the liquidity risk, exchange rate risk and credit risk within reasonable limits; while enhancing profitability and strengthening the Parent Bank's shareholders' equity.

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Parent 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 Parent 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 Parent 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 Parent 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.

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED  
FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

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**ACCOUNTING POLICIES (Continued)**

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

**Information on foreign currency transactions**

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

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 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 Parent 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 Parent Bank on April 24, 2019 with a nominal amount of 700 million Euros and the redemption date of April 24, 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 September 30, 2021, the foreign exchange income presented in the income statement is TL 86,383. The effectiveness of the transaction is the degree to balance the changes in the fair value of the hedged item that can be associated with the hedged currency risk by the hedging instrument.

As of September 30, 2021, it was identified that the evaluations that were made about the process to protect from the net investment hedge were effective. Efficiency testing, which is consistent with the Parent 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 Parent 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.



**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED  
FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**ACCOUNTING POLICIES (Continued)**

**III. INFORMATION ON ASSOCIATES THAT ARE CONSOLIDATED AND SUBSIDIARIES THAT ARE  
ACCOUNTED ACCORDING TO EQUITY METHOD**

***Consolidated subsidiaries***

As at and for the nine-month period ended September 30, 2021, the financial statements of T. Vakıflar Bankası T.A.O, Vakıfbank International AG, Vakıf Finansal Kiralama AŞ, Vakıf Faktoring AŞ, Vakıf Yatırım Menkul Değerler AŞ, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ and Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ have been included in the consolidated financial statements of the Group.

*Vakıfbank International AG*, was established in 1999 to operate in the banking sector in foreign countries, in line with the Bank's globalization policy. Its head office is in Vienna.

*Vakıf Finansal Kiralama AŞ*, was established in 1988 to enter into finance lease operations and related transactions and contracts. Its head office is in Istanbul.

*Vakıf Faktoring AŞ* was established in 1998 to perform factoring transactions and any kind of financing transactions. Factoring, the main operation of the Company, is a financing method that includes the trade receivables of production, distribution and service companies to be sold to intermediary institutions. Its head office is in Istanbul.

*Vakıf Yatırım Menkul Değerler AŞ* was established in 1996 to provide service to investors through making capital market transactions, issuance of capital market tools, commitment of repurchase and sales, and purchase (repo) and sales (reverse repo) of marketable securities, operating as a member of stock exchange, investment consultancy, and portfolio management. Its head office is in Istanbul.

*Vakıf Gayrimenkul Yatırım Ortaklığı AŞ* was established as the first real estate investment partnership in finance sector under the adjudication of Capital Markets Law in 1996. The Company's main operation is in line with the scope in the Capital Markets Board's regulations relating to real estate investment trusts like, real estates, capital market tools based on real estates, real estate projects and investment on capital market tools. Its head office is in Istanbul.

*Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ* was established in 1991 in Istanbul. The main operation of the Company is to invest on a portfolio including marketable debt securities, equity securities without having managerial power in the partnerships whose securities have been acquired; gold and other precious metals traded in national and international stock exchange markets or active markets other than stock exchange markets, in accordance with the principles and regulations promulgated by Capital Markets Board. Its head office is in Istanbul.

Pursuant to the March 4, 2010 dated and 764 numbered decision of Board of Directors of Central Bank of Turkish Republic of Northern Cyprus, the official authorisation of World Vakıf UBB Ltd., a subsidiary which was subject to consolidation in previous periods, is abrogated due to incompliance with the 7<sup>th</sup> and 9<sup>th</sup> articles of 41/2008 numbered Law of International Banking Units. World Vakıf UBB Ltd. will be liquidated according to May 24, 2010 dated decision of the Nicosia Local Court. Therefore, the financial statements of the company have not been consolidated as at September 30, 2021 and December 31, 2020 but until the liquidation decision date its accumulated previous years' loss has been included in the accompanying consolidated financial statements.

The liquidation process of World Vakıf Off UBB Ltd., an associate of the Parent Bank, has been carried out by NCTR Collecting and Liquidation Office. The application of the company for cancellation of the liquidation has been rejected and the decision of liquidation has been agreed. Thus, the company's name has been changed as "World Vakıf UBB Ltd. in Liquidation".

As per the resolution of the Board of Directors of the Parent Bank held on September 8, 2011, it has been decided to merge Vakıf Sistem Pazarlama Yazılım Servis Güvenlik Temizlik Ticaret ve Sanayi AŞ with Vakıf Pazarlama Ticaret AŞ with dissolution of Vakıf Sistem Pazarlama Yazılım Servis Güvenlik Temizlik Ticaret ve Sanayi AŞ without liquidation, in accordance with Mülga Law No: 6762, article 451 of Turkish Commercial Code. Since Vakıf Pazarlama ve Ticaret AŞ is not a financial subsidiary anymore, its financial statements have not been consolidated as at September 30, 2021 and December 31, 2020, but its equity until the merger date has been included in the accompanying consolidated financial statements.

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**ACCOUNTING POLICIES (Continued)**

**III. INFORMATION ON ASSOCIATES THAT ARE CONSOLIDATED AND SUBSIDIARIES THAT ARE  
ACCOUNTED ACCORDING TO EQUITY METHOD (Continued)**

***Investments in associates consolidated per equity method***

As at and for the nine-month period ended September 30, 2021, the financial statements of Kıbrıs Vakıflar Bankası Ltd and Türkiye Sınai Kalkınma Bankası AŞ have been consolidated per equity method in the consolidated financial statements of the Group.

*Kıbrıs Vakıflar Bankası Ltd.* was established in 1982 in Turkish Republic of Northern Cyprus, mainly to encourage the credit cards issued by the Bank, and increase foreign exchange inflow, and carry on retail and commercial banking operations. Its head office is in Lefkosa.

*Türkiye Sınai Kalkınma Bankası AŞ* was established in 1950 to support investments in all economic sectors. Its head office is in Istanbul.

In cases where the accounting policies for the preparation of the financial statements of Financial Subsidiaries are different than those of the Parent Bank, the differences have been adjusted to the accounting policies of the Parent Bank, taking the materiality principle into account. The financial statements of local Financial Subsidiaries, and foreign Financial Subsidiaries preparing their financial statements according to the principles of the countries which they are located in, have been adjusted in accordance with Reporting Standards as at the related reporting dates. Inter-company balances and transactions, and any unrealized gains and losses arising from inter-company transactions, are eliminated in preparing these consolidated financial statements.

**IV. INFORMATION ON FORWARDS, OPTIONS AND OTHER DERIVATIVE TRANSACTIONS**

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

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

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

Embedded derivative products are not separated from the articles of association and are accounted according to the standard on which the articles of association are based. As of September 30, 2021, the Parent Bank does not have any embedded derivative financial instruments.

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**ACCOUNTING POLICIES (Continued)**

**V. INFORMATION ON INTEREST INCOME AND EXPENSES**

**Banking activities**

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

Starting from January 1, 2018, the Parent 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.

**Finance leasing activities**

The total of minimum rent amounts are recorded at finance lease receivables account in gross amounts comprising the principal amounts and interests. The interest, the difference between the total of rent amounts and the cost of the fixed assets, is recorded at unearned income account. As the rents are collected, finance lease receivables account is decreased by the rent amount; and the interest component is recorded in the consolidated statement of income as interest income.

**Factoring operations**

Factoring receivables are initially recorded at their historical costs less transaction costs. They are amortized using the effective interest method, taking their historical costs and future cash flows into account and the amortized amounts are recognized as "other interest income" in the consolidated income statement.

**VI. INFORMATION ON FEES AND COMMISSIONS**

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

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

**VII. INFORMATION ON FINANCIAL ASSETS**

Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. 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.

Group 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 The Parent 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 balances.

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**ACCOUNTING POLICIES (Continued)**

**VII. INFORMATION ON FINANCIAL ASSETS (Continued)**

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

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

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

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from 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.

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

**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.

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**ACCOUNTING POLICIES (Continued)**

**VII. INFORMATION ON FINANCIAL ASSETS (Continued)**

**Financial Assets at Fair Value Through Other Comprehensive Income (Continued)**

Securities representing the share in the capital classified as financial assets at fair value through other comprehensive income 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.

**Financial Assets Measured at Amortized Cost**

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

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

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

**Derivative Financial Assets**

The Group'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 Group are classified as Financial assets at fair value through profit and loss in accordance with "TFRS 9 Financial Instruments" (TFRS 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 Parent Bank are retained under the "Measured at Amortized Cost" accounts due to holding loans in scope of a business model for the collection of contractual cash flows and contractual terms of loans that leads to cash flows representing solely payments of principal and interest at certain date.

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**ACCOUNTING POLICIES (Continued)**

**VIII. INFORMATION ON EXPECTED CREDIT LOSS PROVISIONS**

As of January 1, 2018, the Parent 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:

- 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

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**ACCOUNTING POLICIES (Continued)**

**VIII. INFORMATION ON EXPECTED CREDIT LOSS PROVISIONS (Continued)**

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

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 September 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 Parent Bank applies the expected 12-month default probabilities to the estimated default amount and multiplies with the loss given default and downgrades to the present day with the original effective interest rate of the loan. For these assets, an expected 12-month credit loss is recognized and interest income is calculated over the gross carrying amount. 12-month expected credit loss is the loss arising from possible risks in the first 12 months following the reporting date.

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**ACCOUNTING POLICIES (Continued)**

**VIII. INFORMATION ON EXPECTED CREDIT LOSS PROVISIONS (Continued)**

Stage 2:

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

Stage 3:

Stage 3 includes financial assets with objective evidence of impairment as of the reporting date. Lifetime expected credit loss is recorded for these assets. The Parent 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 the stage2 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 Parent 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 Parent 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 Parent 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.



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**ACCOUNTING POLICIES (Continued)**

**VIII. INFORMATION ON EXPECTED CREDIT LOSS PROVISIONS (Continued)**

**Default Definition**

The Parent 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 Parent 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 828,453 for which 100% provision has been made. (31 December 2020: 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 September 30, 2021 there are no transactions of this nature at the Parent Bank.

**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 Parent 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.

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**ACCOUNTING POLICIES (Continued)**

**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 Parent 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 Group's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Group has no discontinued operations.

**XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS**

As of the balance sheet date, there is no goodwill in the financial statements of the Parent Bank. The difference between the values of net assets in the financial statements prepared as of the date of the change of shares in the real estate project in which Vakıfbank Gayrimenkul Yatırım Ortaklığı AŞ, which is a subsidiary of the Parent Bank, participates and fair value of the project partnership are classified under Intangible Assets - Goodwill Arising from Purchasing Accounting. As of September 30, 2021, the goodwill amount is TL 14,631 (December 31, 2020: TL 14,631)

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**XIII. INFORMATION ON TANGIBLE ASSETS**

The costs of the tangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of December 31, 2004 are considered as their historical costs. Tangible assets purchased after January 1, 2005 were recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any. The Group 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 is 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 of tangible assets and estimated useful lives are:

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**XIV. INFORMATION ON LEASING ACTIVITIES**

The difference between operating leases and financial leases has been eliminated with the "TFRS 16 Leases" effective as of January 1, 2019, and on the transition date, the Group has applied the simplified transition approach and elected not to restate comparative figures. The group operates as a lessee and lessor.

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

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

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

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 Parent 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 Parent Bank discloses the contingent asset.

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**ACCOUNTING POLICIES (Continued)**

**XVI. INFORMATION ON OBLIGATIONS OF THE GROUP CONCERNING EMPLOYEE RIGHTS**

**Reserve for employee termination benefits**

In accordance with existing Turkish Labor Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at September 30, 2021 is TL 8,285 (full TL) (December 31, 2020: TL 7,117 (full TL)).

The Group uses actuarial method to calculate severance indemnity provision in accordance with TAS 19 - Employee Benefits.

**Other benefits to employees**

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

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

**Pension fund**

The employees of the Parent 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.20, 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 November 1, 2005 dated and 25983 numbered Official Gazette, has been cancelled by the Constitutional Court's March 22, 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on December 15, 2007 in the Official Gazette no. 26731. The reason for the cancellation decision by Constitutional Court was stated as possible future losses on acquired rights of Fund members.

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

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

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

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

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**ACCOUNTING POLICIES (Continued)**

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

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

The employer of pension fund participants (the Banks) 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 regarding December 31, 2020 in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against as at September 30, 2021.

**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 Parent 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.

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**ACCOUNTING POLICIES (Continued)**

**XVII. INFORMATION ON TAXATION (Continued)**

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 cannot be set off from retained earnings.

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

**Corporation tax legislation for the foreign branches**

***Bahrain***

The Parent Bank's branch that is operating in Bahrain is nontaxable because there is no corporate tax practice in that country. Bahrain Branch's 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***

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

***New York***

The Parent Bank's branch that is operating in New York is taxable according to state law legislation and country law legislation. Double Tax Treaty Agreements is stated for being taxed in Turkey.

***Qatar***

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

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**ACCOUNTING POLICIES (Continued)**

**XVII. INFORMATION ON TAXATION (Continued)**

**Deferred taxes**

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

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

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

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

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

**Transfer Pricing**

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

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



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**ACCOUNTING POLICIES (Continued)**

**XVIII. INFORMATION ON CASH AND CASH EQUIVALENT**

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 the Republic 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 Parent Bank provides funding resources such as syndication and securitization transactions in case of need. In the current period, the Parent Bank has started to obtain funds through domestic and international bonds and bills 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 Parent Bank is not hedging about debt instruments.

**XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES**

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

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

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

**XXI. INFORMATION ON CONFIRMED BILLS OF EXCHANGE AND ACCEPTANCES**

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

**XXII. INFORMATION ON GOVERNMENT INCENTIVES**

As at September 30, 2021, Vakıf Finansal Kiralama AŞ, a consolidated subsidiary of the Group, has unused investment incentives amounting to TL 108,961 (December 31, 2020: TL 150,852).

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**ACCOUNTING POLICIES (Continued)**

**XXIII. INFORMATION ON SEGMENT REPORTING**

An operating segment is a component of an entity:

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

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

**XXIV. OTHER MATTERS**

**Earnings per shares**

Earnings per share has been calculated by dividing the net profit for the period 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 nine-month period ended September 30, 2021, earnings per 100 shares are full TL 0.6944 (September 30, 2020: full TL 1.6818).

**Related parties**

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

**Classifications**

In the profit or loss statement of the Parent Bank dated September 30, 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.

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**SECTION FOUR  
INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK  
MANAGEMENT**

**I. INFORMATION ON CONSOLIDATED 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 September 16, 2021 and numbered 9795, 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.

As of September 30, 2021 Group's equity amount TL 70,773,660 (December 31, 2020: TL 66,178,344) and capital adequacy ratio is 14.07 % (December 31, 2020: 16.05 %).

**Information about the consolidated shareholder equity items**

	Amount	Amount as per the regulation before 1/1/2014(*)
<b>Current Period-September 30,2021</b>		
<b>COMMON EQUITY TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	3,905,622	
Share Premium	6,303,367	
Reserves	32,953,372	
Income recognized under equity in accordance with TAS	3,172,354	
Profit	2,690,821	
Current Period's Profit	2,614,469	
Prior Period's Profit	76,352	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	34,049	
Minority shares	1,072,162	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>50,131,747</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
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	318,592	-
Leasehold Improvements on Operational Leases	183,452	-
Goodwill netted with deferred tax liability	14,631	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	280,064	280,064
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	-	-
<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>796,739</b>	-
<b>Common Equity Tier 1 capital (CET1)</b>	<b>49,335,008</b>	-
<b>Additional Tier 1 capital: instruments</b>		
Premiums that are not included in Common Equity Tier 1 capital	-	-
Bank's borrowing instruments and related issuance premium	12,195,910	-
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	-
Third parties' share in the Additional Tier 1 capital -	-	-
Third parties' share in the Additional Tier 1 capital (Temporary Article 3)	-	-
<b>Additional Tier 1 Capital before deductions</b>	<b>12,195,910</b>	-
<b>Deductions from Additional Tier 1 Capital</b>		
Bank's a direct or indirect investment in Tier 1 Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share	-	-
Capital Exceeding the 10%	-	-
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK  
MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

	Amount	Amount as per the regulation before 1/1/2014(*)
<b>Current Period- September 30, 2021</b>		
<b>Transition from the Core Capital to Continue to deduce Components</b>		
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 (-)	-	-
<b>Total Deductions from Additional Tier 1 capital</b>	-	-
<b>Total Additional Tier 1 capital (AT1)</b>	<b>12,195,910</b>	-
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>	<b>61,530,918</b>	-
<b>TIER 2 CAPITAL</b>		
Bank's borrowing instruments and related issuance premium	3,434,013	-
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	162,881	-
Third parties' share in the Tier II Capital -	-	-
Third parties' share in the Tier II Capital (Temporary Article 3)	1,776	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	5,817,738	-
<b>Tier 2 Capital Before Deductions</b>	<b>9,253,527</b>	-
<b>Deductions From Tier 2 Capital</b>		
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 (-)	-	-
<b>Total Deductions From Tier 2 Capital</b>	<b>9,253,527</b>	-
<b>Tier 2 Capital</b>	<b>70,784,445</b>	-
<b>Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)</b>	<b>70,784,445</b>	-
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)</b>	<b>70,784,445</b>	-
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 (-)	10,785	-
Other items to be defined by the BRSA (-)	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-	-
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	-	-
<b>TOTAL CAPITAL</b>		
Total Capital	70,773,660	-
Total Risk Weighted Amounts	503,057,120	-
<b>CAPITAL ADEQUACY RATIOS</b>		
Consolidated Core Capital Adequacy Ratio (%)	9.81	-
Consolidated Tier 1 Capital Adequacy Ratio (%)	12.23	-
Consolidated Capital Adequacy Ratio (%)	14.07	-
<b>BUFFERS</b>		
Total buffer requirement (a+b+c)	3.514	-
a) Capital conservation buffer requirement (%)	2.500	-
b) Bank specific counter-cyclical buffer requirement (%)	0.014	-
c) Systemically important banks buffer requirement (%)	1.000	-
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 (%)	5.31	-
<b>Amounts below deduction thresholds</b>	-	-
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)	-	-
<b>Limits related to provisions considered in Tier 2 calculation</b>		
General provisions for standard based receivables (before tenthousandandtwentyfive limitation)	8,546,022	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	5,817,738	-
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	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	-	-
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 CONSOLIDATED FINANCIAL  
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED  
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK  
MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

	Amount	Amount as per the regulation before 1/1/2014(*)
<b>Prior Period - December 31, 2020</b>		
<b>COMMON EQUITY TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	3,905,622	
Share Premium	6,303,347	
Reserves	26,704,950	
Income recognized under equity in accordance with TAS	3,195,394	
Profit	6,545,561	
Current Period's Profit	6,337,453	
Prior Period's Profit	208,108	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	(37,820)	
Minority shares	745,159	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>47,362,213</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
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	176,087	-
Leasehold Improvements on Operational Leases	187,151	-
Goodwill netted with deferred tax liability	14,631	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	256,205	256,205
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	-	-
Communique 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	-	-
<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>634,074</b>	-
<b>Common Equity Tier 1 capital (CET1)</b>	<b>46,728,139</b>	-
<b>Additional Tier 1 capital: instruments</b>		
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)	-	-
Third parties' share in the Additional Tier I capital -	-	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	-
<b>Additional Tier 1 Capital before deductions</b>	<b>11,397,014</b>	-
<b>Deductions from Additional Tier 1 Capital</b>		
Bank's a direct or indirect investment in Tier 1 Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%	-	-
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-

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

**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK  
MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

	Amount	Amount as per the regulation before 1/1/2014(*)
<b>Prior Period- December 31, 2020</b>		
<b>Transition from the Core Capital to Continue to deduce Components</b>		
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 (-)	-	-
<b>Total Deductions from Additional Tier 1 capital</b>	-	-
<b>Total Additional Tier 1 Capital</b>	<b>11,397,014</b>	-
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>	<b>58,125,153</b>	-
<b>TIER 2 CAPITAL</b>		
Bank's borrowing instruments and related issuance premium	3,271,420	-
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	325,763	-
Third parties' share in the Tier II Capital -	-	-
Third parties' share in the Tier II Capital (Temporary Article 3)	1,776	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	4,791,107	-
<b>Tier 2 Capital Before Deductions</b>	<b>8,064,303</b>	-
<b>Deductions From Tier 2 Capital</b>		
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 (-)	-	-
<b>Total Deductions From Tier 2 Capital</b>	<b>8,064,303</b>	-
<b>Tier 2 Capital</b>	<b>66,189,456</b>	-
<b>Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)</b>	<b>124,314,609</b>	-
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)</b>	<b>124,314,609</b>	-
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 (-)	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
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	-	-
<b>TOTAL CAPITAL</b>		
Total Capital	66,178,344	-
Total Risk Weighted Amounts	412,226,342	-
<b>CAPITAL ADEQUACY RATIOS</b>		
Consolidated Core Capital Adequacy Ratio (%)	11.34	-
Consolidated Tier 1 Capital Adequacy Ratio (%)	14.10	-
Consolidated Capital Adequacy Ratio (%)	16.05	-
<b>BUFFERS</b>		
Total buffer requirement (a+b+c)	3.516	-
a) Capital conservation buffer requirement (%)	2.500	-
b) Bank specific counter-cyclical buffer requirement (%)	0.016	-
c) Systemically important banks buffer requirement (%)**	1.000	-
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 (%)	6.84	-
<b>Amounts below deduction thresholds</b>		
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)	-	-
<b>Limits related to provisions considered in Tier 2 calculation</b>		
General provisions for standard based receivables (before tenthousandandtwentyfive limitation)	8,777,846	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4,791,107	-
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	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-

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

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

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

**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

**Summary information related to capital adequacy ratio**

<b>Current Period - September 30, 2021</b>						
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.	796430
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
<b>Regulatory treatment</b>						
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)	163	2,021	525	4,994	7,202	725
Par value of instrument (in million)	5,536	2,021	525	4,994	7,202	725
Accounting classification	347011- Subordinated Liabilities	347011- Subordinated Liabilities	346011- Subordinated Liabilities	346001- Subordinated Liabilities	347001- Subordinated Liabilities	346001- Subordinated Liabilities
Original date of issuance	November 1, 2012	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Perpetual or dated	Dated (10 years) Maturity Date: November 1, 2022	Dated (10 years) Maturity Date: November 1, 2027	Dated (10 years) Maturity Date: September 6, 2027	Undated	Undated	Dated (10 years) Maturity Date: September 14, 2029
Issue date	November 1, 2012	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available
Call option dates, conditioned call dates and call amount	Not available.	Early call date at November 1, 2022 is available.	Early call date at the end of five years.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call date at the end of five years.
Subsequent call dates, if applicable	Not available.	Only one call option is available.	Only one call option is available.	September 27, 2023	April 24, 2024	Only one call option is available.

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

Current Period- September 30,2021		Coupons / dividends				
Fixed or floating dividend/coupon	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months	Fixed interest rate / Interest payment once in a year	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date
Coupon rate and any related index	6% fixed interest rate	8% fixed interest rate	5 years maturity "Indicator Government Debt Security" +350 basis points	12.62% fixed interest rate	5.076% fixed interest rate	TLREF + 150 basis points
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Nil	Nil	Nil	Nil	Nil	Nil
Existence of step up or other incentive to redeem	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible						
If convertible, conversion trigger (s)	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, fully or partially	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, conversion rate	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, mandatory or optional conversion	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify instrument type convertible into	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify issuer of instrument it converts into	Nil	Nil	Nil	Nil	Nil	Nil
Write-down feature						
If write-down, write-down trigger(s)	Not available.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events
If write-down, full or partial	Not available.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.
If write-down, permanent or temporary	Not available.	Has permanent write down feature.	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature.
If temporary write-down, description of write-up mechanism	Not available.	Has no write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 8
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	Not Possess Article 7	Not Possess Article 7	Not Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7



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

**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

<b>Prior Period - December 31, 2020</b>						
Issuer	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	XS0849728190/ US90015NAB91	XS1551747733 / US90015WAE30	TRSVKFB92719	TRSVKFB0043	XS1984644812	TRSVKFB92925
Governing law(s) of the instrument	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity
<b>Regulatory treatment</b>						
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

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (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
Write-down feature						
If write-down, write-down trigger(s)	Not available.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events
If write-down, full or partial	Not available.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.
If write-down, permanent or temporary	Not available.	Has permanent write down feature.	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature.
If temporary write-down, description of write-up mechanism	Not available.	Has no write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 8
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	Not Possess Article 7	Not Possess Article 7	Not Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
(Continued)**

**I. INFORMATION ON CONSOLIDATED EQUITY ITEMS (Continued)**

**Reconciliation of capital items to balance sheet:**

	<b>Current Period September 30, 2021</b>	<b>Prior Period December 31, 2020</b>
Shareholders' equity	49,814,931	47,152,087
Valuation differences of the marketable securities	-	35,815
Leasehold improvements on operational leases	(183,452)	(187,151)
Goodwill and intangible assets	(294,695)	(270,836)
General provision (1.25% of the amount that subject to credit risk)	5,817,738	4,791,107
Subordinated debt	15,629,923	14,668,434
Deductions from shareholders' equity	(10,785)	(11,112)
<b>Capital</b>	<b>70,773,660</b>	<b>66,178,344</b>

(\*) In accordance with the BRSA regulation dated September 16, 2021 and numbered 9795, 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.

**II. CONSOLIDATED FOREIGN CURRENCY EXCHANGE RISK**

**Foreign exchange risk that the Parent Bank is exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the Parent Bank for the positions 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 Parent Bank.

The Parent Bank's and all consolidated financial subsidiaries' foreign currency assets and liabilities and the forward foreign-currency transactions are taken into consideration in calculating the capital obligation for the consolidated 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. The capital obligation is calculated at that amount.

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

As at September 30, 2021 and December 31, 2020, the Group does not have derivative financial instruments held for risk management.

**Foreign exchange risk management policy**

The Parent 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 Parent Bank's strategies by considering the balance with other financial risks.

Sensitivity analysis regarding the currency risk that the Parent Bank is exposed to is explained in the related section II.

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

	<b>US Dollar</b>	<b>Euro</b>
<b>The Bank's foreign currency purchase rate at the balance sheet date</b>	<b>8.8800</b>	<b>10.28905</b>
<u>Foreign currency purchase rates for the days before balance sheet date:</u>		
Day 1	8.8771	10.3121
Day 2	8.8300	10.3266
Day 3	8.8300	10.3319
Day 4	8.8613	10.3750
Day 5	8.7413	10.2676
<b>Last 30-days arithmetical average rate</b>	<b>8.52413</b>	<b>10.02593</b>

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)  
II. CONSOLIDATED FOREIGN CURRENCY EXCHANGE RISK (Continued)**

**Information on currency risk**

<b>Current Period- September 30, 2021</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Other FC</b>	<b>Total</b>
<i>Assets:</i>				
Cash and balances with the Central Bank of the Republic of Turkey	22,870,420	32,958,675	7,437,872	63,266,967
Banks	1,274,065	9,843,335	423,237	11,540,637
Financial assets at fair value through profit or loss <sup>(7)</sup>	-	195,204	11,382,588	11,577,792
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	16,836,090	42,296,941	-	59,133,031
Loans <sup>(1)(2)</sup>	82,642,393	72,570,669	75,911	155,288,973
Associates, subsidiaries and joint-ventures	3	-	-	3
Financial assets measured at amortized cost	9,403,804	7,721,986	-	17,125,790
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	927	17,286	-	18,213
Intangible assets	339	-	-	339
Other assets <sup>(3)</sup>	1,714,285	2,088,804	58,368	3,861,457
<b>Total assets</b>	<b>134,742,326</b>	<b>167,692,900</b>	<b>19,377,976</b>	<b>321,813,202</b>
<i>Liabilities:</i>				
Bank deposits	5,035,181	5,235,963	513,971	10,785,115
Foreign currency deposits	73,969,012	123,828,014	21,275,575	219,072,601
Interbank money market takings	13,362,449	10,041,517	-	23,403,966
Other funding	28,172,337	32,799,447	14,403	60,986,187
Securities issued <sup>(4)</sup>	7,362,594	45,396,972	291,935	53,051,501
Miscellaneous payables	2,600,341	599,982	482	3,200,805
Derivative financial liabilities held for risk management purpose	-	-	-	-
Other liabilities <sup>(3)</sup>	772,785	3,851,032	5,459	4,629,276
<b>Total liabilities</b>	<b>131,274,699</b>	<b>221,752,927</b>	<b>22,101,825</b>	<b>375,129,451</b>
<b>Net 'on balance sheet' position</b>	<b>3,467,627</b>	<b>(54,060,027)</b>	<b>(2,723,849)</b>	<b>(53,316,249)</b>
<b>Net 'off-balance sheet' position</b>	<b>(526,983)</b>	<b>54,752,400</b>	<b>2,731,992</b>	<b>56,957,409</b>
Derivative assets <sup>(5)</sup>	6,028,239	62,900,413	6,698,970	75,627,622
Derivative liabilities <sup>(5)</sup>	6,555,222	8,148,013	3,966,978	18,670,213
Non-cash loans <sup>(6)</sup>	34,636,249	48,008,971	1,892,357	84,537,577
<b>Prior Period - December 31, 2020</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Other FC</b>	<b>Total</b>
Total assets	137,641,677	142,959,881	16,733,569	297,335,127
Total liabilities	125,108,632	180,127,591	22,505,131	327,741,354
Net 'on balance sheet' position	12,533,045	(37,167,710)	(5,771,562)	(30,406,227)
Net 'off-balance sheet' position	(10,700,743)	37,289,924	5,788,929	32,378,110
Derivative assets <sup>(5)</sup>	10,739,105	42,735,050	6,909,282	60,383,437
Derivative liabilities <sup>(5)</sup>	21,439,848	5,445,126	1,120,353	28,005,327
Non-cash loans <sup>(6)</sup>	26,268,248	31,104,665	1,174,345	58,547,258

<sup>(1)</sup> Foreign currency indexed loans amounting to TL 422,364 (December 31, 2020: TL 538,028) which are presented in TL column in the balance sheet are included in the table above.

<sup>(2)</sup> Foreign currency indexed factoring receivables amounted to TL 412,058 (December 31, 2020: TL 284,716) presented in TL column in the accompanying consolidated balance sheet are included.

<sup>(3)</sup> Other Derivative Financial Instruments Currency Income Costs TL 83,109 (December 31, 2020: TL 53,691), Prepaid Expenses TL 201,603 (December 31, 2020: TL 179,634), 1st and 2nd stage expected loss provisions TL (21,891) (December 31, 2020: TL (24,493)), and derivative financial instruments currency expense accruals of TL 53,535 (December 31, 2020: TL 28,593), deferred tax liabilities TL 48,772 (December 31, 2020: TL 57,525), unearned income TL 194,365 (December 31, 2020: 218,352) and shareholders' equity TL 1,913,346 (December 31, 2020: TL 1,743,740) are not taken into consideration in the currency risk calculation.

<sup>(4)</sup> Subordinated loans are shown under securities issued.

<sup>(5)</sup> Asset purchase commitments amounting to TL 3,068,510 (December 31, 2020: TL 468,092) and asset sales commitments amounting to TL 4,886,989 (December 31, 2020: TL 5,679,004) are included.

<sup>(6)</sup> Non-cash loans are not taken into consideration in the currency position account.

<sup>(7)</sup> The amount in other FX consists of gold-based bonds.

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
(Continued)**

**II. CONSOLIDATED FOREIGN CURRENCY EXCHANGE RISK (Continued)**

**Exposure to currency risk**

10% depreciation of the TL against the following currencies as at and for the nine-month period ended September 30, 2021 and September 30, 2020 would have effect on consolidated equity and the consolidated statement of income (without tax effects) by the amounts shown in the table below.

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

	<b>Current Period- September 30, 2021</b>		<b>Prior Period- September 30, 2020</b>	
	<b>Profit or loss</b>	<b>Equity <sup>(*)</sup></b>	<b>Profit or loss</b>	<b>Equity <sup>(*)</sup></b>
US Dollar	67,509	67,509	(1,290,273)	(1,290,273)
Euro	293,938	462,850	225,083	364,954
Other currencies	814	814	23,997	23,997
<b>Total, net <sup>(**)</sup></b>	<b>362,261</b>	<b>531,173</b>	<b>(1,041,193)</b>	<b>(901,322)</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

<sup>(\*\*)</sup> Associates, subsidiaries and jointly controlled partnerships are included in the impact calculation for the income statement, but are not included in the impact calculation for the equity. Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

10% appreciation of the TL against the following currencies as at and for the nine-month period ended September 30, 2021 and September 30, 2020 would have effect on consolidated equity and consolidated statement of income (without tax effects) by the amounts shown in the table below.

	<b>Current Period- September 30, 2021</b>		<b>Prior Period- September 30, 2020</b>	
	<b>Profit or loss</b>	<b>Equity <sup>(*)</sup></b>	<b>Profit or loss</b>	<b>Equity <sup>(*)</sup></b>
US Dollar	(67,509)	(67,509)	1,290,273	1,290,273
Euro	(293,938)	(462,850)	(225,083)	(364,954)
Other currencies	(814)	(814)	(23,997)	(23,997)
<b>Total, net <sup>(**)</sup></b>	<b>(362,261)</b>	<b>(531,173)</b>	<b>1,041,193</b>	<b>901,322</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of 10% revaluation of TL against related currencies.

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

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
(Continued)**

**III. CONSOLIDATED 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.

The Parent 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)**

<b>Current Period- September 30, 2021</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<i>Assets:</i>							
Cash and balances with CBRT	11,213,301	-	-	-	-	66,586,188	77,799,489
Banks	58,853	681,179	206,937	-	-	11,773,557	12,720,526
Financial assets at fair value through profit/loss	1,289,830	18,871	2,691,063	7,515,593	-	377,891	11,893,248
Interbank money market placements	4,744	405	-	-	-	-	5,149
Financial assets at fair value through other comprehensive income	20,138,302	12,619,646	18,261,248	47,401,546	6,014,453	19,533	104,454,728
Loans <sup>(1)</sup>	152,044,492	83,506,989	123,578,419	73,217,337	55,338,507	17,879,393	505,565,137
Financial assets measured at amortized cost	35,990,908	851,318	1,905,302	17,148,121	6,819,281	-	62,714,930
Other assets <sup>(2)</sup>	2,408,147	4,580,705	198,950	492,923	1,756,253	(2,744,579)	6,692,399
<b>Total assets</b>	<b>223,148,577</b>	<b>102,259,113</b>	<b>146,841,919</b>	<b>145,775,520</b>	<b>69,928,494</b>	<b>93,891,983</b>	<b>781,845,606</b>
<i>Liabilities:</i>							
Bank deposits	13,822,578	5,103,335	334,941	-	-	1,370,189	20,631,043
Other deposits	251,098,541	77,214,076	18,976,506	1,823,341	63,560	99,163,477	448,339,501
Interbank money market takings	78,465,777	6,047,975	957,230	12,514,340	-	-	97,985,322
Miscellaneous payables	-	-	-	-	-	16,969,015	16,969,015
Securities issued <sup>(3)</sup>	6,480,531	3,411,198	8,936,663	42,668,153	8,512,724	-	70,009,269
Funds borrowed	2,575,986	40,954,895	8,124,539	5,306,224	4,782,378	1,567,313	63,311,335
Other liabilities <sup>(4)</sup>	907,377	3,498,057	886,659	576,102	1,938,234	56,793,692	64,600,121
<b>Total liabilities</b>	<b>353,350,790</b>	<b>136,229,536</b>	<b>38,216,538</b>	<b>62,888,160</b>	<b>15,296,896</b>	<b>175,863,686</b>	<b>781,845,606</b>
On balance sheet long position	-	-	108,625,381	82,887,360	54,631,598	-	246,144,339
On balance sheet short position	(130,202,213)	(33,970,423)	-	-	-	(81,971,703)	(246,144,339)
Off-balance sheet long position	5,177,465	10,207,810	-	-	-	-	15,385,275
Off-balance sheet short position	-	-	(273,860)	(768,050)	(3,882,459)	-	(4,924,369)
<b>Net position</b>	<b>(125,024,748)</b>	<b>(23,762,613)</b>	<b>108,351,521</b>	<b>82,119,310</b>	<b>50,749,139</b>	<b>(81,971,703)</b>	<b>10,460,906</b>

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

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

(3) Subordinated debts are shown under securities issued.

(4) Equity is included in "Non-Interest Bearing" column in other liabilities line.

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**III. CONSOLIDATED INTEREST RATE RISK (Continued)**

<b>Prior Period- December 31, 2020</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<i>Assets:</i>							
Cash and balances with CBRT	12,125,735	-	-	-	-	81,081,507	93,207,242
Banks	58,004	864,828	-	-	-	2,169,348	3,092,180
Financial assets at fair value through profit/loss	3,038	2,990,006	1,930,131	2,190,923	-	344,183	7,458,281
Interbank money market placements	203,259	3,330	-	-	-	-	206,589
Available-for-sale financial assets	7,787,829	5,715,566	20,595,310	41,174,425	8,636,636	18,159	83,927,925
Loans <sup>(1)</sup>	144,392,490	74,156,428	92,857,180	72,375,326	48,163,181	17,930,171	449,874,776
Held-to-maturity investments	21,435,614	3,920,978	11,726,453	16,327,735	5,336,472	-	58,747,252
Other assets <sup>(2)</sup>	1,119,830	3,162,424	3,377,619	199,622	1,935,742	5,781,035	15,576,272
<b>Total assets</b>	<b>187,125,799</b>	<b>90,813,560</b>	<b>130,486,693</b>	<b>132,268,031</b>	<b>64,072,031</b>	<b>107,324,403</b>	<b>712,090,517</b>
<i>Liabilities:</i>							
Bank deposits	16,980,113	4,416,355	-	-	-	1,636,729	23,033,197
Other deposits	227,148,438	70,354,742	16,543,171	1,454,494	58,501	78,929,339	394,488,685
Interbank money market takings	84,629,165	3,262,412	6,310,789	7,109,839	-	-	101,312,205
Miscellaneous payables	-	-	-	-	-	13,669,237	13,669,237
Securities issued <sup>(3)</sup>	2,297,746	5,016,792	12,916,833	36,381,213	9,000,737	-	65,613,321
Funds borrowed	2,369,839	30,856,762	10,897,561	5,419,524	507,370	1,637,939	51,688,995
Other liabilities <sup>(4)</sup>	1,155,079	2,250,577	3,199,591	119,308	1,883,337	53,676,985	62,284,877
<b>Total liabilities</b>	<b>334,580,380</b>	<b>116,157,640</b>	<b>49,867,945</b>	<b>50,484,378</b>	<b>11,449,945</b>	<b>149,550,229</b>	<b>712,090,517</b>
On balance sheet long position	-	-	80,618,748	81,783,653	52,622,086	-	215,024,487
On balance sheet short position	(147,454,581)	(25,344,080)	-	-	-	(42,225,826)	(215,024,487)
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)
<b>Net position</b>	<b>(144,340,081)</b>	<b>(17,228,864)</b>	<b>78,275,931</b>	<b>80,968,503</b>	<b>50,808,622</b>	<b>(42,225,826)</b>	<b>6,258,285</b>

<sup>(1)</sup> Non-performing loans are shown in the "Non-Interest Bearing" column.

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

<sup>(3)</sup> Subordinated debts are shown under securities issued.

<sup>(4)</sup> Equity is included in "Non-Interest Bearing" column in other liabilities line.

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**III. CONSOLIDATED INTEREST RATE RISK (Continued)**

**Average interest rates applied to monetary financial instruments <sup>(\*)</sup>:**

<b>Current Period- September 30, 2021</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<i>Assets:</i>				
Cash and balance with CBRT	-	-	-	12.50
Banks	0.70	0.04	-	18.60
Financial assets at fair value through profit/loss	-	-	-	19.34
Interbank money market placements	-	-	-	18.68
Financial assets at fair value through other comprehensive income	3.30	3.71	-	15.15
Loans	4.78	5.74	-	15.36
Financial assets measured at amortized cost	4.58	6.33	-	11.32
<i>Liabilities:</i>				
Bank deposits	0.42	0.84	-	18.36
Other deposits	0.39	1.01	-	16.30
Interbank money market takings	1.05	1.77	-	18.08
Miscellaneous payables	-	-	-	-
Securities issued <sup>(**)</sup>	5.08	6.06	-	16.03
Funds borrowed	1.91	2.53	-	17.21
<b>Prior Period - December 31, 2020</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<i>Assets:</i>				
Cash and balance with CBRT	-	-	-	12.00
Banks	0.08	0.11	-	18.22
Financial assets at fair value through profit/loss	-	-	-	10.95
Interbank money market placements	-	-	-	17.70
Financial assets at fair value through other comprehensive income	3.43	3.61	-	12.38
Loans	5.02	6.16	-	13.07
Financial assets measured at amortized cost	4.60	6.27	-	10.57
<i>Liabilities:</i>				
Bank deposits	1.08	1.89	-	19.64
Other deposits	1.58	2.75	-	14.76
Interbank money market takings	1.25	1.88	-	17.08
Miscellaneous payables	-	-	-	-
Securities issued <sup>(**)</sup>	4.04	6.07	-	14.38
Funds borrowed	1.99	2.61	-	14.50

<sup>(\*)</sup> The rates above are calculated over financial instruments with interest rates.

<sup>(\*\*)</sup> Subordinated debts are shown under securities issued.



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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
(Continued)**

**IV. CONSOLIDATED STOCK POSITION RISK**

**Stock position risks arising from banking book items**

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

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

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

<b>Current Period- September 30, 2021</b>		<b>Comparison</b>	
<b>Stock Investments</b>	<b>Carrying Value</b>	<b>Fair Value<sup>(*)</sup></b>	<b>Market Value<sup>(*)</sup></b>
<b>Stocks quoted in exchange<sup>(*)</sup></b>	<b>761,994</b>	<b>761,994</b>	<b>761,994</b>
1.Stocks Investments Group A	761,707	761,707	761,707
2.Stock Investments Group B	287	287	287
3.Stock Investments Group C	-	-	-
<b>Stocks unquoted in exchange<sup>(**)</sup></b>	<b>1,555,164</b>	<b>1,403,928</b>	<b>-</b>

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

<sup>(\*\*)</sup> The values of stocks unquoted in exchange are determined according to December 31, 2020 valuation reports prepared by independent valuation companies.

<b>Prior Period - December 31, 2020</b>		<b>Comparison</b>	
<b>Stock Investments</b>	<b>Carrying Value</b>	<b>Fair Value<sup>(*)</sup></b>	<b>Market Value<sup>(*)</sup></b>
<b>Stocks quoted in exchange<sup>(*)</sup></b>	<b>675,768</b>	<b>675,768</b>	<b>675,768</b>
1.Stocks Investments Group A	675,587	675,587	675,587
2.Stock Investments Group B	181	181	181
3.Stock Investments Group C	-	-	-
<b>Stocks unquoted in exchange<sup>(**)</sup></b>	<b>1,557,866</b>	<b>1,411,145</b>	<b>-</b>

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

<sup>(\*\*)</sup> The values of stocks unquoted in exchange are determined according to December 31, 2020 valuation reports prepared by independent valuation companies.

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

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

	<b>Realized Gain/Loss in Current Period</b>	<b>Revaluation Surplus</b>		<b>Unrealized Gain and Loss</b>	
		<b>Included in Supplementary Capital</b>		<b>Included in Supplementary Capital</b>	
<b>Portfolio-Current Period - September 30, 2021</b>		<b>Total <sup>(*)</sup></b>		<b>Total <sup>(*)</sup></b>	
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	-	-
3. Other Stocks	-	941,049	941,049	-	-
<b>4. Total</b>	<b>-</b>	<b>941,049</b>	<b>941,049</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> Amounts are presented including the effect of deferred tax.

	<b>Realized Gain/Loss in Current Period</b>	<b>Revaluation Surplus</b>		<b>Unrealized Gain and Loss</b>	
		<b>Included in Supplementary Capital</b>		<b>Included in Supplementary Capital</b>	
<b>Portfolio-Prior Period - December 31, 2020</b>		<b>Total <sup>(*)</sup></b>		<b>Total <sup>(*)</sup></b>	
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	-	-
3. Other Stocks	-	1,086,781	1,086,781	-	-
<b>4. Total</b>	<b>-</b>	<b>1,086,781</b>	<b>1,086,781</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> Amounts are presented including the effect of deferred tax.

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
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**IV. CONSOLIDATED STOCK POSITION RISK (Continued)**

**Explanations on Equity Shares Risk Arising from Banking Book**

<b>Portfolio-Current Period - September 30, 2021</b>	<b>Carrying Value</b>	<b>Total RWA<sup>(*)</sup></b>	<b>Minimum Capital Requirement</b>
1.Private Equity Investments	-	-	-
2.Quoted	761,994	761,994	60,960
3.Other Stocks	1,555,164	1,534,604	122,768
<b>4. Total</b>	<b>2,317,158</b>	<b>2,296,598</b>	<b>183,728</b>

(\*) In accordance with the BRSA regulation dated September 16, 2021 and numbered 9795, 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.

<b>Portfolio-Prior Period- December 31, 2020</b>	<b>Carrying Value</b>	<b>Total RWA<sup>(*)</sup></b>	<b>Minimum Capital Requirement</b>
1.Private Equity Investments	-	-	-
2.Quoted	675,768	674,641	53,971
3.Other Stocks	1,557,866	1,548,254	123,860
<b>4. Total</b>	<b>2,233,634</b>	<b>2,222,895</b>	<b>177,832</b>

(\*) In accordance with the BRSA regulation dated December 8, 2021 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.

**V. CONSOLIDATED 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 Parent Bank. The framework of liquidity risk of the Group 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 Group is managing liquidity risk according to risk capacity and the Group'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 Group monitors the net liquidity position and liquidity requirements continuously and facing the future. The Group takes precautions to increase diversity in fund sources to increase effectiveness and durability in liquidity risk management. On market basis and specific to the Group (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.

In addition to the structure specified regarding the liquidity risk management of the Group, there are also various systems and processes established by subsidiaries and affiliates. It is essential that the aforementioned systems and processes are designed in compliance with the generally accepted approaches regarding liquidity risk management and the legal regulations governing each subsidiary and affiliate. The established structures and regulations are expected to contribute to the liquidity risk management structure of the Parent Bank with all its partnerships, as well as the effective management of the liquidity risk of the subsidiaries and affiliates.

Liquidity management in the Parent Bank is carried out under Treasury Department in regard to the Parent Bank's strategic goals and projections, decisions taken in Asset/Liability Committee, treasury policies, limits defined under market circumstances, the Parent 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 Parent Bank's liquidity is managed in line with Treasury Department policies, daily TL and FC liquidity position Bank balance sheet and income goals.

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**V. CONSOLIDATED LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)**

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 Parent Bank makes use of liquidity gap analysis and stress tests in internal measurement of liquidity risk. In the liquidity gap analysis and liquidity stress scenarios, the Bank's compensation level of net cash outflows which are more likely to happen in short term are presented. Measurements regarding liquidity risk are performed by Risk Management Department and measurement results are reported regularly to performer units responsible of management of the related risk and top management and the Board of Directors.

It is taken as a basis that the Parent 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 the Parent 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 the 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 Parent Bank's liquidity adequacy is limited.

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**V. CONSOLIDATED 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	September 2021	127.09	July 2021	270.85
The highest value	July 2021	132.31	September 2021	493.99

**Liquidity Coverage Ratio**

Current Period- September 30, 2021		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
1	Total High Quality Liquid Assets (HQLA)			134,111,805	95,170,479
<b>CASH OUTFLOWS</b>					
2	Retail deposits and deposits from small business customers, of which:	212,301,004	109,459,098	19,159,618	10,945,910
3	Stable deposits	41,409,643	-	2,070,482	-
4	Less stable deposits	170,891,361	109,459,098	17,089,136	10,945,910
5	Unsecured wholesale funding, of which:	211,321,842	97,941,911	85,728,241	39,103,464
6	Operational deposits	136,605,719	60,924,356	34,151,430	15,231,089
7	Non-operational deposits	57,259,589	30,987,830	34,175,677	17,896,869
8	Unsecured debt	17,456,534	6,029,725	17,401,134	5,975,506
9	Secured wholesale funding			-	-
10	Additional requirements of which:	30,386,288	7,500,240	30,386,287	7,500,241
11	Outflows related to derivative exposures and other collateral requirements	30,315,158	7,500,240	30,315,157	7,500,241
12	Outflows related to loss of funding on debt products	71,130	-	71,130	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	44,506,209	39,357,653	2,225,310	1,967,883
15	Other contingent funding obligations	134,643,705	37,785,150	11,195,132	3,206,776
16	<b>TOTAL CASH OUTFLOWS</b>			<b>148,694,588</b>	<b>62,724,274</b>
<b>CASH INFLOWS</b>					
17	Secured lending	-	-	-	-
18	Inflows from fully performing exposures	24,324,112	8,786,560	16,420,388	6,796,628
19	Other cash inflows	29,199,686	28,510,945	29,199,686	28,510,945
20	<b>TOTAL CASH INFLOWS</b>	<b>53,523,798</b>	<b>37,297,505</b>	<b>45,620,074</b>	<b>35,307,573</b>
<b>Upper Limit Applied Values</b>					
21	<b>TOTAL HQLA</b>			<b>134,111,805</b>	<b>95,170,479</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>103,074,514</b>	<b>27,416,701</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>130.18</b>	<b>373.47</b>

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

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V. CONSOLIDATED LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	November 2020	121.00	October 2020	232.42
The highest value	December 2020	127.06	December 2020	363.42

*Liquidity Coverage Ratio*

Prior Period- December 31, 2020		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
1	Total High Quality Liquid Assets (HQLA)			124,139,266	86,488,287
<b>CASH OUTFLOWS</b>					
2	Retail deposits and deposits from small business customers, of which:	177,793,395	93,982,622	15,991,053	9,398,262
3	Stable deposits	35,765,722	-	1,788,286	-
4	Less stable deposits	142,027,673	93,982,622	14,202,767	9,398,262
5	Unsecured wholesale funding, of which:	219,427,897	88,274,025	89,170,218	35,593,402
6	Operational deposits	124,282,602	51,955,173	31,070,650	12,988,793
7	Non-operational deposits	79,063,650	30,500,132	42,133,982	16,851,778
8	Unsecured debt	16,081,645	5,818,720	15,965,586	5,752,831
9	Secured wholesale funding			-	-
10	Additional requirements of which:	20,433,625	8,840,396	20,433,624	8,840,397
11	Outflows related to derivative exposures and other collateral requirements	20,433,625	8,840,396	20,433,624	8,840,397
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	41,920,581	37,645,861	2,096,029	1,882,293
15	Other contingent funding obligations	107,318,888	28,513,474	8,906,811	2,150,667
16	<b>TOTAL CASH OUTFLOWS</b>			<b>136,597,735</b>	<b>57,865,021</b>
<b>CASH INFLOWS</b>					
17	Secured lending	-	-	-	-
18	Inflows from fully performing exposures	28,064,091	8,659,272	16,992,522	6,045,266
19	Other cash inflows	19,642,443	19,520,248	19,642,443	19,520,248
20	<b>TOTAL CASH INFLOWS</b>	<b>47,706,534</b>	<b>28,179,520</b>	<b>36,634,965</b>	<b>25,565,514</b>
<b>Upper Limit Applied Values</b>					
21	<b>TOTAL HQLA</b>			<b>124,139,266</b>	<b>86,488,287</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>99,962,770</b>	<b>32,299,507</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>124.27</b>	<b>278.08</b>

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

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**V. CONSOLIDATED 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.

The Group'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 Group's important fund sources are deposits, funds obtained from other financial institutions, 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:***

<b>Current Period – September 30, 2021</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and over</b>	<b>Undistributed <sup>(1)</sup></b>	<b>Total</b>
<b>Assets:</b>								
Cash and balance with CBRT	77,799,489	-	-	-	-	-	-	77,799,489
Banks	11,773,557	58,853	681,179	206,937	-	-	-	12,720,526
Financial assets at fair value through profit/loss	13,203	1,289,830	18,871	2,691,063	7,515,593	-	364,688	11,893,248
Interbank money market placements	-	4,744	405	-	-	-	-	5,149
Financial assets at fair value through other comprehensive	-	529,296	2,083,196	18,070,840	64,480,610	19,271,253	19,533	104,454,728
Loans	-	44,576,409	14,699,579	98,630,914	197,828,775	131,950,067	17,879,393	505,565,137
Financial assets measured at amortized cost	-	177,635	213,960	1,766,995	36,319,292	24,237,048	-	62,714,930
Other assets <sup>(3)(4)</sup>	562,477	4,478,621	2,315,573	94,387	2,214,070	4,386,096	(7,358,825)	6,692,399
<b>Total assets</b>	<b>90,148,726</b>	<b>51,115,388</b>	<b>20,012,763</b>	<b>121,461,136</b>	<b>308,358,340</b>	<b>179,844,464</b>	<b>10,904,789</b>	<b>781,845,606</b>
<b>Liabilities:</b>								
Bank deposits	1,370,189	13,822,578	5,103,335	334,941	-	-	-	20,631,043
Other deposits	100,422,598	249,974,852	77,214,429	18,834,929	1,829,133	63,560	-	448,339,501
Funds borrowed	-	1,394,556	9,615,157	17,474,744	18,006,457	16,820,421	-	63,311,335
Interbank money market takings	-	78,136,533	3,447,637	797,052	15,114,678	489,422	-	97,985,322
Securities issued <sup>(2)</sup>	-	6,255,440	2,851,617	5,602,132	40,965,516	14,334,564	-	70,009,269
Miscellaneous payables	35,574	10,618,989	16,469	1,055,044	59,290	-	5,183,649	16,969,015
Other liabilities	194,693	961,306	3,479,845	161,215	929,842	2,391,044	56,482,176	64,600,121
<b>Total liabilities</b>	<b>102,023,054</b>	<b>361,164,254</b>	<b>101,728,489</b>	<b>44,260,057</b>	<b>76,904,916</b>	<b>34,099,011</b>	<b>61,665,825</b>	<b>781,845,606</b>
<b>Liquidity gap</b>	<b>(11,874,328)</b>	<b>(310,048,866)</b>	<b>(81,715,726)</b>	<b>77,201,079</b>	<b>231,453,424</b>	<b>145,745,453</b>	<b>(50,761,036)</b>	<b>-</b>
<b>Net Off Balance Sheet Position</b>	<b>-</b>	<b>866,957</b>	<b>188,551</b>	<b>(5,333)</b>	<b>1,378,491</b>	<b>3,777,579</b>	<b>-</b>	<b>6,206,245</b>
Receivables from Derivative Financial Instruments	-	40,929,261	26,009,678	7,860,671	18,078,429	51,009,323	-	143,887,362
Payables from Derivative Financial Instruments	-	40,062,304	25,821,127	7,866,004	16,699,938	47,231,744	-	137,681,117
<b>Non-cash Loans</b>	<b>55,824,735</b>	<b>6,726,640</b>	<b>12,487,970</b>	<b>39,843,423</b>	<b>19,316,118</b>	<b>3,299,553</b>	<b>200,951</b>	<b>137,699,390</b>
<b>Prior Period – December 31, 2020</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and over</b>	<b>Undistributed <sup>(1)</sup></b>	<b>Total</b>
Total assets	95,802,799	42,992,198	24,151,505	73,586,299	306,178,211	149,587,107	19,792,398	712,090,517
Total liabilities	81,773,050	340,994,057	86,429,577	59,239,118	59,021,427	26,675,223	57,958,065	712,090,517
<b>Liquidity gap</b>	<b>14,029,749</b>	<b>(298,001,859)</b>	<b>(62,278,072)</b>	<b>14,347,181</b>	<b>247,156,784</b>	<b>122,911,884</b>	<b>(38,165,667)</b>	<b>-</b>
<b>Net Off Balance Sheet Position</b>	<b>808</b>	<b>(659,733)</b>	<b>305,798</b>	<b>821,162</b>	<b>1,407,502</b>	<b>1,798,650</b>	<b>-</b>	<b>3,674,187</b>
Receivables from Derivative Financial Instruments	75,355	29,648,900	12,779,335	23,015,139	10,104,711	41,554,516	-	117,177,956
Payables from Derivative Financial Instruments	74,547	30,308,633	12,473,537	22,193,977	8,697,209	39,755,866	-	113,503,769
Non-cash Loans	47,324,566	4,613,173	8,968,987	20,835,395	18,312,108	2,183,360	238,613	102,476,202

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

(2) Subordinated debt are shown under securities issued.

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

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

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**

**VI. CONSOLIDATED LEVERAGE RATIO**

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

The Group's consolidated leverage rate which is calculated due to "Regulation on Banks' Measurement and Evaluation of Leverage Level" actualised as 6.36%. Increase in balance sheet assets and off-balance sheet transactions resulted in change on leverage rate compared to previous period (December 31, 2020: 6.82%). The Regulation adjudicated minimum leverage rate as 3%.

**Summary comparison table of the total risk amount and the total asset amount in the consolidated financial statements prepared as per TAS**

	<b>Current Period- September 30, 2021</b>	<b>Prior Period- December 31, 2020</b>
Total asset amount in the consolidated financial statements prepared as per TAS (1)	742,724,824	712,313,146
The difference between the total asset amount in the consolidated financial statements prepared as per TAS and the asset amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks (1)	329,808	222,629
The difference between the derivative financial instruments and the loan derivatives amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the risk amounts (2)	(10,885,286)	(11,992,729)
The difference between the financial transactions with securities or goods warranty amounts in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the risk amounts (2)	89,661,506	43,844,131
The difference between the off-balance sheet transactions amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the risk amounts (2)	81,676,710	74,689,025
Other differences between the amount in the consolidated financial statements prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the risk amounts (2)	(343,722,492)	(258,558,222)
<b>Total risk amount</b>	<b>929,605,757</b>	<b>843,665,167</b>

(1) The balances at the end of December 31, 2020 and June 30, 2021 prepared in accordance with Article 5, paragraph 6, of the Communiqué on the Preparation of the Consolidated Financial Statements of the Banks are included.

(2) The balances in the table represent the average of three months.

**Leverage ratio common disclosure template**

	<b>Current Period - September 30, 2021 <sup>(*)</sup></b>	<b>Prior Period- December 31, 2020 <sup>(*)</sup></b>
<b>On-balance sheet exposures</b>		
1. On-balance sheet items (excluding derivatives and SFTs; including collateral)	764,736,185	689,857,937
2. Assets deducted in determining Basel III Tier 1 capital	(479,625)	(456,602)
3. Total on-balance sheet exposures (excluding derivatives and SFTs)	764,256,560	689,401,335
<b>Derivative exposures</b>		
4. Replacement cost	6,506,577	10,505,184
5. Add-on amount	1,781,360	1,487,545
6. Total derivative exposures	8,287,937	11,992,729
<b>Securities financing transaction exposures</b>		
7. Gross SFT assets (with no recognition of accounting netting)	10,100,924	7,922,416
8. Agent transaction exposures	-	-
9. Total securities financing transaction exposures	10,100,924	7,922,416
<b>Other off-balance sheet exposures</b>		
10. Off-balance sheet exposures with gross nominal amount	259,431,949	208,974,369
11. Adjustment amount off-balance sheet exposures with credit conversion factor	(84,298,029)	(74,625,681)
12. Total off-balance sheet exposures	175,133,920	134,348,688
<b>Capital and total exposures</b>		
13. Tier 1 capital	60,866,993	57,536,426
14. Total exposures	957,779,341	843,665,168
<b>Leverage ratio</b>		
15. Leverage ratio	6.36	6.82

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

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)  
VII. CONSOLIDATED SEGMENT REPORTING**

The Group 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, overdraft facilities, 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 Group 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 has been built in order to serve customers' needs effectively and efficiently.

Additionally, the Group provides "small business" banking service to enterprises 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 Parent Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.



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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
(Continued)**

**VII. CONSOLIDATED SEGMENT REPORTING (Continued)**

Major financial statement items according to business lines:

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
<b>OPERATING INCOME/ EXPENSES</b>					
Interest Income	10,170,694	22,021,116	17,474,124	14,855	49,680,789
Interest Expense	9,409,640	13,157,081	15,927,909	71,811	38,566,441
Net Interest Income/Losses (Net)	761,054	8,864,035	1,546,215	(56,956)	11,114,348
Net Fees and Commissions Income	766,642	1,805,852	241,737	-	2,814,231
Trading Income/ Losses (Net)	-	-	22,995	-	22,995
Dividend Income	-	-	(3,718,659)	-	(3,718,659)
Other Income	-	-	-	6,733,542	6,733,542
Allowance for Expected Credit Losses	-	-	-	6,884,444	6,884,444
Other Expenses	-	-	-	6,755,987	6,755,987
Based on Equity Method	-	-	68,039	-	68,039
<b>Profit Before Taxes</b>	<b>1,527,696</b>	<b>10,669,887</b>	<b>(1,839,673)</b>	<b>(6,963,845)</b>	<b>3,394,065</b>
Provision for taxes	-	-	-	-	(682,093)
<b>Net Profit/ Loss</b>					<b>2,711,972</b>
Segment Assets	119,165,062	292,806,850	343,197,468	24,744,485	779,913,865
Subsidiaries and Associates (Net)	-	-	1,931,741	-	1,931,741
<b>TOTAL ASSETS</b>	<b>119,165,062</b>	<b>292,806,850</b>	<b>345,129,209</b>	<b>24,744,485</b>	<b>781,845,606</b>
Segment Liabilities	200,510,328	251,710,525	251,703,170	28,106,652	732,030,675
Equity	-	-	-	49,814,931	49,814,931
<b>TOTAL LIABILITIES</b>	<b>200,510,328</b>	<b>251,710,525</b>	<b>251,703,170</b>	<b>77,921,583</b>	<b>781,845,606</b>

  

<b>Prior Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
<b>OPERATING INCOME/ EXPENSES</b>					
Interest Income	7,116,585	16,021,468	10,831,027	18,291	33,987,371
Interest Expense	4,386,621	5,845,988	7,525,112	79,664	17,837,385
Net Interest Income/Losses (Net)	2,729,964	10,175,480	3,305,915	(61,373)	16,149,986
Net Fees and Commissions Income	541,904	1,599,305	214,656	-	2,355,865
Trading Income/ Losses (Net)	-	-	17,459	-	17,459
Dividend Income	-	-	(2,373,182)	-	(2,373,182)
Other Income	-	-	-	5,968,548	5,968,548
Allowance for Expected Credit Losses	-	-	-	9,115,268	9,115,268
Other Expenses	-	-	-	6,270,677	6,270,677
Based on Equity Method	-	-	46,596	-	46,596
<b>Profit Before Taxes</b>	<b>1,973,606</b>	<b>4,636,701</b>	<b>623,232</b>	<b>(454,212)</b>	<b>6,779,327</b>
Provision for taxes	-	-	-	-	(1,238,520)
<b>Net Profit/ Loss</b>					<b>5,540,807</b>
Segment Assets	109,522,550	258,141,374	321,544,217	20,998,548	710,206,689
Subsidiaries and Associates (Net)	-	-	1,883,828	-	1,883,828
<b>TOTAL ASSETS</b>	<b>109,522,550</b>	<b>258,141,374</b>	<b>323,428,045</b>	<b>20,998,548</b>	<b>712,090,517</b>
Segment Liabilities	159,193,919	238,791,161	245,217,084	21,736,266	664,938,430
Equity	-	-	-	47,152,087	47,152,087
<b>TOTAL LIABILITIES</b>	<b>159,193,919</b>	<b>238,791,161</b>	<b>245,217,084</b>	<b>68,888,353</b>	<b>712,090,517</b>

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT  
(Continued)**

**VIII. INFORMATION ON RISK MANAGEMENT**

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

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

The development of the risk culture by the Parent 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 Parent Bank and the internal capital adequacy assessment process make a significant contribution to the dissemination of the risk culture.

**Risk weighted amounts**

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period- September 30, 2021	Prior Period - December 31, 2020	Current Period- September 30, 2021
<b>1 Credit Risk (excluding counterparty credit risk) (*)</b>	<b>453,251,425</b>	<b>371,215,705</b>	<b>36,260,114</b>
2 Standardised approach	453,251,425	371,215,705	36,260,114
3 Internal rating based approach	-	-	-
<b>4 Counterparty Credit Risk</b>	<b>12,167,650</b>	<b>12,072,413</b>	<b>973,412</b>
5 Standardised approach for counterparty credit risk	12,167,650	12,072,413	973,412
6 Internal model method	-	-	-
<b>7 Equity position in banking book under basic risk weighting or internal rating based</b>	<b>-</b>	<b>-</b>	<b>-</b>
8 Equity investments in funds - look-through approach	-	411	-
9 Equity investments in funds - mandate-based approach	-	-	-
10 Equity investments in funds - 1250% weighted risk approach	-	-	-
<b>11 Settlement Risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Securitization positions in banking accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory formula approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
<b>16 Market risk</b>	<b>5,406,312</b>	<b>3,427,699</b>	<b>432,505</b>
17 Standardised approach	5,406,312	3,427,699	432,505
18 Internal model approaches	-	-	-
<b>19 Operational Risk</b>	<b>32,231,733</b>	<b>25,510,114</b>	<b>2,578,539</b>
20 Basic Indicator Approach	32,231,733	25,510,114	2,578,539
21 Standardised approach	-	-	-
22 Advanced measurement approach	-	-	-
<b>23 The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24 Floor adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>503,057,120</b>	<b>412,226,342</b>	<b>40,244,570</b>

(\*) Amounts below the equity deduction thresholds and investments in KYK are excluded.

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**SECTION FIVE**

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS**

**1. Information on cash and balances with the Central Bank**

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Cash	1,915,986	1,438,210	1,681,211	1,434,732
Central Bank of the Republic of Turkey <sup>(*)</sup>	12,027,498	59,780,373	12,390,091	75,644,781
Other	589,038	2,048,384	591,188	1,465,239
<b>Total</b>	<b>14,532,522</b>	<b>63,266,967</b>	<b>14,662,490</b>	<b>78,544,752</b>

<sup>(\*)</sup> TL 34,996,635 (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 %3.0 to %8.0 (December 31, 2020: ranging from %1.0 to %6.0). For foreign currency liabilities, all banks shall provide a reserve rate ranging from %5.0 to %24.0 in US Dollar or Euro (December 31, 2020: ranging from %5.0 to %22.0).

**Balances with the Central Bank of the Republic of Turkey**

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Unrestricted demand deposits	11,435,658	24,783,738	12,069,426	36,135,248
Restricted demand deposits	335,629	-	259,120	-
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	13,053,896
Reserve Deposits	256,211	34,996,635	61,545	26,455,637
<b>Total</b>	<b>12,027,498</b>	<b>59,780,373</b>	<b>12,390,091</b>	<b>75,644,781</b>

**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 – September 30, 2021	Prior Period - December 31, 2020
Collateralized/blocked investment securities	8,554,814	-
Investments subject to repurchase agreements	-	7,000,000
<b>Total</b>	<b>8,554,814</b>	<b>7,000,000</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Positive differences on derivative financial assets held for trading purpose*

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Forward transactions	140,821	579	50,686	9,940
Swap transactions	6,122,400	1,401,306	7,086,102	1,591,494
Futures	-	-	-	-
Options	935	25,192	1,420	1,343
Other	-	-	-	-
<b>Total</b>	<b>6,264,156</b>	<b>1,427,077</b>	<b>7,138,208</b>	<b>1,602,777</b>

The Parent 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 September 30, 2021, the fair value of this transaction is TL 471,662, with a nominal amount of USD 120 million and an average maturity of 2.79 years. (As of December 31, 2020, the fair value of this transaction was TL 247,734 with a nominal amount of USD 120 million, and an average maturity of 4.6 years.)

**3. Information on banks**

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Banks				
Domestic	59,539	207,904	58,996	2,525
Foreign <sup>(*)</sup>	1,120,350	11,332,733	1	3,030,658
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>1,179,889</b>	<b>11,540,637</b>	<b>58,997</b>	<b>3,033,183</b>

<sup>(\*)</sup> As a result of the changes in the Uniform Chart of Accounts implemented by the BRSA as of January 1, 2021, the guarantees given for the derivative transactions of the Bank with foreign banks, which were followed in the other assets account in the balance sheet of the Parent Bank in the previous periods, started to be followed in the banks account. As of September 30, 2021, the relevant amount is TL 8,623,027.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED 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 - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	5,124,186	7,972,918	4,241,350	34,972,671
Other	-	-	-	-
<b>Total</b>	<b>5,124,186</b>	<b>7,972,918</b>	<b>4,241,350</b>	<b>34,972,671</b>

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

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Government bonds	18,232,491	19,146,088	13,031,822	3,901,929
Treasury bills	-	-	-	-
Other debt securities	-	6,380,391	-	8,811,133
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>18,232,491</b>	<b>25,526,479</b>	<b>13,031,822</b>	<b>12,713,062</b>

*Information on financial assets at fair value through other comprehensive income*

	Current Period- September 30, 2021	Prior Period- December 31, 2020
<b>Debt securities</b>	<b>105,000,785</b>	<b>84,287,305</b>
Quoted on a Stock Exchange	104,824,500	84,199,125
Unquoted	176,285	88,180
<b>Equity securities</b>	<b>19,533</b>	<b>18,159</b>
Quoted on a Stock Exchange	-	-
Unquoted	19,533	18,159
<b>Provisions for impairment losses (-)</b>	<b>565,590</b>	<b>377,539</b>
<b>Total</b>	<b>104,454,728</b>	<b>83,927,925</b>

**5. Information on loans**

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

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct loans provided to the shareholders</b>	<b>-</b>	<b>32,042</b>	<b>-</b>	<b>32,511</b>
Legal entities	-	32,042	-	32,511
Real persons	-	-	-	-
<b>Indirect loans provided to the shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans provided to the employees</b>	<b>461,100</b>	<b>28</b>	<b>470,993</b>	<b>49</b>
<b>Total</b>	<b>461,100</b>	<b>32,070</b>	<b>470,993</b>	<b>32,560</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Information on loans classified in the first and second group loans and second group loans that have been restructured*

**Current Period - September 30, 2021**

	Standard loans	Loans and other receivables under close monitoring		
		Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
<b>Cash Loans</b>				
<b>Non-specialized loans</b>	<b>438,164,389</b>	<b>19,805,393</b>	<b>2,311,090</b>	<b>19,430,203</b>
Loans given to enterprises	156,879,117	10,309,202	2,117,221	18,719,420
Export loans	14,917,757	144,648	-	-
Import loans	-	-	-	-
Loans given to financial sector	5,891,843	3,428	-	282
Consumer loans	99,822,325	774,477	68,677	701,353
Credit cards	19,824,151	266,001	124,699	-
Other	140,829,196	8,307,637	493	9,148
<b>Specialized lending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>	<b>-</b>	<b>7,974,669</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>438,164,389</b>	<b>27,780,062</b>	<b>2,311,090</b>	<b>19,430,203</b>

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 September 30, 2021, the amount is TL 1,307,304 (December 31, 2020: TL 1,067,728) and the provision is TL 412,623 (December 31, 2020: TL 341,044).

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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

DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

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
<b>Cash Loans</b>				
<b>Non-specialized loans</b>	<b>389,154,555</b>	<b>18,613,603</b>	<b>2,840,854</b>	<b>12,590,659</b>
Loans given to enterprises	147,126,813	10,275,674	2,123,492	11,882,423
Export loans	12,139,158	154,374	-	-
Import loans	-	-	-	-
Loans given to financial sector	4,712,929	869	-	227
Consumer loans	94,967,658	464,968	113,847	672,576
Credit cards	14,393,403	177,385	66,585	-
Other	115,814,594	7,540,333	536,930	35,433
<b>Specialized lending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>	<b>-</b>	<b>8,744,934</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>389,154,555</b>	<b>27,358,537</b>	<b>2,840,854</b>	<b>12,590,659</b>

Current Period - September 30, 2021

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	2,647,959	-
Significant Increase in Credit Risk	-	5,681,117

Prior Period - December 31, 2020

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	3,179,240	-
Significant Increase in Credit Risk	-	5,248,355

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

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

<b>Current Period - September 30, 2021</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Consumer loans – TL</b>	<b>1,391,298</b>	<b>91,859,069</b>	<b>93,250,367</b>
Housing loans	11,806	44,477,956	44,489,762
Automobile loans	6,559	613,805	620,364
General purpose loans	1,372,933	46,767,308	48,140,241
Other	-	-	-
<b>Consumer loans – FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
<b>Consumer loans – FC</b>	<b>-</b>	<b>4,434</b>	<b>4,434</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	2,291	2,291
Other	-	2,143	2,143
<b>Retail credit cards – TL</b>	<b>14,831,036</b>	<b>119,939</b>	<b>14,950,975</b>
With instalment	6,397,227	116,720	6,513,947
Without instalment	8,433,809	3,219	8,437,028
<b>Retail credit cards – FC</b>	<b>35,442</b>	<b>-</b>	<b>35,442</b>
With instalment	-	-	-
Without instalment	35,442	-	35,442
<b>Personnel loans – TL</b>	<b>5,841</b>	<b>291,727</b>	<b>297,568</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	5,841	291,727	297,568
Other	-	-	-
<b>Personnel loans – FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
<b>Personnel loans – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
<b>Personnel credit cards – TL</b>	<b>162,697</b>	<b>413</b>	<b>163,110</b>
With instalment	67,042	375	67,417
Without instalment	95,655	38	95,693
<b>Personnel credit cards – FC</b>	<b>422</b>	<b>-</b>	<b>422</b>
With instalment	-	-	-
Without instalment	422	-	422
<b>Overdraft Checking Accounts – TL (Real person)</b>	<b>7,814,012</b>	<b>-</b>	<b>7,814,012</b>
<b>Overdraft Checking Accounts – FC (Real person)</b>	<b>451</b>	<b>-</b>	<b>451</b>
<b>Total</b>	<b>24,241,199</b>	<b>92,275,582</b>	<b>116,516,781</b>



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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

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

<b>Prior Period - December 31, 2020</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Consumer loans – TL</b>	<b>1,167,352</b>	<b>89,104,078</b>	<b>90,271,430</b>
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	-	-	-
<b>Consumer loans – FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
<b>Consumer loans – FC</b>	<b>-</b>	<b>4,639</b>	<b>4,639</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	2,157	2,157
Other	-	2,482	2,482
<b>Retail credit cards – TL</b>	<b>10,919,678</b>	<b>92,959</b>	<b>11,012,637</b>
With instalment	4,430,552	89,060	4,519,612
Without instalment	6,489,126	3,899	6,493,025
<b>Retail credit cards – FC</b>	<b>14,017</b>	<b>-</b>	<b>14,017</b>
With instalment	-	-	-
Without instalment	14,017	-	14,017
<b>Personnel loans – TL</b>	<b>9,505</b>	<b>334,082</b>	<b>343,587</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	9,505	334,082	343,587
Other	-	-	-
<b>Personnel loans – FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
<b>Personnel loans – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
<b>Personnel credit cards – TL</b>	<b>126,608</b>	<b>592</b>	<b>127,200</b>
With instalment	44,823	549	45,372
Without instalment	81,785	43	81,828
<b>Personnel credit cards – FC</b>	<b>206</b>	<b>-</b>	<b>206</b>
With instalment	-	-	-
Without instalment	206	-	206
<b>Overdraft Checking Accounts – TL (Real person)</b>	<b>5,599,005</b>	<b>-</b>	<b>5,599,005</b>
<b>Overdraft Checking Accounts – FC (Real person)</b>	<b>388</b>	<b>-</b>	<b>388</b>
<b>Total</b>	<b>17,836,759</b>	<b>89,536,350</b>	<b>107,373,109</b>

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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

DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

*Installment based commercial loans and corporate credit cards*

Current Period - September 30, 2021	Short-Term	Medium and Long-Term	Total
<b>Instalment-based commercial loans – TL</b>	<b>1,776,889</b>	<b>111,453,059</b>	<b>113,229,948</b>
Real estate loans	37,792	1,272,699	1,310,491
Automobile loans	186,267	3,735,415	3,921,682
General purpose loans	1,552,830	106,444,945	107,997,775
Other	-	-	-
<b>Instalment-based commercial loans – FC indexed</b>	<b>-</b>	<b>326,345</b>	<b>326,345</b>
Real estate loans	-	-	-
Automobile loans	-	4,454	4,454
General purpose loans	-	321,891	321,891
Other	-	-	-
<b>Instalment-based commercial loans – FC</b>	<b>733,555</b>	<b>41,093,655</b>	<b>41,827,210</b>
Real estate loans	-	-	-
Automobile loans	-	28,629	28,629
General purpose loans	212,297	37,054,828	37,267,125
Other	521,258	4,010,198	4,531,456
<b>Corporate credit cards – TL</b>	<b>4,931,861</b>	<b>124,588</b>	<b>5,056,449</b>
With instalment	1,641,817	111,020	1,752,837
Without instalment	3,290,044	13,568	3,303,612
<b>Corporate credit cards – FC</b>	<b>8,453</b>	<b>-</b>	<b>8,453</b>
With instalment	-	-	-
Without instalment	8,453	-	8,453
<b>Overdraft Checking Accounts – TL (Corporate)</b>	<b>1,260,427</b>	<b>-</b>	<b>1,260,427</b>
<b>Overdraft Checking Accounts – FC (Corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8,711,185</b>	<b>152,997,647</b>	<b>161,708,832</b>

Prior Period - December 31, 2020	Short-Term	Medium and Long-Term	Total
<b>Instalment-based commercial loans – TL</b>	<b>2,743,103</b>	<b>114,059,373</b>	<b>116,802,476</b>
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	110,246,068	112,848,922
Other	-	-	-
<b>Instalment-based commercial loans – FC indexed</b>	<b>-</b>	<b>453,243</b>	<b>453,243</b>
Real estate loans	-	-	-
Automobile loans	-	25,550	25,550
General purpose loans	-	427,693	427,693
Other	-	-	-
<b>Instalment-based commercial loans – FC</b>	<b>738,273</b>	<b>31,408,388</b>	<b>32,146,661</b>
Real estate loans	-	-	-
Automobile loans	-	31,494	31,494
General purpose loans	249,088	27,131,872	27,380,960
Other	489,185	4,245,022	4,734,207
<b>Corporate credit cards – TL</b>	<b>3,382,956</b>	<b>97,503</b>	<b>3,480,459</b>
With instalment	1,194,567	89,774	1,284,341
Without instalment	2,188,389	7,729	2,196,118
<b>Corporate credit cards – FC</b>	<b>2,854</b>	<b>-</b>	<b>2,854</b>
With instalment	-	-	-
Without instalment	2,854	-	2,854
<b>Overdraft Checking Accounts – TL (Corporate)</b>	<b>943,370</b>	<b>-</b>	<b>943,370</b>
<b>Overdraft Checking Accounts – FC (Corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,810,556</b>	<b>146,018,507</b>	<b>153,829,063</b>

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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

DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

Allocation of domestic and overseas loans (\*)

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Domestic loans	482,407,731	426,987,986
Foreign loans	5,278,013	4,956,619
<b>Total</b>	<b>487,685,744</b>	<b>431,944,605</b>

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

Loans to associates and subsidiaries

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Direct loans to associates and subsidiaries	51,017	33
Indirect loans to associates and subsidiaries	-	-
<b>Total</b>	<b>51,017</b>	<b>33</b>

Specific provisions accounted for loans (Stage 3)

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Loans and receivables with limited collectability	212,547	321,431
Loans and receivables with doubtful collectability	893,615	1,356,977
Uncollectible loans and receivables	12,766,742	12,039,492
<b>Total</b>	<b>13,872,904</b>	<b>13,717,900</b>

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured or rescheduled

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
<b>Current period - September 30, 2021</b>			
Gross Amounts Before The Reserves	227,446	304,905	1,389,176
Loans Which Are Restructured	227,446	304,905	1,389,176
<b>Prior period - December 31, 2020</b>			
Gross Amounts Before The Reserves	39,537	275,228	1,001,815
Loans Which Are Restructured	39,537	275,228	1,001,815

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Movements in non-performing loan groups*

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans With</b>	<b>Loans With</b>	
	<b>Limited</b>	<b>Doubtful</b>	
	<b>Collectability</b>	<b>Collectability</b>	<b>Uncollectible</b>
<b>Current Period - September 30, 2021</b>			<b>Loans</b>
<b>Balance at the beginning of the period</b>	<b>520,617</b>	<b>2,403,646</b>	<b>15,005,908</b>
Additions (+)	2,940,363	135,965	342,052
Transfers from other categories of loans under follow-up (+)	-	3,028,613	2,984,032
Transfers to other categories of loans under follow-up (-) (*)	3,029,197	2,983,448	-
Collections (-)	141,314	534,412	1,964,979
Write-offs (-)	-	-	828,453
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Currency differences	-	-	-
<b>Balance at the end of the period</b>	<b>290,469</b>	<b>2,050,364</b>	<b>15,538,560</b>
Provision (-)	212,547	893,615	12,766,742
<b>Net balance</b>	<b>77,922</b>	<b>1,156,749</b>	<b>2,771,818</b>

(\*) 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 September 30, 2021, the Parent Bank is responsible for all non-performing loans, amounting to TL 828,453 and the provisions set aside for them have been deducted from the records. Which are followed in the fifth group, have no collateral, have no reasonable expectations for recovery, and for which 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. After write off of the loans, the Parent Bank's NPL ratio decreased from 3.63% to 3.47%.

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans With</b>	<b>Loans With</b>	
	<b>Limited</b>	<b>Doubtful</b>	
	<b>Collectability</b>	<b>Collectability</b>	<b>Uncollectible</b>
<b>Prior Period - December 31, 2020</b>			<b>Loans</b>
<b>Balance at the beginning of the period</b>	<b>3,203,134</b>	<b>3,492,946</b>	<b>11,016,436</b>
Additions (+)	4,370,625	111,790	1,246,503
Transfers from other categories of loans under follow-up (+)	-	6,703,801	5,806,870
Transfers to other categories of loans under follow-up (-) (*)	6,728,960	5,781,711	-
Collections (-)	325,778	2,124,350	2,170,346
Write-offs (-)	-	-	890,789
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Currency differences	1,596	1,170	(2,766)
<b>Balance at the end of the period</b>	<b>520,617</b>	<b>2,403,646</b>	<b>15,005,908</b>
Provision (-)	321,431	1,356,977	12,039,492
<b>Net balance</b>	<b>199,186</b>	<b>1,046,669</b>	<b>2,966,416</b>

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

(\*\*) As of 31 December 2020, the Bank has written-off loans and provisions for these loans, which were classified in the "Group V Loans" (Loans Classified as Loss) amounting to TL 890,789 unsecured, do not have reasonable expectations for recovery and with 100% provision, in accordance with the Amendments Regulation published in the Official Gazette dated 27 November 2019 and numbered 30961 by BRSA. Following the written-off loans, the Bank's non-performing loan ratio decreased from 4.16% to 3.97%.

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

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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

DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

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

	Group III	Group IV	Group V
	Loans With	Loans With	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	
<b>Current Period - September 30, 2021</b>			
Balance at the end of the period	212	347,460	4,983,080
Provision (-)	182	84,801	3,903,756
<b>Net balance on balance sheet</b>	<b>30</b>	<b>262,659</b>	<b>1,079,324</b>
<b>Prior Period - December 31, 2020</b>			
Balance at the end of the period	271,318	1,362,554	4,321,107
Specific provision (-)	169,359	740,044	3,413,489
<b>Net balance on balance sheet</b>	<b>101,959</b>	<b>622,510</b>	<b>907,618</b>

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

*The gross and net amounts of non-performing loans according to user groups*

	Group III	Group IV	Group V
	Loans With	Loans With	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	
<b>Current Period - September 30, 2021</b>			
<b>Current Period (Net)</b>	<b>77,922</b>	<b>1,156,749</b>	<b>2,771,818</b>
Consumer and Commercial Loans (Gross)	290,459	2,050,313	15,515,389
Specific Provision (-)	212,540	893,570	12,743,589
<b>Consumer and Commercial Loans (Net)</b>	<b>77,919</b>	<b>1,156,743</b>	<b>2,771,800</b>
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	10	51	23,171
Specific Provision (-)	7	45	23,153
<b>Other Loans and Receivables (Net)</b>	<b>3</b>	<b>6</b>	<b>18</b>

	Group III	Group IV	Group V
	Loans and	Loans and	Uncollectible
	receivables with	receivables with	loans and
	limited	doubtful	receivables
	collectability	collectability	
<b>Prior Period - December 31, 2020</b>			
<b>Prior Period (Net)</b>	<b>199,186</b>	<b>1,046,669</b>	<b>2,966,416</b>
Consumer and Commercial Loans (Gross)	519,481	2,402,239	14,982,098
Specific Provision (-)	320,297	1,355,573	12,015,700
<b>Consumer and Commercial Loans (Net)</b>	<b>199,184</b>	<b>1,046,666</b>	<b>2,966,398</b>
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	1,136	1,407	23,810
Specific Provision (-)	1,134	1,404	23,792
<b>Other Loans and Receivables (Net)</b>	<b>2</b>	<b>3</b>	<b>18</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans With Limited Collectability</b>	<b>Loans With Doubtful Collectability</b>	<b>Uncollectible Loans</b>
<b>Current Period (Net) - September 30, 2021</b>	<b>16,556</b>	<b>81,832</b>	<b>391,553</b>
Interest accruals and valuation differences	62,121	168,448	1,790,352
Provision (-)	45,565	86,616	1,398,799
<b>Prior Period (Net) - December 31, 2020</b>	<b>10,442</b>	<b>84,433</b>	<b>658,148</b>
Interest accruals and valuation differences	25,935	201,036	1,786,371
Provision (-)	15,493	116,603	1,128,223

**6. Information on financial assets measured at amortized cost**

*Information on measured at amortized cost government debt securities*

	<b>Current Period - September 30, 2021</b>		<b>Prior Period - December 31, 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Government bonds	45,530,190	8,630,105	44,159,655	7,895,261
Treasury bills	-	-	-	-
Other securities issued by the governments	-	8,273,664	-	6,447,138
<b>Total</b>	<b>45,530,190</b>	<b>16,903,769</b>	<b>44,159,655</b>	<b>14,342,399</b>

*Information on financial assets measured at amortized cost*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
<b>Debt Securities</b>	<b>62,714,930</b>	<b>58,747,252</b>
Quoted at stock exchanges	62,537,295	58,598,242
Unquoted at stock exchanges	177,635	149,010
<b>Impairment losses (-)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>62,714,930</b>	<b>58,747,252</b>

*The movement table of the financial assets measured at amortised cost*

	<b>Current Period – September 30, 2021</b>	<b>Prior Period – December 31, 2020</b>
<b>Balances at the beginning of the period</b>	<b>58,747,252</b>	<b>47,014,633</b>
Foreign currency differences on monetary assets	2,085,487	3,415,268
Purchases during the period	1,261,761	10,980,105
Disposals through sales/redemptions	(2,748,820)	(5,718,504)
Change in Impairment losses	-	-
Change in amortized costs of the securities <sup>(*)</sup>	3,369,250	3,055,750
<b>Balances at the end of the period</b>	<b>62,714,930</b>	<b>58,747,252</b>

<sup>(\*)</sup> Changes in amortized costs of the marketable securities also include rediscount differences in marketable securities.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Information on accounts related to financial assets measured at amortized cost*

Current Period - September 30, 2021	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	2,418,013	4,082,563	3,224,388	4,273,967
Investments subject to repurchase agreements	26,128,871	11,191,869	36,562,808	11,662,601
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other <sup>(*)</sup>	4,007,506	937,608	5,801,944	1,189,222
<b>Total</b>	<b>32,554,390</b>	<b>16,212,040</b>	<b>45,589,140</b>	<b>17,125,790</b>

<sup>(\*)</sup> 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 <sup>(*)</sup>	5,366,141	433,569	8,205,641	439,656
<b>Total</b>	<b>34,247,696</b>	<b>13,920,306</b>	<b>44,218,605</b>	<b>14,528,647</b>

<sup>(\*)</sup> The securities held as free that are not subject to collateral/blockage or other transactions are presented in the "Other" line.

**7. Investments in associates**

*Unconsolidated investments in associates*

Title	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Roketsan Roket Sanayi ve Ticaret AŞ <sup>(*)</sup>	Ankara/ Turkey	9.93	9.93
2 Bankalararası Kart Merkezi AŞ	İstanbul/ Turkey	4.75	4.75
3 KKB Kredi Kayıt Bürosu AŞ <sup>(*)</sup>	İstanbul/ Turkey	9.09	9.09
4 Güçbirliği Holding AŞ <sup>(*)</sup>	İzmir/ Turkey	0.07	0.07
5 İzmir Enternasyonal Otelcilik AŞ <sup>(*)</sup>	İstanbul/ Turkey	5.00	5.00
6 İstanbul Takas ve Saklama Bankası AŞ <sup>(*)</sup>	İstanbul/ Turkey	4.37	4.37
7 Kredi Garanti Fonu AŞ	Ankara/ Turkey	1.49	1.49
8 Türkiye Ürün İhtisas Borsası AŞ <sup>(*)</sup>	Ankara/ Turkey	3.00	3.00
9 Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ <sup>(*)</sup>	İstanbul/ Turkey	33.33	33.33
10 JCR Avrasya Derecelendirme AŞ <sup>(*)</sup>	İstanbul/ Turkey	2.86	2.86
11 Birleşik İpotek Finansmanı AŞ <sup>(*)</sup>	İstanbul/ Turkey	8.33	8.33
12 Platform Ortak Karlı Sistemler AŞ <sup>(**)</sup>	İstanbul/ Turkey	20.00	20.00
13 Tasfiye Halinde World Vakıf UBB Ltd. <sup>(***)</sup>	Lefkoşa/KKTC	83.00	83.59

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED 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	10,375,647	3,120,783	1,334,797	23,318	-	551,824	313,773	8,414,000
2	397,536	328,592	96,050	27,498	-	93,651	35,413	-
3	491,082	318,839	295,793	8,252	411	26,499	33,800	-
4	135,128	(70,203)	88,098	3,782	-	24,476	(14,211)	-
5	83,087	(263,039)	76,392	-	-	(57,703)	(48,284)	-
6	29,749,758	2,776,841	163,027	340,985	55,428	430,626	233,081	-
7	1,123,996	868,953	19,242	58,949	-	87,977	138,849	-
8	101,473	73,187	16,485	6,980	-	15,931	4,597	-
9	202,521	165,159	70,205	9,281	-	6,173	168	-
10	62,840	54,500	28,329	1,061	-	27,158	(483)	-
11	53,660	51,956	1,859	4,489	-	1,708	151	-
12	4,851	4,763	51	-	-	(464)	(22)	-
13	1,131	(220,178)	-	167	-	(24,010)	(18,232)	-

(\*) The financial statement information provided for these associates is taken from the financial statements dated June 30, 2021.

(\*\*) The financial statement information provided for these associates is taken from the financial statements dated December 31, 2020.

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

In the prior period, it has been decided to increase the paid-in capital of the Parent Bank's subsidiary, Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ, from TL 26,000 to TL 145,000. For the part of TL 104,987 was funded through paid capital increase and the part of TL 14,013 was funded from internal resources. After the capital increase, the share which corresponds to the Parent Bank was TL 34,992.

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 share amounting to TL 3,333 corresponds to the share of the Parent Bank.

In the prior period, the difference amounting to TL 32 corresponds to the Parent Bank's share due to the corrections made in the JCR Avrasya Rating AŞ's paid in capital records.

In the prior period, at the Ordinary General Assembly of one of the Parent Bank's affiliates Bankalararası Kart Merkezi, it has been decided to increase firm's capital from TL 30,000 to TL 177,493, 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 corresponds to the Parent Bank's share.

In the prior period, the Parent 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 paid-in capital from TL 100,000 to TL 50,000. The remaining capital debt in the current period has been paid.

In the prior period, Türkiye Varlık Fonu joined to Platform Ortak Karlı Sistemler AŞ on February 12, 2020, as a new shareholders. Due to the transfer of TL 1,400 from the Parent Bank's nominal capital share of TL 7,000 to TVF, the nominal capital share of the Parent Bank has decreased to TL 5,600. In addition, amounting to TL 350 share was sold of the Parent Bank's capital share.

In the prior period, PTT AS joined the Platform Ortak Karlı Sistemler AŞ as a new shareholders on June 3, 2020. Nominal share of capital has decreased to TL 4,200 due to the transfer of the Parent Bank's nominal share part of TL 1,400 of TL 5,600 to PTT AŞ. In addition, amounting to TL 350 share was sold of the Parent Bank's capital share.



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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Unconsolidated associates, reasons for not consolidating such investments and accounting treatments applied for such investments:*

İstanbul Takas ve Saklama Bankası AŞ, Kredi Garanti Fonu AŞ and Birleşik İpotek Finansmanı AŞ have not been consolidated since their total assets and net operating profit/loss) individually or as a whole, do not comprise a material portion within the consolidated totals. Since Bankalararası Kart Merkezi AŞ, Kredi Kayıt Bürosu AŞ, Roketsan Roket Sanayi ve Ticaret AŞ, Güçbirliği Holding AŞ, İzmir Enternasyonal Otelcilik AŞ, Platform Ortak Kartlı Sistemler AŞ, Türkiye Ürün İhtisas Borsası AŞ, Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ and JCR Avrasya Derecelendirme AŞ are not financial associates; these associates have not been consolidated. These associates have been accounted for as per TAS-39 in the consolidated financial statements in accordance with TFRS 9.

*Consolidated 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

Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/Loss	Prior Period's Profit/Loss	Fair Value
1 1,892,696	131,525	9,235	124,687	3,040	20,982	15,661	-
2 61,775,687	6,751,364	1,397,066	2,357,953	754,460	774,602	528,164	3,374,000

*Movement of consolidated investments in associates*

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Balance at the beginning of the period	428,622	297,263
Movements during the period	(135,347)	131,359
Transfers	-	-
Acquisitions	-	-
Bonus shares received	-	-
Share of current year profit	-	-
Sales/liquidations	-	-
Fair value changes	-	131,359
Impairment losses	(135,347)	-
Balance at the end of the period	293,275	428,622
Capital commitments	-	-
Share percentage at the end of period (%)	-	-

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Sectoral distribution of consolidated investments and associates*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Banks	293,275	428,622
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	-	-
<b>Total</b>	<b>293,275</b>	<b>428,622</b>

**Quoted associates**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Quoted at domestic stock exchanges	282,656	418,003
Quoted at international stock exchanges	-	-
<b>Total</b>	<b>282,656</b>	<b>418,003</b>

*Investments in associates disposed during the period*

In the current period, all of the 39.30% shares owned by the Parent 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 Parent Bank became a shareholder of Keskinöglü Tavukçuluk ve Damızlık İşletmeleri Sanayi Ticaret AŞ on September 3, 2020 with a capital of TL 110,000. The Parent Bank's nominal share in the capital is TL 45,952 and share ratio is 41.77%.

In the prior period, the Parent 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 Parent Bank has participated in establishment of the Birleşik İpotek Finansmanı AŞ., which was established with a capital of TL 10,000. The nominal share of the Parent Bank is TL 833 and the share rate is 8.33%. Transactions regarding the establishment of the company were registered in the trade registry on March 17, 2020.

In the prior period, the Parent Bank has become a shareholder to Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ with 33.33% share ratio, in February 7, 2020, by the share transfer agreement signed with the Türkiye Halk Bankası AŞ for the nominal shares of TL 8,666. The share amounting to TL 27,997 corresponds to the Parent Bank's share.

In the prior period, the Parent Bank became a partner of JCR Avrasya Derecelendirme AŞ. with a capital of TL 1,000 on January 17, 2020. The nominal share in the capital is TL 29 and the share rate is 2.86%. The Parent Bank's share in the capital will be paid in two installments. 3/4 of the amount hitting the Parent 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 Parent Bank has paid to JCR Avrasya Rating AŞ the second remaining installment of undertaken capital as of June 30, 2020.

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TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI AND ITS FINANCIAL SUBSIDIARIES NOTES TO THE CONSOLIDATED  
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DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

8. Investments in subsidiaries

*Information on significant subsidiaries*

Current Period - September 30, 2021	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
Paid in Capital	311,248	250,000	150,000	350,000	1,000,000	30,000
Share Premium	-	13,287	75,187	-	322,717	121
Equity share premiums	-	-	-	-	301,118	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	13,287	75,187	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	27,627	(628)	4,397	(137)	(27)
Other accumulated comprehensive income that will be reclassified in profit or loss	1,364,695	-	11,637	-	-	-
Profit Reserves	17,882	64,612	76,396	118,794	145,336	408
Legal Reserves	17,882	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	-	-	-	-	547	-
Profit/Loss	183,774	13,432	144,310	61,682	99,293	878
Prior Period's Profit/Loss	100,665	(58,866)	4,081	(30,108)	6,752	(1,401)
Current Period's Profit/Loss	83,109	72,298	140,229	91,790	92,541	2,279
Minority Rights	-	-	-	-	-	-
Total Core Capital	1,877,599	368,958	456,902	534,873	1,567,209	31,380
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
CAPITAL	1,877,599	368,958	456,902	534,873	1,567,209	31,380
NET AVAILABLE EQUITY	1,877,599	368,958	456,902	534,873	1,567,209	31,380

(\*) Financials that are based to consolidation as of September 30, 2021 are considered.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
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TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED  
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DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

Prior Period - December 31, 2020	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
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)
Prior Period's Profit/Loss	42,062	(57,263)	124,550	(18,796)	10,351	(1,737)
Current Period's Profit/Loss	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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

Vakıf Yatırım Menkul Değerler AŞ, which is one of the consolidated subsidiaries of the Parent Bank, calculates capital adequacy in accordance with "Communiqué on Capital and Capital Adequacy of Intermediary Firms" of Capital Markets Board as six months periods. According to the calculations at September 30, 2021, there is no capital requirement for the subsidiaries mentioned.

***Unconsolidated investments in subsidiaries***

Title	Address (City / Country)	Bank's Share –If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1 Vakıf Enerji ve Madencilik AŞ	Ankara/Turkey	65.50	80.48
2 Taksim Otelcilik AŞ	İstanbul/ Turkey	51.00	51.00
3 Vakıf Pazarlama Sanayi ve Ticaret AŞ (*)	İstanbul/ Turkey	86.97	88.89
4 Vakıf Gayrimenkul Değerleme AŞ	İstanbul/ Turkey	97.14	97.14

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

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/Loss	Prior Period's Profit/Loss	Fair Value
1	352,409	223,414	245,128	2,215	-	(4,077)	(3,823)	37,128
2	471,377	452,321	194,910	25,629	-	50,921	11,787	478,198
3	88,099	67,030	39,102	1,260	60	182	298	82,045
4	38,554	26,745	425	4,775	-	(8,654)	(2,377)	37,120

In the current period, it has been decided to increase the capital of Taksim Otelcilik AŞ from TL 334,257 to TL 350,000. The bonus share amounting to 8,029 corresponds to the Parent Bank's share.

In the current period, the paid-in capital of Vakıf Gayrimenkul Değerleme AŞ, which was TL 14,000, is increased by TL 16,000 to TL 30,000. In the company's capital, the Parent Bank's nominal share increased from TL 13,600 to TL 29,143.

In the prior period, the Parent 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.

***Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments:***

Vakıf Enerji ve Madencilik AŞ, Taksim Otelcilik AŞ, Vakıf Pazarlama Sanayi ve Ticaret AŞ and Vakıf Gayrimenkul Değerleme AŞ have not been consolidated since they are not among the financial subsidiaries of the Bank. Therefore, the subsidiaries whose fair value can be reliably measured are reflected in the consolidated financial statements at their fair values.

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TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)

*Investments in consolidated 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

  

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/Loss	Prior Period's Profit/Loss	Fair Value
1	4,545,889	557,470	4,931	539,823	-	84,279	75,300	565,140
2	4,555,894	416,599	27,775	238,555	-	61,073	50,612	1,917,250
3	1,506,395	456,902	57,814	145	18,696	140,230	127,087	496,972
4	8,281,038	1,753,522	1,296	132,149	-	75,147	34,831	1,052,004
5	32,393	31,384	205	1,797	2,185	2,277	(653)	181,230
6	3,514,031	2,060,460	1,665,480	115,712	-	93,968	45,470	1,490,000

*Movement table of consolidated investments in subsidiaries in consolidated financial statements*

	Current Period – September 30, 2021	Prior Period – December 31, 2020
Balance at the beginning of the period	3,272,863	1,477,248
Movements during the period	601,953	1,795,614
Transfers	-	-
Acquisitions	280,066	207,560
Bonus shares received	175,660	102,205
Share of current year profit	-	-
Sales and liquidations	-	-
Fair value changes	711,276	1,485,849
Impairment losses	(565,049)	-
Balance at the end of the period	3,874,816	3,272,862
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

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

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

In the prior period, Vakıf Gayrimenkul Yatırım Ortaklığı AŞ's paid-in capital of TL 230,000, within the registered capital ceiling of TL 1,000,000, was increased by TL 230,000 to TL 460,000. The shares amounting to TL 148,740 corresponding to the Parent Bank's share are shown in the Acquisitions in the Movement Table of Investments in Subsidiaries.

In the current period, one of the Vakıfbank International AG partners, all of the 10% shares of Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı was acquired by the Parent Bank for 57,083 per share, in March 24, 2020. Shares are shown in the Acquisitions in the Movement Table of Investments in Subsidiaries.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

*Valuation of consolidated subsidiaries in unconsolidated financial statements*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period – December 31, 2020</b>
Measured at cost	-	-
Measured at fair value (*)	3,874,816	3,272,862
Equity method of accounting	-	-
<b>Total</b>	<b>3,874,816</b>	<b>3,272,862</b>

(\*) Valuation amounts of December 31, 2020 have been taken for the unquoted subsidiaries.

*Sectoral distribution of consolidated investments in financial subsidiaries*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period- December 31, 2020</b>
Banks	1,052,004	935,314
Factoring companies	443,029	443,029
Leasing companies	1,125,660	502,224
Financing companies	-	-
Other financial subsidiaries	1,254,123	1,392,295
<b>Total</b>	<b>3,874,816</b>	<b>3,272,862</b>

*Quoted consolidated subsidiaries*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period – December 31, 2020</b>
Quoted at domestic stock exchanges	1,886,538	1,302,025
Quoted at international stock exchanges	-	-
<b>Total</b>	<b>1,886,538</b>	<b>1,302,025</b>

*Consolidated subsidiaries disposed during the period*

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

In the prior period, 51.10% of the shares owned by the Parent Bank in Güneş Sigorta AŞ, which is monitored in Fixed Assets Held for Sale-Subsidiaries in the balance sheet of the Parent Bank, has been transferred to TVF Finansal Yatırımlar AŞ as of April 22, 2020 and the Parent Bank has no remaining shares in Güneş Sigorta AŞ.

In the prior period, 53.90% of the shares owned by the Parent Bank in Vakıf Emeklilik ve Hayat AŞ, which is monitored in Fixed Assets Held for Sale-Subsidiaries in the balance sheet of the Parent Bank, has been transferred to TVF Finansal Yatırımlar AŞ as of April 22, 2020 and the Parent Bank has no remaining shares in Vakıf Emeklilik ve Hayat AŞ.

*Investments in subsidiaries acquired during the period*

The Parent Bank has no subsidiaries acquired in the current period.

**9. Investments in joint-ventures**

There is not any investment in joint-ventures of the Group within current and prior period.



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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

**10. Information on finance lease receivables (net)**

*Finance lease receivables disclosed according to remaining maturities*

	Current Period - September 30, 2021		Prior Period – December 31, 2020	
	Gross	Net	Gross	Net
Less than 1 year	1,299,945	1,137,998	828,136	739,669
Between 1-4 years	2,693,583	2,305,528	2,593,089	2,209,340
Longer than 4 years	390,874	282,746	427,038	322,001
<b>Total</b>	<b>4,384,402</b>	<b>3,726,272</b>	<b>3,848,263</b>	<b>3,271,010</b>

*Net investments in finance lease receivables*

	Current Period - September 30, 2021	Prior Period – December 31, 2020
Gross finance lease receivables	4,384,402	3,848,263
Unearned income on finance lease receivables (-)	658,130	577,253
Terminated lease contracts (-)	-	-
<b>Net finance lease receivables</b>	<b>3,726,272</b>	<b>3,271,010</b>

**Finance lease agreements**

Sum of the minimum lease payments including interest and principal amounts are stated under the “finance lease receivables” as gross. The difference between the total of rent payments and the cost of the related fixed assets is reflected to the “unearned income” account. If the lease payments are made, the lease principal amount is deducted from the “finance lease receivables” as the interest component of the payment is reflected to interest income on the consolidated statement of income.

**11. Information on hedging purpose derivatives**

*Positive differences on derivative financial instruments held for risk management purposes*

None.

**12. Information on investment properties**

As of September 30, 2021, there are investment properties with a net balance sheet value of TL 809,554 (December 31, 2020: TL 502,143) and a fair value of TL 1,054,746 (December 31, 2020: TL 867,782), belonging to the Parent Bank’s subsidiary operating in the real estate investment trust.

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS (Continued)**

**13. Information on tax assets**

**a) Current tax assets**

As at September 30, 2021 there is no current tax asset of the Group (December 31, 2020: None).

**b) Deferred tax assets**

The deferred tax asset of the Bank as of September 30, 2021 is TL 901,398 (December 31, 2020: TL 1,234,832). Information on deferred tax liability V. Section II. Section 8 is shown in footnote.

The deferred tax asset / liability schedule as of September 30, 2021 and December 31, 2020 is as follows:

	<b>Current Period – September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
<b>As of 1 January</b>	<b>1,177,204</b>	<b>769,626</b>
Deferred tax income/(loss)	(390,132)	460,368
Deferred tax that is accounted under Equity	69,690	(24,877)
Other	(4,136)	(27,913)
<b>Deferred tax asset/(liability)</b>	<b>852,626</b>	<b>1,177,204</b>

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

As of September 30, 2021, the cost of property and equipment held for sale purpose and related to discontinued operations are TL 1,111,927 (December 31, 2020: TL 1,263,718), and the provision for impairment is TL 6,478 (December 31, 2020: TL 7,467). The amount of other assets held for sales and discontinued operations is TL 3 (December 31, 2020: TL 3)

**15. Information on other asset**

As of September 30, 2021, and December 31, 2020, "Other Asset" item does not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

**16. Information on expected loss provisions for financial assets**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Balances with the Central Bank	809	990
Banks	6,610	1,878
<b>Total</b>	<b>7,419</b>	<b>2,868</b>
Financial Assets Measured at Amortized Cost	7,091	6,596
<b>Total</b>	<b>14,510</b>	<b>9,464</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES**

**1. Information on maturity profile of deposits**

Current Period September 30, 2021	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	13,961,081	-	12,231,157	61,452,676	3,247,055	1,131,448	1,612,016	10,321	93,645,754
Foreign currency deposits	35,288,819	-	35,783,987	105,073,511	7,993,994	4,476,602	10,659,628	-	199,276,541
Residents in Turkey	32,305,155	-	35,186,208	101,594,600	6,984,531	2,896,582	4,587,761	-	183,554,837
Residents in abroad	2,983,664	-	597,779	3,478,911	1,009,463	1,580,020	6,071,867	-	15,721,704
Public sector deposits	14,135,507	-	5,260,772	10,827,373	873,071	550,993	155,673	-	31,803,389
Commercial deposits	8,745,014	-	27,109,210	28,257,288	921,915	974,584	224,693	-	66,232,704
Other	10,428,590	-	3,601,162	17,839,097	4,516,783	611,333	586,057	-	37,583,022
Precious metal deposits	17,863,587	-	-	10,314	-	1,743,016	181,174	-	19,798,091
Bank deposits	1,370,189	-	10,447,820	8,478,093	-	44,473	290,468	-	20,631,043
Central Bank	1,956	-	-	-	-	-	-	-	1,956
Domestic banks	835,126	-	9,852,208	1,404,449	-	-	-	-	12,091,783
Foreign banks	364,198	-	595,612	7,073,644	-	44,473	290,468	-	8,368,395
Participation banks	168,909	-	-	-	-	-	-	-	168,909
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>101,792,787</b>	<b>-</b>	<b>94,434,108</b>	<b>231,938,352</b>	<b>17,552,818</b>	<b>9,532,449</b>	<b>13,709,709</b>	<b>10,321</b>	<b>468,970,544</b>

Prior Period December 31, 2020	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	10,033,091	-	9,141,056	49,160,575	1,414,287	309,055	717,266	8,924	70,784,254
Foreign currency deposits	26,859,937	-	23,889,457	101,011,849	4,568,016	3,449,062	10,501,869	-	170,280,190
Residents in Turkey	24,609,233	-	23,495,452	98,182,126	3,659,298	1,956,144	3,640,307	-	155,542,560
Residents in abroad	2,250,704	-	394,005	2,829,723	908,718	1,492,918	6,861,562	-	14,737,630
Public sector deposits	9,869,935	-	16,555,520	9,056,028	835,740	172,860	122,980	-	36,613,063
Commercial deposits	6,887,624	-	24,052,710	31,747,855	199,071	510,308	271,607	-	63,669,175
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	1,636,729	-	14,161,699	6,881,876	322,934	29,959	-	-	23,033,197
Central Bank	3,418	-	-	-	-	-	-	-	3,418
Domestic banks	687,760	-	13,871,431	1,180,543	322,934	-	-	-	16,062,668
Foreign banks	253,385	-	290,268	5,701,333	-	29,959	-	-	6,274,945
Participation banks	692,166	-	-	-	-	-	-	-	692,166
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>81,637,642</b>	<b>-</b>	<b>90,204,465</b>	<b>218,194,250</b>	<b>8,618,761</b>	<b>6,219,227</b>	<b>12,638,613</b>	<b>8,924</b>	<b>417,521,882</b>

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

	Current Period - September 30, 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	42,670,426	50,975,328	34,549,132	36,235,122
Foreign currency saving deposits	26,185,878	76,257,324	26,578,612	57,449,267
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
<b>Total</b>	<b>68,856,304</b>	<b>127,232,652</b>	<b>61,127,744</b>	<b>93,684,389</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

*Saving deposits out of insurance coverage limits*

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Deposits and other accounts at foreign branches	100,079	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	14,653	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- September 30, 2021		Prior Period- December 31, 2020	
	TL	FC	TL	FC
Forwards	117,150	519	46,128	1,739
Swaps	150,603	2,398,408	4,013,676	2,019,300
Futures	-	-	-	-
Options	1,739	23,935	1,367	1,091
Other	-	-	-	-
<b>Total</b>	<b>269,492</b>	<b>2,422,862</b>	<b>4,061,171</b>	<b>2,022,130</b>

**3. Information on funds borrowed**

**a) Information on banks and other financial institutions**

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	79,850	1,405,770	162,800	1,346,184
Domestic banks and institutions	2,070,125	6,370,091	1,947,294	8,931,538
Foreign banks, institutions and funds	175,173	53,210,326	340,202	38,960,977
<b>Total</b>	<b>2,325,148</b>	<b>60,986,187</b>	<b>2,450,296</b>	<b>49,238,699</b>

**b) Maturity information of funds borrowed**

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Short-term <sup>(*)</sup>	1,746,597	3,642,225	1,893,582	3,569,660
Medium and Long-term <sup>(*)</sup>	578,551	57,343,962	556,714	45,669,039
<b>Total</b>	<b>2,325,148</b>	<b>60,986,187</b>	<b>2,450,296</b>	<b>49,238,699</b>

<sup>(\*)</sup> Maturity profile of funds borrowed is prepared in accordance to their original maturities.

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for %8.65 (December 31, 2020: %7.77) of the Group's liabilities. There is no risk concentration on funding sources of the Group.

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

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**Syndicated Loans Receive**

Beginning From	Maturity (Days)	Currency	Amount (Millions)	Interest rate	Coordinator Bank	Agent Bank
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, LTD.
	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, LTD.
7 December 2020	367	USD	160	Libor + 2.50%	The Commercial Bank (P.S.Q.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C)
	367	EUR	421	Euribor + 2.25%	The Commercial Bank (P.S.Q.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C)

**Syndicated Loans Received**

Beginning From	Due date	Currency	Amount (Millions) (*)	Loan Type
13 May 11	15 June 2023	USD	346.5	Based on international remittance flows
4 October 2016	15 September 2021	USD/EUR	354.4	Based on international remittance flows
	15 June 2023	USD/EUR	535.7	Based on international remittance flows / Based on treasury financing transactions
4 May 18	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 / Based on treasury financing transactions
	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 / Based on treasury financing transactions
	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 September 30, 2021, the total securitization balance is equivalent of USD 1,825 million and EUR 359 million. (December 31, 2020: USD 1,175 million and EUR 168 million).

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

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

*Information on securities issued*

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

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 Parent Bank completed its second Sustainable bond issuance on September 16, 2021 within its sustainable finance program. The transaction was realized in the amount of USD 500 million, with a 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
<b>Current Period - September 30, 2021</b>				
Nominal	5,270,810	5,180,500	441,607	37,158,564
Cost	5,104,052	5,180,500	441,364	37,011,813
Net Book Value	5,262,364	5,443,763	442,940	37,468,889
<b>Prior Period - December 31, 2020</b>				
Nominal	5,994,740	5,180,500	2,177,273	32,330,350
Cost	5,837,483	5,180,500	2,175,570	32,178,202
Net Book Value	5,960,553	5,301,603	2,188,163	32,704,204

**4. Components of "other external resources payable" in the consolidated 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 consolidated financials do not exceed 10% of total liabilities and equity.

**5. Criteria used in the determination of lease instalments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**

*Obligations under finance leases*

The amounts recognized under TFRS 16 as of September 30, 2021 and December 31, 2020 are presented below.

<b>September 30, 2021</b>	<b>Service Buildings</b>	<b>Vehicles</b>	<b>Total</b>
Lease payables	1,353,432	112,482	1,465,914
Deferred rental expenses (-)	492,904	21,775	514,679
<b>Lease payables (Net)</b>	<b>860,528</b>	<b>90,707</b>	<b>951,235</b>
Right of use assets	768,451	87,982	856,433
<b>December 31, 2020</b>	<b>Service Buildings</b>	<b>Vehicles</b>	<b>Total</b>
Lease payables	1,326,014	23,835	1,349,849
Deferred rental expenses (-)	368,083	3,031	371,114
<b>Lease payables (Net)</b>	<b>957,931</b>	<b>20,804</b>	<b>978,735</b>
Right of use assets	880,554	19,267	899,821

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**5. Criteria used in the determination of lease instalments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts (Continued)**

***Obligations under finance leases (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, TL 62,987 of lease payments were made in the related period. (December 31, 2020: TL 59,105).

	Current Period - September 30, 2021		Prior Period-December 31,2021	
	Gross	Net	Gross	Net
Under 1 year	52,006	48,026	24,659	23,607
1-4 Years	419,933	341,456	343,787	297,010
Over 4 years	993,975	561,753	981,403	658,118
<b>Total</b>	<b>1,465,914</b>	<b>951,235</b>	<b>1,349,849</b>	<b>978,735</b>

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 differences related to the derivative financial liabilities held for risk management purpose***

None.

**7. Information on provisions**

***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 September 30, 2021, TL 925,657 (December 31, 2020: TL 794,007) provision for severance pay and TL 93,646 (December 31, 2020: TL 93,669) provision for unused vacation are stated in financial statements under employee rights provision.

***Provision for currency exchange loss on foreign currency indexed loans***

None. (December 31, 2020; TL 7,594)

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

As of September 30, 2021 the Parent Bank has recorded TL 36,426 (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 September 31, 2021, the free provision in the financial statements amounted to a total of TL 1,472,000, of which is constituted by TL 400,000 in the current period and TL 1,072,000 in the prior periods. (December 31, 2020: TL 1,072,000)

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)

8. Taxation

*Current Taxes*

As at and for the nine-month period ended September 30, 2021, the tax liability of the Group is amounting to TL 57,178 (December 31, 2020: TL 396,020).

*Information on taxes payable*

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Corporate taxes payable	57,178	396,020
Taxation on securities	389,615	283,597
Capital gains tax on property	2,154	1,561
Taxes on foreign exchange transactions	8,915	8,002
Banking and Insurance Transaction Tax (BITT)	270,367	201,314
Value added tax payable	14,600	11,758
Other	53,426	46,994
<b>Total</b>	<b>796,255</b>	<b>949,246</b>

*Information on premiums payable*

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Social security premiums- employee share	614	538
Social security premiums- employer share	673	597
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	30	23
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	1,703	1,476
Unemployment insurance- employer share	3,391	2,925
Other	-	-
<b>Total</b>	<b>6,411</b>	<b>5,559</b>

*Information on deferred tax liabilities*

Group's deferred tax debts as of September 30, 2021, TL 48,772. (December 31, 2020: TL 57,628)

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

None.



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

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**10. Information on subordinated loans**

Total balance sheet value of the bonds is TL 21,391,313 as of September 30, 2021 (December 31, 2020: TL 19,458,798).

	Current Period- September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
<b>Debt instruments to be included in the additional capital calculation</b>	<b>4,993,575</b>	<b>7,362,594</b>	<b>5,144,984</b>	<b>6,627,849</b>
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	4,993,575	7,362,594	5,144,984	6,627,849
<b>Debt instruments to be included in the additional capital calculation</b>	<b>1,258,066</b>	<b>7,777,078</b>	<b>1,256,477</b>	<b>6,429,488</b>
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	1,258,066	7,777,078	1,256,477	6,429,488
<b>Total</b>	<b>6,251,641</b>	<b>15,139,672</b>	<b>6,401,461</b>	<b>13,057,337</b>

Detailed explanations on subordinated loans are given in the Section IV, "Information on Instruments to be Included in Equity Calculation".

**11. Information on shareholders' 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 Parent Bank amounted to TL 3,905,622 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 the parent bank; if so the amount of registered share capital*

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

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

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED 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.

The Parent 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 May 11, 2020. Accordingly, the amendment made in the related article of the Articles of Association was registered on June 9, 2020.

***Information on share capital increases from revaluation funds***

None.

***Capital commitments for current financial year and following period and its general purpose and estimated sources that are required for commitments***

None

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

None.

***Information on the privileges given to stocks representing the capital***

None.

***Valuation differences of the marketable securities***

	Current Period - September 30, 2021		Prior Period - December 31, 2020	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	929,412	-	1,075,144	-
Financial assets at fair value through other comprehensive income	(123,366)	869,444	154,212	868,907
<b>Total</b>	<b>806,046</b>	<b>869,444</b>	<b>1,229,356</b>	<b>868,907</b>

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

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**1. Disclosures related to off-balance sheet commitments**

*Type and amount of consolidated irrevocable commitments*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Commitments for credit card limits	29,160,261	21,320,698
Loan granting commitments	30,770,375	26,088,692
Commitments for cheque payments	6,728,332	5,723,932
Asset purchase sale commitments	11,156,934	11,842,849
Other	5,049,454	3,860,001
<b>Total</b>	<b>82,865,356</b>	<b>68,836,172</b>

*Type and amount of possible losses from off-balance sheet items*

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

The Parent Bank provided specific provision amounting to TL 427,115 (December 31, 2020: TL 473,440) for non-cash loans that are not indemnified or converted to cash recorded under off-balance sheet items, amounting to TL 36,426 (December 31, 2020: TL 43,756).

*Final guarantees, provisional guarantees, sureties and similar transactions*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Final letters of guarantee	35,143,708	26,707,408
Letters of guarantee for advances	9,270,115	6,997,981
Letters of guarantee given to custom offices	2,695,782	2,335,826
Provisional letters of guarantee	2,649,023	2,300,586
Other letters of guarantee	48,133,752	37,082,026
<b>Total</b>	<b>97,892,380</b>	<b>75,423,827</b>

**2. Non-cash loans**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Non-cash loans given for cash loan risks	34,521,246	23,475,004
<i>With original maturity of 1 year or less</i>	8,370,028	3,761,496
<i>With original maturity of more than 1 year</i>	26,151,218	19,713,508
Other non-cash loans	103,178,144	79,001,198
<b>Total</b>	<b>137,699,390</b>	<b>102,476,202</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**3. Sectoral risk concentrations of non-cash loans**

	Current Period - September 30, 2021				Prior Period - December 31, 2020			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>112,767</b>	<b>0.22</b>	<b>927,694</b>	<b>1.10</b>	<b>92,169</b>	<b>0.20</b>	<b>711,771</b>	<b>1.21</b>
Farming and Cattle	100,539	0.19	875,605	1.04	85,536	0.19	663,623	1.13
Forestry	9,422	0.02	-	-	4,980	0.01	-	-
Fishing	2,806	0.01	52,089	0.06	1,653	-	48,148	0.08
<b>Manufacturing</b>	<b>15,194,130</b>	<b>28.58</b>	<b>46,121,540</b>	<b>54.56</b>	<b>14,223,619</b>	<b>32.38</b>	<b>32,550,812</b>	<b>55.60</b>
Mining	379,407	0.71	630,322	0.75	943,206	2.15	377,971	0.65
Production	9,298,169	17.49	42,498,793	50.27	8,627,927	19.64	29,210,184	49.89
Electric, gas and water	5,516,554	10.38	2,992,425	3.54	4,652,486	10.59	2,962,657	5.06
<b>Construction</b>	<b>12,723,793</b>	<b>23.93</b>	<b>11,323,207</b>	<b>13.39</b>	<b>9,697,538</b>	<b>22.08</b>	<b>7,984,351</b>	<b>13.64</b>
<b>Services</b>	<b>22,690,747</b>	<b>42.68</b>	<b>20,921,098</b>	<b>24.75</b>	<b>18,167,717</b>	<b>41.36</b>	<b>15,093,405</b>	<b>25.78</b>
Wholesale and retail trade	9,657,799	18.18	11,805,467	13.96	7,509,189	17.10	8,560,076	14.62
Hotel, food and beverage Services	507,338	0.95	644,669	0.76	399,272	0.91	596,204	1.02
Transportation and telecommunication	4,539,854	8.54	6,700,928	7.93	3,508,135	7.99	3,935,582	6.72
Financial institutions	4,376,821	8.23	616,882	0.73	3,595,286	8.18	315,111	0.54
Real estate and renting Services	1,948,004	3.66	856,217	1.01	1,652,822	3.76	1,310,291	2.24
Self-employment services	1,297,718	2.44	258,897	0.31	1,179,304	2.68	369,557	0.63
Education services	127,473	0.24	33,446	0.04	67,596	0.15	1,012	-
Health and social services	235,740	0.44	4,592	0.01	256,113	0.59	5,572	0.01
<b>Other</b>	<b>2,440,376</b>	<b>4.59</b>	<b>5,244,038</b>	<b>6.20</b>	<b>1,747,901</b>	<b>3.98</b>	<b>2,206,919</b>	<b>3.77</b>
<b>Total</b>	<b>53,161,813</b>	<b>100.00</b>	<b>84,537,577</b>	<b>100.00</b>	<b>43,928,944</b>	<b>100.00</b>	<b>58,547,258</b>	<b>100.00</b>

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

Current Period - September 30, 2021	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	50,828,566	44,191,595	1,431,690	1,013,414
Confirmed bills of exchange and acceptances	4,258	8,276,881	-	-
Letters of credit	97,863	29,760,396	1,780	189,622
Endorsements	-	-	-	-
Purchase guarantees for securities issued	-	-	-	-
Factoring guarantees	252,083	728,140	-	-
Other guarantees and sureties	220,556	275,431	-	-
<b>Non-Cash Loans</b>	<b>51,403,326</b>	<b>83,232,443</b>	<b>1,433,470</b>	<b>1,203,036</b>

Prior Period - December 31, 2020	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	41,833,843	30,916,493	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	1,000	474,188	-	-
Other guarantees and sureties	273,733	266,238	-	-
<b>Non-Cash Loans</b>	<b>42,366,816</b>	<b>57,262,340</b>	<b>1,323,090</b>	<b>1,050,516</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**5. Contingent assets and liabilities**

Group allocates TL 42,817 as provision for lawsuits against the Group (December 31, 2020: TL 43,699).

**6. Services rendered on behalf of third parties**

The Parent 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 Parent Bank's custody services and banking transactions on behalf of individuals and corporate customers do not present a material portion.

**IV. INFORMATION ON AND DISCLOSURES RELATED TO THE CONSOLIDATED STATEMENT OF INCOME**

**1. Interest income**

*Information on interest income received from loans*

	Current Period - September 30, 2021		Prior Period - September 30, 2020	
	TL	FC	TL	FC
Short-term loans	9,483,203	565,295	4,284,614	516,480
Medium and long-term loans	21,482,508	5,033,115	17,209,910	4,335,995
Non-performing loans	495,619	-	517,697	-
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>31,461,330</b>	<b>5,598,410</b>	<b>22,012,221</b>	<b>4,852,475</b>

*Information on interest income received from banks*

	Current Period - September 30, 2021		Prior Period - September 30, 2020	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	11,802	3,282	49,602	6,817
Foreign Banks	-	7,172	-	28,168
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>11,802</b>	<b>10,454</b>	<b>49,602</b>	<b>34,985</b>

*Information on interest income received from marketable securities portfolio*

	Current Period - September 30, 2021		Prior Period - September 30, 2020	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss	18,696	120,283	21,700	246,131
Financial assets at fair value through other comprehensive income	4,318,032	1,410,411	2,248,325	606,943
Financial assets measured at amortised cost	5,305,416	556,278	3,094,695	514,127
<b>Total</b>	<b>9,642,144</b>	<b>2,086,972</b>	<b>5,364,720</b>	<b>1,367,201</b>

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

As stated in Section 3 Note VII, "Fair value through other comprehensive income" and "measured at amortized cost" securities portfolios of the Parent Bank include Consumer Price Indexed (CPI) Bonds. As stated in the CPI Indexed Bonds Investor Guide of the Ministry of Treasury and Finance of the Republic of Turkey, the reference indices used in the calculation of the actual coupon payment amounts of these securities are constituted according to the CPI of two months anterior. The Parent Bank determines the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. In this context, as of September 30, 2021, the valuation of the related securities was based on an annual inflation forecast of 15.10%. If the valuation of these securities indexed to CPI was made according to the reference index valid for September 30, 2021, the Parent Bank's equity valuation differences on equity would decrease by TL 300 million and the net profit for the period would increase TL 1 million.

*Information on interest income received from associates and subsidiaries*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - September 30, 2020</b>
Interest Received from Associates and Subsidiaries	2,291	-

**2. Interest Expense**

*Interest expense on funds borrowed*

	<b>Current Period - September 30, 2021</b>		<b>Prior Period - September 30, 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Banks</b>	<b>210,528</b>	<b>957,043</b>	<b>155,113</b>	<b>944,020</b>
Central Bank of the Republic of Turkey	11,500	6,851	-	2,158
Domestic Banks	178,662	141,486	102,721	127,942
Foreign Banks	20,366	808,706	52,392	813,920
Foreign Head Offices and Branches	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>43,524</b>	<b>-</b>	<b>54,216</b>
<b>Total</b>	<b>210,528</b>	<b>1,000,567</b>	<b>155,113</b>	<b>998,236</b>

*Interest expense paid to associates and subsidiaries*

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - September 30, 2020</b>
Interests paid to the associates and subsidiaries	69,204	27,323

*Interest expense on securities issued*

Interest paid to securities issued as at for the period ended September 30, 2021 is TL 4,248,572 (TL 2,053,439 and 2,195,133 FC). (September 30, 2020: TL 3,405,224 (TL 1,765,938 and 1,639,286 FC).

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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

DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

*Maturity structure of the interest expense on deposits*

Time Deposits								
Current Period - September 30, 2021	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Cumulative deposit	Total
TL								
Interbank deposits	-	211,843	511,634	-	-	-	-	723,477
Saving deposits	37	1,113,756	7,006,484	268,281	130,053	140,675	589	8,659,875
Public sector deposits	24,432	723,405	868,757	75,854	43,075	7,079	-	1,742,602
Commercial deposits	-	2,960,901	3,986,748	135,026	84,567	29,635	-	7,196,877
Other deposits	-	249,313	1,924,652	295,677	258,601	141,749	-	2,869,992
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	24,469	5,259,218	14,298,275	774,838	516,296	319,138	589	21,192,823
FC								
Foreign Currency deposits	17,046	242,186	1,179,298	66,833	49,392	80,027	-	1,634,782
Interbank deposits	4,010	37,398	90,320	-	-	-	-	131,728
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	24	-	4,792	626	-	5,442
Total	21,056	279,584	1,269,642	66,833	54,184	80,653	-	1,771,952
Grand Total	45,525	5,538,802	15,567,917	841,671	570,480	399,791	589	22,964,775

	Time Deposits							
Prior Period - September 30, 2020	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Cumulative deposit	Total
TL								
Interbank deposits	-	-	-	-	-	342,571	-	342,571
Saving deposits	-	733,164	2,847,021	153,699	22,923	191,555	656	3,949,018
Public sector deposits	8,627	600,048	361,444	82,049	41,599	2,145	-	1,095,912
Commercial deposits	-	1,187,616	1,532,870	65,844	59,359	78,507	-	2,924,196
Other deposits	-	122,535	662,185	116,549	15,809	10,814	-	927,892
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	8,627	2,643,363	5,403,520	418,141	139,690	625,592	656	9,239,589
FC								
Foreign currency deposits	8,928	109,997	711,069	41,597	14,755	81,514	-	967,860
Interbank deposits	4,767	-	-	-	-	62,189	-	66,956
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	58	-	2,365	610	-	3,033
Total	13,695	109,997	711,127	41,597	17,120	144,313	-	1,037,849
Grand Total	22,322	2,753,360	6,114,647	459,738	156,810	769,905	656	10,277,438

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**3. Information on trading income/losses**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
<b>Income</b>	<b>51,541,638</b>	<b>45,995,356</b>
Income from capital market operations	16,626,875	14,758,460
Income from derivative financial instruments	22,154,582	23,640,087
Foreign exchange gains	12,760,181	7,596,809
<b>Losses</b>	<b>(55,260,297)</b>	<b>(48,368,538)</b>
Loss from capital market operations	(15,999,484)	(13,317,914)
Loss from derivative financial instruments	(27,095,705)	(24,824,166)
Foreign exchange loss	(12,165,108)	(10,226,458)
<b>Net trading profit/loss</b>	<b>(3,718,659)</b>	<b>(2,373,182)</b>

Net loss arising from changes in foreign exchange rates that relate to the Group's foreign exchange rate based derivative financial instruments is amounting to TL 4,426,084 as at and for the nine-month period ended September 30, 2021 (September 30, 2020: net loss of TL 972,757).

**4. Information on other operating income**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - December 31, 2020</b>
Income from reversal of the provisions for loans from prior periods <sup>(*)</sup>	5,736,998	3,694,928
Earned insurance premiums (net of reinsurance share)	-	268,629
Communication income	16,749	11,960
Gain on sale of assets	436,962	578,468
Income from private pension business	-	39,340
Rent income	12,228	95,431
Other income	530,605	1,279,792
<b>Total</b>	<b>6,733,542</b>	<b>5,968,548</b>

<sup>(\*)</sup> In line with the Parent 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 September 30, 2020, and an explanation is given in the Classification Note of the Third Section.

**5. Expected credit loss and other provision expenses**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - September 30, 2020</b>
<b>Expected Credit Loss</b>	<b>6,473,399</b>	<b>9,057,680</b>
12 month expected credit loss (stage 1)	1,546,274	2,213,756
Significant increase in credit risk (stage 2)	2,424,299	4,086,894
Non-performing loans (stage 3)	2,502,826	2,757,030
<b>Marketable Securities Impairment Expense</b>	<b>4,441</b>	<b>10,415</b>
Financial Assets at Fair Value through Profit or Loss	-	3,001
Financial Assets at Fair Value Through Other Comprehensive Income	4,441	7,414
<b>Investments in Associates, Subsidiaries and Held-to-maturity Securities</b>		
<b>Value Decrease</b>	<b>6,604</b>	<b>662</b>
Investments in Associates	6,604	662
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other</b>	<b>400,000<sup>(*)</sup></b>	<b>46,511</b>
<b>Total</b>	<b>6,884,444</b>	<b>9,115,268</b>

<sup>(\*)</sup> Free provision amount as of 2021



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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on other operating expenses**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - September 30, 2020</b>
Reserve for Employee Termination Benefits	131,471	101,360
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	354,204	358,195
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortization Expenses on Intangible Assets	33,927	26,752
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses on Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	2,023,960	2,101,690
<i>Leasing expenses related to TFRS 16 exceptions</i>	62,987	59,105
<i>Repair and maintenance expenses</i>	81,629	51,679
<i>Advertisement expenses</i>	188,673	125,934
<i>Other expenses</i>	1,690,671	1,864,972
Loss on sale of assets	1,035	28,751
Other <sup>(*)</sup>	1,347,903	1,048,138
<b>Total</b>	<b>3,892,500</b>	<b>3,664,886</b>

<sup>(\*)</sup> Other operating expenses amounting to TL 1,347,903 (September 30, 2020: TL 1,040,138) is comprised of provision expenses for dividends to the personnel amounting to TL 282,976 (September 30, 2020: TL 245,152), tax, fees and funds expenses amounting to TL 258,187 (September 30, 2020: TL 288,162), Saving Deposits Insurance Fund expenses amounting to TL 376,137 (September 30, 2020: TL 335,839) and other expenses amounting to TL 430,603 (September 30, 2020: TL 178,985).

<sup>(\*)</sup> In the Other item dated September 30, 2020, a netting transaction amounting to TL 890,789 was made in line with the Bank's write-off policy, and an explanation is also included in the Classification note of the Third Section.

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

Information and detailed tables on profit before tax from continuing operations are presented in disclosures 1-7 in this section. The Group has no discontinued operations.

**8. Information on tax provision from discontinued and continuing operations**

Information on provision for taxes on income from continuing operations is presented in disclosure 10 in this section. The Group has no discontinued operations.

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

Information on net profit/loss from continuing operations is presented in disclosures 1-13 in this section. The Group has no discontinued operations.

**10. Provision for taxes**

***Current year taxation benefit or charge and deferred tax benefit or charge***

In the current period, the Group recorded a tax provision of TL 291,961 (September 30, 2020: TL 1,329,413) from the operating profit in accordance with the Corporate Tax Law and other laws and regulations.

Details of the Group's deferred tax expense are shown in the table below.

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**DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

<b>Sources of deferred tax benefit/charge</b>	<b>Current Period - September 30, 2021</b>	<b>Prior Period - September 30, 2020</b>
Arising from Origination / (Reversal) of Deductible Temporary Differences	90,744	811,808
Arising from (Origination)/ Reversal of Taxable Temporary Differences	(480,876)	(720,915)
Arising from Origination / (Reversal) of Tax Losses	-	-
Arising from Tax Rate Change	-	-
<b>Total</b>	<b>(390,132)</b>	<b>90,893</b>

**11. Information on net profit and loss**

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

Group has incurred TL 49,680,789 interest income and TL 38,566,441 interest expense, also incurred TL 2,814,231 amount of net fee and commission income from its ordinary banking operations (September 30, 2020: TL 33,987,371 interest income, TL 17,837,385 interest expense, TL 2,355,865 net fee and commission income).

*Any changes in estimations, that might have a material effect on current and subsequent period, is indicated*

None.

**12. Income/loss related to non-controlling interest**

	<b>Current Period - September 30, 2021</b>	<b>Prior Period - September 30, 2020</b>
Income/(losses) related to non-controlling interest	97,503	50,265

**13. Information related to the sub-accounts which constitute at least 20% of other items, in case of the components of other items in the income statement exceeding 10% of the group total**

Other fees and commission income of the Group mainly consist of credit card fees and commissions, insurance commissions, research fees.

Other fees and commission expenses of the Group mainly consist of credit card fees and commissions, commission paid for funds borrowed from foreign banks.

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

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

DISCLOSURE AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Current Period - September 30, 2021</b>						
Loans						
Balance at the beginning of the year	33	412,813	-	32,511	63,311	64,767
Balance at the end of the year	51,017	302,284	-	32,042	63,905	73,306
Interest and commission income	2,291	228	-	-	3,571	43

	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
<b>Prior Period - December 31, 2020</b>						
Loans						
Balance at the beginning of the year	117	358,819	-	29,783	334,910	57,317
Balance at the end of the year	33	412,813	-	32,511	63,311	64,767
Interest and commission income	-	230	-	-	18,161	50

*Information on deposits held by the Parent Bank's risk group*

	Associates and Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the year	1,716,857	260,823	2,237,815	298,861	117,989	89,026
Balance at the end of the year	823,142	1,716,857	3,643,999	2,237,815	77,070	117,989
Interest on deposits	69,204	27,323	398,366	36,463	6,782	5,652

**Information on forwards, options and other derivative transactions held by the Parent Bank's risk group**

None.

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

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

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

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

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

***Relations with entities in the risk group of / or controlled by the Parent 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 September 30, 2021, a total amount of TL 39,919 was paid to the Group top management. (September 30, 2020: 35,969 TL).

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**SECTION SIX**

**OTHER DISCLOSURES**

**I. OTHER DISCLOSURES ON THE PARENT 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:

<b>Profit Distribution Table of Year 2020</b>	
<b>Bank's unconsolidated profit in its statutory financial statements</b>	<b>5,010,456</b>
Deferred tax credits	-
<b>Net profit of the year subject to distribution</b>	<b>5,010,456</b>
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
<b>Net profit of the year subject to distribution</b>	<b>4,509,410</b>
Gain on sale of immovable and shares of associates and subsidiaries	163,415
Extraordinary reserves	4,345,995
<b>Dividends to shareholders</b>	<b>-</b>

It is decided to transfer TL 654,718 of the amount of TL 900,871, 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 TL 90,087 was to be allocated to legal reserves, and the remaining amount of TL 156,066 to Extraordinary Reserves.

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

<b>February 2021*</b>	<b>Fitch Ratings</b>
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	Stable
National Long Term	AA (tur)
National Outlook	Stable
Support	4
Support Rating Floor	B
Viability Note	b+
<b>December 2020*</b>	<b>Moody's Investors' Service</b>
Baseline Credit Assessment	caa2
Local Currency Deposit Rating	B2/NP
Local Currency Outlook	Negative
Foreign Currency Deposit Rating	B2/NP
Foreign Currency Outlook	Negative
<b>June 2021*</b>	<b>JCR Eurasia</b>
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	1
Independancy from Shareholders	A

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

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**OTHER DISCLOSURES (Continued)**

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

Between October 1, 2021 and October 22, 2021, the Parent Bank has issued financial bonds in various maturities.

**SECTION SEVEN**

**INDEPENDENT AUDITORS’ REVIEW REPORT**

**I. INFORMATION ON INDEPENDENT AUDITORS’ REVIEW REPORT**

The Group’s consolidated financial statements and footnotes as at and for nine-month period ended September 30, 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 November 4, 2021 that nothing material has come to their attention that caused them to believe that the accompanying consolidated financial statements do not give a true and fair view of the Group’s financial position and results of its operations.

**EXPLANATIONS AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR**

None.

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**SECTION EIGHT  
INFORMATION ON THE INTERIM ANNUAL REPORT**

**Assessment of the Chairman of the Board**

Dear stakeholders,

While vaccination efforts continued worldwide in the third quarter of 2021, delta variant of coronavirus spread rapidly, bringing the fear of fourth wave throughout the world. Possibility of global new restrictions caused panic in the markets. In addition, fluctuations in the commodities market, particularly the rise in energy prices, also had effects in global markets.

In the third quarter of the year, US Federal Reserve (FED) kept the policy interest rate between 0-0.25% in line with market expectations at its September meeting, and maintained asset purchases of USD 120 billion. In addition, FED Chairman Powell said that it may be convenient to complete tapering by mid-2022. European Central Bank (ECB) stated that they are ready to end the supports under the Pandemics Emergency Asset Purchase Program, and that asset purchases will be slower compared to previous periods, emphasizing greater reduction in asset purchases.

US economy grew by 2% in the third quarter of 2021, keeping its strong structure, while Eurozone grew by 2.2% in the same period, and Chinese economy grew by 4.9% annually in the third quarter. Thus, Chinese economy experienced the lowest rate of growth in the last four quarters, due to effect of crises in energy and real estate sectors. Growth figures show that the economies worldwide continue to grow, albeit relatively slower.

Turkish economy grew by 21.7% in the second quarter of 2021 compared to the same quarter of the previous year. Thus, annual growth was at record high levels in the second quarter, due to base effect. International institutions revised their growth forecasts for Turkish economy. OECD raised its growth forecast for Turkey for the year 2021, from 5.7% as announced in May, to 8.4% in September. Institute of International Finance (IIF) predicted that Turkish economy would grow by 9% in 2021.

Turkish Banking sector supported the economy in this period, with the contribution of financial system and correct allocation of resources in the economy of our country. In the third quarter of 2021, total assets of Turkish Banking sector grew by 15.40% compared to end-2020, to TL 7.047 billion. As of end-September, capital adequacy ratio of the sector is 17.30%.

We at VakıfBank, have continued to grow by supporting the economy and households of our country as always. Our total assets rose to TL 768,726 million in this period, while cash loans, having the greatest share in our total assets, rose by 13.27% to TL 478,055 million. Deposits, our main funding source, rose to TL 465,713 million.

I would like to take this opportunity to thank to our valuable customers, shareholders, investors and our dedicated employees and all other stakeholders.

Sincerely yours,

**Mustafa SAYDAM**  
**Chairman of the Board**

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)**

**Assessment of the General Manager**

Dear stakeholders,

Speeding up of vaccination efforts was a factor that supported the recovery in the economy during the third quarter. However, rapid spread of delta variant, and resumption in the increase of new cases in July caused concerns on global economic activity. Many developed and emerging countries continued to support their economy with financial supports and incentives. US economy grew by 2% in the third quarter while Eurozone grew by 2.2%. Central banks of developed countries kept policy interest rates unchanged at their September meetings.

Turkish economy grew by 21.7% in the second quarter of 2021 compared to the same quarter of the previous year. Thus, our country was the second highest growing country in OECD. In September, Medium Term Program was announced, including the policies and targets related fundamental numbers of Turkish economy, as a 3-years roadmap of country’s economy. Program forecasts that Turkish economy will grow by 9% in 2021, 5% in 2022, and by 5.5% in 2023 and 2024.

We at VakıfBank continued with our uninterrupted support to the country’s economy in the third quarter of 2021. In this period, we grew our total assets by 9.99% to TL 768,726 million. With commercial loans increasing by 14.89%, our cash loans rose by 13.27% to TL 478,055 million. Thus, we provided TL 614 billion of support in cash and non-cash loans to the national economy.

In this period, deposits continued to be the main funding source of the Bank. With the contribution of deposit products and services diversity, the Bank’s deposits rose by 12.48% to TL 465,713 million. In terms of funding excluding deposits, we issued our second Sustainable Eurobond, of USD 500 million, being the bank with the most sustainable themes in its funding structure. Success of our Sustainable Eurobond issuance and investor feedback confirmed, once again, the success of the Bank’s sustainability activities and sustainable financing program. In addition, our Sustainable Eurobond issuance in December 2020 was awarded the “Best Financial Institutions Issuance of the Year” by Bonds & Loans Turkey, one of the most prestigious and reputable awards in financial sector.

Sustainability is one of the main objectives of our corporate strategy, and in order to increase the integration of sustainability with our activities, and to make our efforts more visible, we delivered our sustainable banking logo to our branches in 81 provinces. We at VakıfBank aim at increasing products with sustainability theme, in our liabilities as well as assets part of our balance sheet, within the scope of our sustainability strategy. For this purpose, we offer advantageous loans to our customers for electrical and hybrid cars and energy-efficient houses. For business enterprises, we recently launched our Sustainability and Resource Efficiency Loan product. In the period ahead, we will continue to finance the sector by increasing our product and service diversity, to support sustainable development, climate, financial inclusion, production and employment.

The Bank continued to be on the forefront in its social responsibility projects in this period. We proudly sponsored the “Bir Bağış Çok Hayat (One Donation Several Lives)” project, aiming at increasing awareness on organ donation, in cooperation of the Ministry of Health and the Medical Tourism Association, as well as the study for Alzheimer and Dementia patients.

I would like to take this opportunity to thank to our valuable customers, shareholders, employees our Board of Directors and all other social stakeholders.

Sincerely yours,

**Abdi Serdar ÜSTÜNSALİH**  
**General Manager and**  
**Executive Director**



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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)**

**Significant Financial Indicators**

<b>BALANCE SHEET (Million TL)</b>	<b>SEPTEMBER 2021</b>	<b>DECEMBER 2020</b>	<b>CHANGE (%)</b>
<b>TOTAL ASSETS</b>	768,726	698,897	9.99
<b>SECURITIES PORTFOLIO</b>	175,233	146,510	19.60
<b>LOANS (*)</b>	478,055	422,043	13.27
- Commercial Loans	361,543	314,675	14.89
- Retail Loans	116,512	107,368	8.52
<b>DEPOSITS</b>	465,713	414,044	12.48
- Term deposits	365,182	333,507	9.50
- Demand deposits	100,531	80,536	24.83
<b>FUNDS BORROWED</b>	58,412	46,987	24.31
<b>SUBORDINATED DEBT INSTRUMENTS</b>	21,391	19,459	9.93
<b>SECURITIES ISSUED (NET)</b>	48,541	45,513	6.65
<b>SHAREHOLDERS' EQUITY</b>	48,502	46,485	4.34
<b>NON-CASH LOANS</b>	136,002	101,236	34.34

<b>INCOME STATEMENT (Million TL)</b>	<b>SEPTEMBER 2021</b>	<b>SEPTEMBER 2020</b>	<b>CHANGE (%)</b>
<b>Net Profit/Loss for the Period</b>	2,178	4,341	-49.83

<b>INDICATIVE RATIOS (%)</b>	<b>SEPTEMBER 2021</b>	<b>DECEMBER 2020</b>
<b>TOTAL LOANS/ TOTAL ASSETS (*)</b>	62.19	60.39
<b>LOANS/DEPOSITS (*)</b>	102.65	101.93
<b>NON-PERFORMING LOANS RATIO</b>	3.47	3.97
<b>CAPITAL ADEQUACY RATIO</b>	14.26	16.44
<b>RETURN ON AVERAGE ASSETS (ROAA) (**)</b>	0.40	0.90
<b>RETURN ON AVERAGE EQUITY (ROAE) (**)</b>	6.11	12.60

(\*) Excluding non-performing loans.

(\*\*) Calculations are annualized.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

**INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)**

**Significant Financial Indicators (Consolidated)**

<b>BALANCE SHEET (Million TL)</b>	<b>SEPTEMBER 2021</b>	<b>DECEMBER 2020</b>	<b>CHANGE (%)</b>
<b>TOTAL ASSETS</b>	781,846	712,091	9.80
<b>SECURITIES PORTFOLIO</b>	179,063	150,133	19.27
<b>LOANS (*)</b>	487,686	431,945	12.90
- Commercial Loans	371,169	324,572	14.36
- Retail Loans	116,517	107,373	8.52
<b>DEPOSITS</b>	468,971	417,522	12.32
- Term deposits	367,178	335,884	9.32
- Demand deposits	101,793	81,638	24.69
<b>FUNDS BORROWED</b>	63,311	51,689	22.49
<b>SUBORDINATED DEBT INSTRUMENTS</b>	21,391	19,459	9.93
<b>SECURITIES ISSUED (NET)</b>	48,618	46,155	5.34
<b>SHAREHOLDERS' EQUITY</b>	49,815	47,152	5.65
<b>NON-CASH LOANS</b>	137,699	102,476	34.37

<b>INCOME STATEMENT (Million TL)</b>	<b>SEPTEMBER 2021</b>	<b>SEPTEMBER 2020</b>	<b>CHANGE (%)</b>
<b>Net Profit/Loss for the Period</b>	2,614	5,491	-52.38

<b>INDICATIVE RATIOS (%)</b>	<b>SEPTEMBER 2021</b>	<b>DECEMBER 2020</b>
<b>TOTAL LOANS/ TOTAL ASSETS (*)</b>	62.38	60.66
<b>LOANS/DEPOSITS (*)</b>	103.99	103.45
<b>NON-PERFORMING LOANS RATIO</b>	3.54	3.99
<b>CAPITAL ADEQUACY RATIO</b>	14.07	16.05
<b>RETURN ON AVERAGE ASSETS (ROAA) (**)</b>	0.47	1.11
<b>RETURN ON AVERAGE EQUITY (ROAE) (**)</b>	7.19	15.71

(\*) Excluding non-performing loans.

(\*\*) Calculations are annualized.

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI CONSOLIDATED FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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

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**INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)**

**Assessment of 3<sup>rd</sup> Quarter of 2021**

The Group continued to grow in the third quarter of 2021, increasing its total assets by 9.80% to TL 781,846 million. In this period, our performing loans increased by 12.90% to TL 487,686 million, with the share of performing loans in total assets being 62.38%. In breakdown of loans, our commercial loans have reached TL 371,169 million, and individual loans reached TL 116,517 million.

In the third quarter of 2021, the Bank has increased its deposits by 12.32% to TL 468,971 million.

In non-deposit funding, the Group has issued financial bills with a total nominal value of TL 10,374 million in the third quarter of 2021, via domestic public offer and to qualified investors. Funding from abroad has reached USD 4,074 million in this year.

The Bank has issued a 'Sustainable Bond' with 5 years maturity, amounting USD 500 million. In this context; book-running of the sustainable bond issuance has been completed, and the fixed-rate bonds with a nominal value of USD 500 million, with 5 years maturity, redeeming on 1 October 2026, and with semi-annual coupon payments, the yield and the coupon rate of which are 5.625% and 5.5%, respectively.

In the third quarter of 2021, the Group has earned net profit of TL 2,614 million for the period. The Group's capital adequacy ratio is 14.07%.

As of September 30, 2021, The Bank has 938 branches and 16,821 employees.

**Other Significant Developments**

- The Bank has signed a contract with Netaş Telekomünikasyon A.Ş. for field maintenance and repair services for 3 years, including parts and consigned devices.

**Amendment on the Articles of Association**

There has been no amendment to the Articles of Incorporation during the term.