

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT SEPTEMBER 30, 2022
TOGETHER WITH LIMITED REVIEW REPORT**

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



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

Independent Auditors’ Report on Review of Unconsolidated Interim Financial Information

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

Introduction

We have reviewed the unconsolidated statement of financial position of Türkiye Vakıflar Bankası T.A.O. (“the Bank”) at September 30, 2022 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the 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 unconsolidated financial statements as at September 30, 2022 include a free provision at an amount of TL 9,500,000 thousands of which TL 1,772,000 thousands was provided in prior years and TL 7,728,000 thousands provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Türkiye Vakıflar Bankası T.A.O. at September 30, 2022 and of the results of its operations and its cash flows for the nine-month-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional paragraph for convenience translation to English

As explained in detail in Note I of Section Three, there are differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”), including non application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences has not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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



Damla Harman, SMMM
Partner

November 7, 2022
İstanbul, Türkiye

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

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The unconsolidated financial report as at and for the nine-month period ended September 30, 2022, prepared in accordance with the “Communiqué of Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks” as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

November 7, 2022

Mustafa SAYDAM
Chairman of the Board

Abdülkadir AKSU
Board and Audit
Committee Member

Sadık YAKUT
Board and Audit
Committee Member

Abdi Serdar ÜSTÜNSALİH
General Manager and
Board Member

Şuayyip İLBİLGİ
Assistant General Manager

Korhan TURGUT
Director of Accounting and
Financial Affairs

The authorized contact person for questions on this financial report:

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

SECTION ONE

GENERAL INFORMATION

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

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

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

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

As at September 30, 2022, the Bank’s paid-in capital is TL 7,111,364; (December 31, 2021: TL 3,905,622) divided into 711,136,411,675 shares with each has a nominal value of Kr 1 (December 31, 2021: 390,562,248,996).

The Bank’s shareholders structure as at September 30, 2022 and December 31, 2021 are as stated below:

	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Shareholders - September 30, 2022			
Türkiye Varlık Fonu (D Grubu)	4,611,364,117	4,611,364	64.85
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	15.12
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	5.66
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	5.45
Other appendant foundations (Group B)	2,591,250	2,591	0.04
Other real persons and legal entities (Group C)	1,527,393	1,528	0.02
Publicly traded (Group D)	630,596,723	630,597	8.86
Total	7,111,364,117	7,111,364	100.00

	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Shareholders - December 31, 2021			
Türkiye Varlık Fonu (D Grubu)	1,405,622,490	1,405,622	35.99
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	27.52
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	10.31
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	9.93
Other appendant foundations (Group B)	2,591,250	2,591	0.07
Other real persons and legal entities (Group C)	1,527,393	1,528	0.04
Publicly traded (Group D)	630,596,723	630,597	16.14
Total	3,905,622,490	3,905,622	100.00

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

GENERAL INFORMATION (Continued)

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

With the Decree Law No. 696 published in the Official Gazette dated December 24, 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 December 3, 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 December 11, 2019 and 58.51% of the Bank's share has been transferred to the Treasury and has been recorded in the Bank's share book on behalf of the Ministry of Treasury and Finance of the Republic of Turkey.

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

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

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

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

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

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

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AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

GENERAL INFORMATION (Continued)

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

Name and Surname	Responsibility	Date of Appointment	Education	Experience in Banking and Management
Board of Directors				
Mustafa SAYDAM	Chairman	March 26, 2021	Bachelor's	28 years
Dr.Cemil Ragıp ERTEM	Deputy Chairman	June 12, 2020	PhD	24 years
Abdi Serdar ÜSTÜNSALİH	Member – General Manager	May 27, 2019	Master's	31 years
Dr. Adnan ERTEM	Member	October 28, 2010	PhD	34 years
Şahin UĞUR	Member	June 9, 2017	Bachelor's	36 years
Sadık YAKUT	Member	May 27, 2019	Bachelor's	3 years
Abdülkadir AKSU	Member	May 27, 2019	Bachelor's	3 years
Prof.Dr.Mehmet Hüseyin BİLGİN	Member	March 25, 2022	PhD	17 years
Haydar Kemal KURT	Member	Msrch 25, 2022	Bachelor's	-
Audit Committee				
Abdülkadir AKSU	Member	March 25,2022	Bachelor's	3 years
Sadık YAKUT	Member	March 25,2022	Bachelor's	3 years
Auditor				
Hasan TÜRE	Auditor	June 9, 2017	Bachelor's	38 years
Mehmet Emin BAYSA	Auditor	June 12, 2020	Master's	3 years
Assistant General Managers				
Metin Recep ZAFER	Credit, Customer and Account Operations Department, Core Banking Software Development Department, Treasury Operations Department, Foreign Operations Department, It System and Software Support Department, R&D, Marketing and Infrastructure Software Development Department, System Management Department, It Planning and Coordination Department	June 13, 2006	PhD	27 years
Muhammet Lütfü ÇELEBİ	Human Resources Department Organisation Development, Performance Management and Academy Department	October 23, 2013	Bachelor's	27 years
Şuayyip İLBİLGİ	General Accounting and Financial Affairs, Strategy and Planning, Subsidiaries and Affiliates	August 1, 2017	Bachelor's	26 years
Mikaül HİDİR	Office of Chief Legal Counsel Department,Credit Risk Liquidation Department	December 26,2018	Bachelor's	19 years
Hazım AKYOL	Corporate Loans Allocation Management, Commercial Loans Allocation Management 1-2, Special Loans Management Retail and SME Loans Allocation Management	May 31, 2019	Bachelor's	29 years
Alaattin ŞİMŞEK	Corporate Banking Marketing, Commercial Banking Marketing, SME Banking Marketing Retail Banking Marketing Corporate Branches Cash Management Product Development and Foreign Trade Marketing, Corporate Branches	May 31, 2019	Bachelor's	27 years
Ferkan MERDAN	Payment Systems, Digital Banking and Distribution Channels, Corporate Communication Customer Experience and Management	May 31, 2019	Master's	25 years
Muhammed Onay ÖZKAN	Treasury Management., International Banking and Investor Relations Treasury Middle Office	May 31, 2019	Bachelor's	22 years
Arif ÇOKÇETİN	Credit Risk Planning and Monitoring, Financial Analysis and Rating Department	July 8, 2020	Bachelor's	27 years
Kadir KARATAŞ	Support Services	August 13, 2020	Master's	25 years
Mustafa TURAN	Individual Banking Marketing, Deposit Management and Marketing Department,Payment Systems Banking Marketing Department	January 4, 2022	Bachelor's	18 years

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

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

GENERAL INFORMATION (Continued)

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

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

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

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

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

by unanimous vote.

IV. INFORMATION ON THE BANK’S QUALIFIED SHAREHOLDERS

Current Period - September 30, 2022

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

Prior Period - December 31, 2021

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

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

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

GENERAL INFORMATION (Continued)

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

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

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

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

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

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

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

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

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

As at September 30, 2022, the Bank has 935 domestic, 4 foreign, in total 939 branches (December 31, 2021: 936 domestic, 4 foreign, in total 940 branches). As at September 30, 2022, the Bank has 16,850 employees (December 31, 2021: 16,929 employees).

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

None.

SECTION TWO
UNCONSOLIDATED
FINANCIAL STATEMENTS

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT SEPTEMBER 30, 2022**

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

ASSETS	Notes	Current Period September 30, 2022			Prior Period December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		113,485,985	315,980,329	429,466,314	101,014,790	242,702,869	343,717,659
1.1 Cash and cash equivalents	V-I-1	15,927,792	198,599,336	214,527,128	30,466,068	141,889,415	172,355,483
1.1.1 Cash and balances at Central Bank	V-I-1	15,282,114	150,799,252	166,081,366	29,359,910	114,789,077	144,148,987
1.1.2 Banks	V-I-3	666,033	47,800,084	48,466,117	1,120,400	20,185,938	21,306,338
1.1.3 Receivables from Money Markets		-	-	-	-	6,914,400	6,914,400
1.1.4 Allowance for expected credit losses (-)	V-I-16	20,355	-	20,355	14,242	-	14,242
1.2 Financial assets at fair value through profit or loss	V-I-2	68,895	15,119,976	15,188,871	177,289	16,226,214	16,403,503
1.2.1 Public debt securities		-	14,795,615	14,795,615	-	15,939,741	15,939,741
1.2.2 Equity instruments		51,183	324,361	375,544	169,483	286,473	455,956
1.2.3 Other financial assets		17,712	-	17,712	7,806	-	7,806
1.3 Financial assets at fair value through other comprehensive income	V-I-4	82,719,526	98,756,140	181,475,666	50,957,221	82,514,082	133,471,303
1.3.1 Public debt securities		82,055,707	98,389,082	180,444,789	50,435,798	82,233,247	132,669,045
1.3.2 Equity instruments		80,816	10,014	90,830	-	7,246	7,246
1.3.3 Other financial assets		583,003	357,044	940,047	521,423	273,589	795,012
1.4 Derivative financial assets	V-I-2	14,769,772	3,504,877	18,274,649	19,414,212	2,073,158	21,487,370
1.4.1 Derivative financial assets at fair value through profit or loss		14,769,772	3,504,877	18,274,649	19,414,212	2,073,158	21,487,370
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST		600,161,616	306,261,883	906,423,499	402,569,743	237,367,487	639,937,230
2.1 Loans	V-I-5	539,390,136	274,597,553	813,987,689	380,005,846	212,004,025	592,009,871
2.2 Receivables from leasing transactions	V-I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Financial assets measured at amortised cost	V-I-6	93,356,404	31,770,454	125,126,858	48,417,140	25,444,843	73,861,983
2.4.1 Public debt securities		93,297,454	31,621,465	124,918,919	48,358,190	25,176,782	73,534,972
2.4.2 Other financial assets		58,950	148,989	207,939	58,950	268,061	327,011
2.5 Allowance for expected credit losses (-)		32,584,924	106,124	32,691,048	25,853,243	81,381	25,934,624
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	V-I-14	435,636	-	435,636	755,033	-	755,033
3.1 Held for sale purpose		435,636	-	435,636	755,033	-	755,033
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		6,624,052	1,629,020	8,253,072	5,328,755	1,369,078	6,697,833
4.1 Investments in associates (Net)	V-I-7	2,355,435	-	2,355,435	2,047,712	-	2,047,712
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		2,355,435	-	2,355,435	2,047,712	-	2,047,712
4.2 Investments in subsidiaries (Net)	V-I-8	4,268,617	1,629,020	5,897,637	3,281,043	1,369,078	4,650,121
4.2.1 Non-consolidated financial subsidiaries		3,670,317	1,629,020	5,299,337	2,772,557	1,369,078	4,141,635
4.2.2 Non-consolidated non-financial subsidiaries		598,300	-	598,300	508,486	-	508,486
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	V-I-9	-	-	-	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)		8,697,636	44,263	8,741,899	4,838,056	28,796	4,866,852
VI. INTANGIBLE ASSETS AND GOODWILL (Net)		407,984	946	408,930	276,221	-	276,221
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		407,984	946	408,930	276,221	-	276,221
VII. INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	V-I-13	4,457,341	847,083	5,304,424	-	-	-
X. OTHER ASSETS	V-I-15	20,711,191	5,004,214	25,715,405	7,964,715	2,998,154	10,962,869
TOTAL ASSETS		754,981,441	629,767,738	1,384,749,179	522,747,313	484,466,384	1,007,213,697

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT SEPTEMBER 30, 2022**

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

LIABILITIES AND EQUITY	Notes	Current Period September 30, 2022			Prior Period December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	504,969,336	451,350,918	956,320,254	255,395,817	335,547,570	590,943,387
II. BORROWINGS	V-II-3	4,969,900	110,183,182	115,153,082	1,060,376	90,370,154	91,430,530
III. MONEY MARKET FUNDS		18,220,062	27,478,907	45,698,969	123,441,143	20,439,641	143,880,784
IV. MARKETABLE SECURITIES (Net)	V-II-3	8,463,024	61,734,859	70,197,883	10,566,317	51,408,580	61,974,897
4.1 Bills		4,074,442	759,617	4,834,059	5,264,846	871,154	6,136,000
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		4,388,582	60,975,242	65,363,824	5,301,471	50,537,426	55,838,897
V. FUNDS		3,005	-	3,005	3,005	-	3,005
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,005	-	3,005	3,005	-	3,005
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	299,508	5,526,804	5,826,312	1,609,212	3,881,066	5,490,278
7.1 Derivative financial liabilities at fair value through profit or loss		299,508	5,526,804	5,826,312	1,609,212	3,881,066	5,490,278
7.2 Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	V-II-5	974,692	4,409	979,101	949,708	4,204	953,912
X. PROVISIONS	V-II-7	12,061,041	24,445	12,085,486	3,832,161	17,687	3,849,848
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		2,212,890	-	2,212,890	1,751,607	-	1,751,607
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		9,848,151	24,445	9,872,596	2,080,554	17,687	2,098,241
XI. CURRENT TAX LIABILITIES	V-II-8	6,478,972	7,630	6,486,602	933,094	10,846	943,940
XII. DEFERRED TAX LIABILITIES	V-II-8	-	-	-	-	46,378	46,378
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	V-II-9	-	-	-	-	-	-
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-10	6,250,111	29,007,351	35,257,462	6,404,751	22,563,676	28,968,427
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		6,250,111	29,007,351	35,257,462	6,404,751	22,563,676	28,968,427
XV. OTHER LIABILITIES	V-II-4	35,683,558	10,232,623	45,916,181	19,825,574	6,949,997	26,775,571
XVI. SHAREHOLDERS' EQUITY	V-II-11	93,292,635	(2,467,793)	90,824,842	51,370,487	582,253	51,952,740
16.1 Paid-in capital	V-II-11	7,111,364	-	7,111,364	3,905,622	-	3,905,622
16.2 Capital reserves		17,195,273	488,554	17,683,827	6,658,909	410,596	7,069,505
16.2.1 Equity share premiums		16,468,559	-	16,468,559	6,303,277	-	6,303,277
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		726,714	488,554	1,215,268	355,632	410,596	766,228
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		4,203,931	(214,785)	3,989,146	3,617,240	(182,919)	3,434,321
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		13,330,440	(2,741,562)	10,588,878	1,347,205	354,576	1,701,781
16.5 Profit reserves		35,841,511	-	35,841,511	31,666,047	-	31,666,047
16.5.1 Legal reserves		3,828,329	-	3,828,329	3,410,783	-	3,410,783
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		30,522,271	-	30,522,271	25,635,005	-	25,635,005
16.5.4 Other profit reserves		1,490,911	-	1,490,911	2,620,259	-	2,620,259
16.6 Profit or loss		15,610,116	-	15,610,116	4,175,464	-	4,175,464
16.6.1 Prior years' profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		15,610,116	-	15,610,116	4,175,464	-	4,175,464
16.7 Minority interests		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		691,665,844	693,083,335	1,384,749,179	475,391,645	531,822,052	1,007,213,697

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED OFF-BALANCE SHEET ITEMS
AS AT SEPTEMBER 30, 2022**

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

	Notes	Current Period September 30, 2022			Prior Period December 31, 2021		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-II-III)		357,607,200	659,395,110	1,017,002,310	210,908,100	496,587,816	707,495,916
I. GUARANTEES AND SURETIES		100,658,094	146,377,294	247,035,388	61,729,875	130,409,453	192,139,328
I.1. Letters of guarantee	V-III-1	100,444,935	88,924,965	189,369,900	61,156,815	72,361,867	133,518,682
1.1.1. Guarantees subject to State Tender Law		4,700,459	32,402,248	37,102,707	3,507,026	19,605,204	23,112,230
1.1.2. Guarantees given for foreign trade operations		5,057,461	-	5,057,461	2,542,604	-	2,542,604
1.1.3. Other letters of guarantee		90,687,015	56,522,717	147,209,732	55,107,185	52,756,663	107,863,848
I.2. Bank acceptances		4,258	5,227,351	5,231,609	4,258	9,575,050	9,579,308
1.2.1. Import letter of acceptance		-	993,142	993,142	-	969,051	969,051
1.2.2. Other bank acceptances	V-III-4	4,258	4,234,209	4,238,467	4,258	8,605,999	8,610,257
I.3. Letters of credit	V-III-4	208,901	51,117,693	51,326,594	568,802	48,276,760	48,845,562
1.3.1. Documentary letters of credit		208,901	51,117,693	51,326,594	568,802	48,276,760	48,845,562
1.3.2. Other letters of credit		-	-	-	-	-	-
I.4. Pre-financing given as guarantee		-	14,729	14,729	-	10,657	10,657
I.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Republic of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
I.6. Purchase guarantees for Securities issued		-	-	-	-	-	-
I.7. Factoring guarantees		-	-	-	-	-	-
I.8. Other guarantees		-	311,353	311,353	-	185,119	185,119
I.9. Other warranties		-	781,203	781,203	-	-	-
II. COMMITMENTS		157,567,267	138,926,185	296,493,452	91,039,887	74,486,878	165,526,765
II.1. Irrevocable commitments	V-III-1	135,704,315	41,990,856	177,695,171	77,587,362	10,106,329	87,693,691
2.1.1. Asset purchase and sales commitments	V-III-1	17,852,214	41,990,856	59,843,070	2,924,429	10,106,329	13,030,758
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		20,154	-	20,154	34,255	-	34,255
2.1.4. Loan granting commitments	V-III-1	51,684,362	-	51,684,362	34,013,637	-	34,013,637
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for checks payments	V-III-1	6,875,182	-	6,875,182	7,029,711	-	7,029,711
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits	V-III-1	53,499,266	-	53,499,266	30,687,962	-	30,687,962
2.1.10. Commitments for credit cards and banking services promotions		2,739,357	-	2,739,357	524,897	-	524,897
2.1.11. Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12. Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		3,033,780	-	3,033,780	2,372,471	-	2,372,471
II.2. Revocable commitments		21,862,952	96,935,329	118,798,281	13,452,525	64,380,549	77,833,074
2.2.1. Revocable loan granting commitments		21,862,952	96,935,329	118,798,281	13,452,525	64,380,549	77,833,074
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		99,381,839	374,091,631	473,473,470	58,138,338	291,691,485	349,829,823
III.1. Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	-	-	-	-	-
3.1.3. Hedges for investments made in foreign countries		-	-	-	-	-	-
III.2. Trading transactions		99,381,839	374,091,631	473,473,470	58,138,338	291,691,485	349,829,823
3.2.1. Forward foreign currency purchase and sale transactions		2,466,680	2,298,095	4,764,775	6,266,455	8,227,370	14,493,825
3.2.1.1. Forward foreign currency purchase transactions		2,364,117	84,148	2,448,265	3,142,731	4,115,500	7,258,231
3.2.2.2. Forward foreign currency sales		102,563	2,213,947	2,316,510	3,123,724	4,111,870	7,235,594
3.2.2. Currency and interest rate swaps		70,876,879	287,834,115	358,710,994	40,925,228	215,893,398	256,818,626
3.2.2.1. Currency swap purchase transactions		1,203,410	111,120,081	112,323,491	849,742	69,892,062	70,741,804
3.2.2.2. Currency swap sale transactions		68,163,469	32,235,508	100,398,977	37,905,486	20,580,683	58,486,169
3.2.2.3. Interest rate swap purchase transactions		755,000	72,239,263	72,994,263	1,085,000	62,710,327	63,795,327
3.2.2.4. Interest rate swap sale transactions		755,000	72,239,263	72,994,263	1,085,000	62,710,326	63,795,326
3.2.3. Currency, interest rate and security options		17,977,076	18,646,439	36,623,515	2,536,251	4,745,424	7,281,675
3.2.3.1. Currency purchase options		17,977,076	688,014	18,665,090	1,664,791	1,939,892	3,604,683
3.2.3.2. Currency sale options		-	17,958,425	17,958,425	871,460	2,805,532	3,676,992
3.2.3.3. Interest rate purchase options		-	-	-	-	-	-
3.2.3.4. Interest rate sale options		-	-	-	-	-	-
3.2.3.5. Security purchase options		-	-	-	-	-	-
3.2.3.6. Security sale options		-	-	-	-	-	-
3.2.4. Currency futures		2,225,450	2,129,800	4,355,250	-	-	-
3.2.4.1. Currency purchases futures		-	2,129,800	2,129,800	-	-	-
3.2.4.2. Currency sales futures		2,225,450	-	2,225,450	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate purchases futures		-	-	-	-	-	-
3.2.5.2. Interest rate sales futures		-	-	-	-	-	-
3.2.6. Other		5,835,754	63,183,182	69,018,936	8,410,404	62,825,293	71,235,697
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		10,949,238,728	11,212,675,998	22,161,914,726	6,536,087,428	7,929,123,346	14,465,210,774
IV. ITEMS HELD IN CUSTODY		99,641,264	42,597,497	142,238,761	74,480,687	29,968,276	104,448,963
4.1. Assets under management		-	-	-	-	-	-
4.2. Securities held in custody		53,802,764	22,795,772	76,598,536	48,632,002	15,941,897	64,573,899
4.3. Checks received for collection		30,435,219	2,684,278	33,119,497	20,996,825	4,284,423	25,281,248
4.4. Commercial notes received for collection		3,488,791	2,592,723	6,081,514	2,240,089	1,384,626	3,624,715
4.5. Other assets received for collection		2,152	741	2,893	2,152	536	2,688
4.6. Securities received for public offering		-	-	-	-	-	-
4.7. Other items under custody		309	8,814,396	8,814,705	309	4,131,708	4,132,017
4.8. Custodians		11,912,029	5,709,587	17,621,616	2,609,310	4,225,086	6,834,396
V. PLEDGED ITEMS		1,820,209,912	587,095,429	2,407,305,341	1,176,944,808	445,151,990	1,622,096,798
5.1. Marketable securities		2,248,928	1,469,457	3,718,385	415,988	555,091	971,079
5.2. Guarantee notes		3,985,928	8,224,031	12,209,959	1,435,450	7,150,950	8,586,400
5.3. Commodity		152,671,903	7,681,734	160,353,637	129,796,090	5,966,459	135,762,549
5.4. Warrant		-	-	-	-	-	-
5.5. Immovables		1,423,632,538	483,966,654	1,907,599,192	879,409,988	363,737,452	1,243,147,440
5.6. Other pledged items		237,337,319	85,547,213	322,884,532	165,412,990	67,579,365	232,992,355
5.7. Depositories receiving pledged items		333,296	206,340	539,636	474,302	162,673	636,975
VI. ACCEPTED GUARANTEES AND WARRANTS		9,029,387,552	10,582,983,072	19,612,370,624	5,284,661,933	7,454,003,080	12,738,665,013
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		11,306,845,928	11,872,071,108	23,178,917,036	6,746,995,528	8,425,711,162	15,172,706,690

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

	Notes	Current Period January 1, 2022- September 30, 2022	Current Period July 1, 2022- September 30, 2022	Prior Period January 1, 2021- September 30, 2021	Prior Period July 1, 2021- September 30, 2021
I. INTEREST INCOME	V-IV-1	97,415,739	38,893,686	48,922,498	18,216,371
1.1 Interest on loans	V-IV-1	59,141,319	23,436,248	36,621,848	13,237,668
1.2 Interest received from reserve deposits		273,019	-	620,443	256,211
1.3 Interest received from banks	V-IV-1	175,132	140,381	13,277	3,930
1.4 Interest received from money market transactions		6,577	5,965	1,719	-
1.5 Interest received from marketable securities portfolio	V-IV-1	37,592,178	15,219,885	11,659,588	4,717,402
1.5.1 Financial assets at fair value through profit or loss		259,366	90,320	120,283	53,495
1.5.2 Financial assets at fair value through other comprehensive income		15,934,726	6,067,481	5,677,611	2,285,692
1.5.3 Financial assets measured at amortised cost		21,398,086	9,062,084	5,861,694	2,378,215
1.6 Finance lease interest income		-	-	-	-
1.7 Other interest income		227,514	91,207	5,623	1,160
II. INTEREST EXPENSES	V-IV-2	58,030,181	23,223,739	38,354,233	13,506,584
2.1 Interest on deposits	V-IV-2	39,698,449	17,551,811	23,072,203	7,955,808
2.2 Interest on funds borrowed	V-IV-2	2,531,898	1,103,174	987,463	346,501
2.3 Interest on money market transactions		9,132,222	2,314,365	9,921,935	3,673,813
2.4 Interest on securities issued	V-IV-2	5,752,681	2,082,799	4,185,123	1,481,289
2.5 Leasing interest income		168,116	65,510	107,904	40,142
2.6 Other interest expenses		746,815	106,080	79,605	9,031
III. NET INTEREST INCOME/EXPENSE (I - II)		39,385,558	15,669,947	10,568,265	4,709,787
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		7,198,176	3,079,260	3,092,370	1,163,792
4.1 Fees and commissions received		9,137,941	3,892,617	4,056,771	1,543,486
4.1.1 Non-cash loans		1,283,947	495,396	697,411	246,743
4.1.2 Other		7,853,994	3,397,221	3,359,360	1,296,743
4.2 Fees and commissions paid		1,939,765	813,357	964,401	379,694
4.2.1 Non-cash loans		210	68	193	63
4.2.2 Other		1,939,555	813,289	964,208	379,631
V. DIVIDEND INCOME		148,351	2,003	120,452	207
VI. TRADING PROFIT/LOSS (Net)	V-IV-3	3,100,898	1,507,393	(3,813,615)	(1,845,984)
6.1 Profit/losses from capital market transactions	V-IV-3	1,105,059	518,086	623,636	71,748
6.2 Profit/losses from derivative financial transactions	V-IV-3	(1,132,939)	(230,039)	(4,926,478)	(2,086,905)
6.3 Foreign exchange profit/losses	V-IV-3	3,128,778	1,219,346	489,227	169,173
VII. OTHER OPERATING INCOME	V-IV-4	7,392,668	2,346,247	6,276,341	1,351,356
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		57,225,651	22,604,850	16,243,813	5,379,158
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-5	15,096,546	3,390,459	6,422,946	1,954,354
X. OTHER PROVISION EXPENSES (-)	V-IV-5	7,920,864	5,501,864	404,441	1,800
XI. PERSONNEL EXPENSES (-)		4,817,175	1,829,652	2,771,590	965,884
XII. OTHER OPERATING EXPENSES (-)	V-IV-6	6,510,952	2,650,592	3,890,256	1,382,919
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		22,880,114	9,232,283	2,754,580	1,074,201
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XVI. NET MONETARY POSITION GAIN/LOSS	V-IV-7	-	-	-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-8	22,880,114	9,232,283	2,754,580	1,074,201
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-10	(7,269,998)	(3,640,781)	(576,707)	(306,791)
18.1 Current tax provision	V-IV-10	(15,825,893)	(5,326,135)	(180,152)	(19,822)
18.2 Expense effect of deferred tax (+)	V-IV-10	(4,420,737)	(593,938)	(2,489,665)	(848,950)
18.3 Income effect of deferred tax (-)	V-IV-10	12,976,632	2,279,292	2,093,110	561,981
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	V-IV-9	15,610,116	5,591,502	2,177,873	767,410
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from assets held for sale		-	-	-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-	-	-
20.3 Other income from discontinued operations		-	-	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS(-)		-	-	-	-
21.1 Expenses on assets held for sale		-	-	-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-	-	-
21.3 Other expenses from discontinued operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current tax provision		-	-	-	-
23.2 Expense effect of deferred tax (+)		-	-	-	-
23.3 Income effect of deferred tax (-)		-	-	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET PROFIT/LOSSES (XIX+XXIV)	V-IV-11	15,610,116	5,591,502	2,177,873	767,410
25.1 Equity holders of the Bank		-	-	-	-
25.2 Non-controlling interest (-)		-	-	-	-
Profit/Loss per 100 shares (full TL)	I-XXIV	2.4554	0.7862	0.5576	0.1965

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period January 1, 2022- September 30, 2022	Prior Period January 1, 2021- September 30, 2021
I.	PROFIT (LOSS)	15,610,116	2,177,873
II.	OTHER COMPREHENSIVE INCOME	9,441,922	(363,269)
2.1.	Other comprehensive income that will not be reclassified to profit or loss	554,825	(115,512)
2.1.1.	Gains (Losses) on Revaluation of Property, Plant and Equipment	(12,302)	-
2.1.2.	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3.	Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4.	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	652,192	(121,565)
2.1.5.	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(85,065)	6,053
2.2.	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	8,887,097	(247,757)
2.2.1.	Exchange Differences on Translation	-	-
2.2.2.	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	11,982,184	(309,948)
2.2.3.	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4.	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5.	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6.	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	(3,095,087)	62,191
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	25,052,038	1,814,604

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Paid in Capital		Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss		Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss				Profit Reserves	Prior Period Net Income (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity
						1	2	3	4	5	6				
Notes															
Current Period September 30, 2022															
I.	Prior Period End Balance	3,905,622	6,303,277	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	4,175,464	-	51,952,740
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	3,905,622	6,303,277	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	4,175,464	-	51,952,740
IV.	Total Comprehensive Income	-	-	-	-	(34,245)	14,432	574,638	-	8,887,097	-	-	-	15,610,116	25,052,038
V.	Capital Increase by Cash	3,205,742	10,165,282	-	-	-	-	-	-	-	-	-	-	-	13,371,024
VI.	Capital Increase by Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	449,040	-	-	-	-	-	-	188,919	(188,919)	-	449,040
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	3,986,545	(3,986,545)	-	-
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3,986,545	(3,986,545)	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance	7,111,364	16,468,559	-	1,215,268	811,079	(216,479)	3,394,546	80,727	10,508,151	-	35,841,511	-	15,610,116	90,824,842

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

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Prior Period Net Income (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity	
	Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves			
Prior Period September 30, 2021															
I.	Prior Period End Balance	3,905,622	6,303,277	-	496,202	848,320	(180,215)	2,516,168	80,727	848,510	-	25,754,720	5,911,327	-	46,484,658
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	3,905,622	6,303,277	-	496,202	848,320	(180,215)	2,516,168	80,727	848,510	-	25,754,720	5,911,327	-	46,484,658
IV.	Total Comprehensive Income	-	-	-	-	-	-	(115,512)	-	(247,757)	-	-	-	2,177,873	1,814,604
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	-	-	-	202,779	-	-	-	-	-	-	818,133	(818,133)	-	202,779
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	5,093,194	(5,093,194)	-	-
11.1.	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	5,093,194	(5,093,194)	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance	3,905,622	6,303,277	-	698,981	848,320	(180,215)	2,400,656	80,727	600,753	-	31,666,047	-	2,177,873	48,502,041

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

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

	Notes	Current Period September 30, 2022	Prior Period September 30, 2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		29,820,996	3,880,340
1.1.1 Interests received		76,977,581	47,852,473
1.1.2 Interests paid		(56,901,727)	(37,988,755)
1.1.3 Dividends received		148,351	120,452
1.1.4 Fee and commissions received		7,841,292	4,241,494
1.1.5 Other income		367,874	164,635
1.1.6 Collections from previously written-off loans and other receivables		3,125,817	2,558,525
1.1.7 Cash payments to personnel and service suppliers		(5,207,884)	(2,771,651)
1.1.8 Taxes paid		(1,804,371)	(2,630,694)
1.1.9 Other		5,274,063	(7,666,139)
1.2 Changes in operating assets and liabilities		(27,806,539)	1,170,701
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		1,134,220	(4,382,176)
1.2.2 Net increase (decrease) in due from banks		(50,374,135)	(4,460,611)
1.2.3 Net increase (decrease) in loans		(159,454,147)	(63,525,049)
1.2.4 Net increase (decrease) in other assets		(13,221,041)	9,556,260
1.2.5 Net increase (decrease) in bank deposits		21,016,291	(2,382,885)
1.2.6 Net increase (decrease) in other deposits		254,854,979	53,235,505
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		(1,424,515)	10,267,640
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(80,338,191)	2,862,017
I. Net cash flow provided from banking operations		2,014,457	5,051,041
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(25,350,879)	(18,998,394)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures		(237,216)	(280,066)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures		1,750	-
2.3 Cash paid for the purchase of tangible and intangible asset		(5,425,215)	(1,396,757)
2.4 Cash obtained from the sale of tangible and intangible asset		1,517,572	1,275,227
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income		(20,182,243)	(31,999,565)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income		24,646,074	11,957,133
2.7 Cash paid for the purchase of financial assets at amortized cost		(27,378,526)	(1,261,761)
2.8 Cash obtained from sale of financial assets at amortized cost		1,874,785	2,748,820
2.9 Other		(167,860)	(41,425)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		14,966,733	3,741,642
3.1 Cash obtained from funds borrowed and securities issued		30,570,288	13,513,786
3.2 Cash outflow from funds borrowed and securities issued		(15,230,669)	(9,486,573)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance lease liabilities		(372,886)	(285,571)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		336,151	89,507
V. Net increase/decrease in cash and cash equivalents		(8,033,538)	(10,116,204)
VI. Cash and cash equivalents at beginning of the period		98,641,540	55,051,595
VII. Cash and cash equivalents at end of the period		90,608,002	44,935,391

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

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

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI
UNCONSOLIDATED FINANCIAL REPORT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

**SECTION THREE
ACCOUNTING POLICIES**

I. BASIS OF PRESENTATION

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

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

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

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

Covid-19 virus, which first appeared in China and spread rapidly worldwide in a short time, started to appear in our country in March, 2020. Declared as an epidemic by the World Health Organization, Covid-19 had economic and social impacts worldwide. In order to slow down the epidemic, many measures have been taken, including in our country, to restrict travels around the world, to take quarantine measures, to increase distance work, and various arrangements are made to reduce the economic effects of the epidemic. The Bank has explained the effects of Covid-19, which it reflects in the financial statements dated September 30, 2022, in the following sections.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from January 1, 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance. The process for the Benchmark Interest Rate Reform is expected to be completed by December 31, 2021, and the Bank's efforts to adapt to the changes continue. As of September 30, 2022, the Bank has no hedging transactions based on the benchmark interest rate.

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ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

According to the statement declared by POA on January 20, 2022, it has been stated that there is no requirement for entities that apply TFRS to make any adjustments within the scope of TAS 29 Financial Reporting Standard in High Inflation Economies in the financial statements of 2021. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements as of September 30, 2022. In this respect, no inflation adjustment was made in accordance with TAS 29 while preparing the unconsolidated financial statements as of September 30, 2022, 2022.

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

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

Additional paragraph for convenience translation to English

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

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

Strategy for the use of financial instruments

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

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

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

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ACCOUNTING POLICIES (Continued)

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

Strategy for the use of financial instruments (Continued)

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

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

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

Information on foreign currency transactions

Exchange differences arising on amortized cost of financial assets at fair value through profit or loss are recognized in the profit or loss statement. Exchange differences arising on unrealized gains and losses are recognized in other comprehensive income or expense in profit or loss. Foreign exchange profits and losses arising from the translation of monetary items and the collection and payment of foreign currency transactions are included in the profit or loss 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 profit or loss statement, the exchange differences calculated on unrealized gains and losses are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss item in equity.

In March 24, 2020, Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (ESV) shares, which are presented in the paid-in capital of Vakıfbank International AG Turkey Foundations Bank, are purchased by the Bank. Because of the exchange risk arise from the 75.7 Million EUR of Vakıfbank International AG's paid-in capital shares amounting to 100 Million EUR, the fair value hedging strategy has been applied. In this context, 76 Million EUR portion of the securities issued by the Bank on 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 profit or loss statement as long as the hedging transaction is effective. In this context, as of September 30, 2022, the foreign exchange income presented in the profit or loss statement is 218,541 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, 2022, it was identified that the evaluations that were made about the process to protect from the fair value risk were effective. Efficiency testing, which is consistent with the Bank's risk strategies, is conducted using the "Dollar off-set method" in the protection from risk process. According to this method, hedging compares the change in value of protection subject from risk with the change in value of protection tool from risk and calculates the relation with the effectiveness ratio of the hedge. The calculated effectiveness ratio is being evaluated within the TAS 39 Financial Instruments: Recognition and Measurement standards and hedge accounting principles are being applied. The bank documents the hedging strategies along with risk management goals. Hedge accounting ends when protection subject from risk ends or being sold or effectiveness test results are not effective anymore.

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ACCOUNTING POLICIES (Continued)

III. INFORMATION OF ASSOCIATES AND SUBSIDIARIES

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

IV. INFORMATION ON FORWARDS, OPTIONS AND OTHER DERIVATIVE TRANSACTIONS

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

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

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

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

V. INFORMATION ON INTEREST INCOME AND EXPENSES

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

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

VI. INFORMATION ON FEES AND COMMISSIONS

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

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

VII. INFORMATION ON FINANCIAL ASSETS

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

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

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

Classification and Measurement of Financial Instruments

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

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

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

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

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

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

Financial assets at Fair Value Through Profit or Loss

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

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

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

Financial Assets at Fair Value Through Other Comprehensive Income

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

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to profit or loss 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 profit or loss statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

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

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

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 profit or loss statement.

In addition, the Bank's securities portfolio includes, Consumer Price Indexed (CPI) Government Bonds classified as both financial assets at fair value through other comprehensive income and financial assets measured at amortised cost. These securities are valued and recorded according to the effective interest rate method on the basis of the real coupon rates and the reference inflation index at the date of issuance and the index calculated by taking into account the estimated inflation rate. As stated in the Treasury Undersecretary’s CPI Indexed Bonds Investor Guide, the reference indices used in the calculation of the actual coupon payment amounts of these securities are formed according to the CPI ratio of two months ago. The Bank determines the estimated inflation rate in parallel to this. The rate, which is estimated by taking into account the expectations of the Central Bank of the Republic of Turkey and the Bank, is updated when deemed necessary during the year. As stated in the accounting policies, the Bank makes the valuation of the Consumer Price Indexed (CPI) government bonds in its securities portfolio on the basis of the reference index on the date of issuance and the index calculated by taking into account the estimated inflation rate.

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS(Continued)

Derivative Financial Assets

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

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

Loans

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

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS

As of January 1, 2018, the Bank recognizes provisions for expected loss in accordance with IFRS 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 IFRS 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 IFRS 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 IFRS 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.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

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

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

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

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

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

Different macroeconomic models have been created for the individual portfolio and commercial portfolio, and macroeconomic forecasts affect the expected loss provision calculations in two separate scenarios, base and bad. The scenario weights used in the calculation of the “Expected Credit Loss Provision” were reconsidered in the year of 2020 and the weight of negative scenario was increased and adjustments were made in macroeconomic estimates in order to reflect the effects of Covid-19. The same approach has been continued in 2021 and September 2022. The future macroeconomic expectations taken into account into TFRS 9 are in line with the Bank’s current budget and ISEDES forecasts.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

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

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

Macroeconomic forecasts and risk delinquency data used in risk parameter models are re-evaluated every quarter to reflect changes in economic conjuncture and are updated if needed.

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

Staging

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Significant Increase in Credit Risk

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

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

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

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

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

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

Default Definition

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

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

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

Write off Policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. In accordance with the amendment in the related regulation on provisions, the deduction of loans from the records is an accounting practice and does not result in the right to waive. In the current period a write-off transaction has been made for non-performing loans in the amount of TL 2,154,399 for which 100% provision has been made. (December 31, 2021: TL 834,885)

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

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, 2022 and December 31, 2021, there are no transactions of this nature at the 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 Bank’s right and right to sanction to finalize and have the intention to receive/pay related financial asset or liability over the recognized amount or have the right to finalize the related asset and liability simultaneously.

X. INFORMATION ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING

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

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

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

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

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

XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

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

The costs of the intangible assets purchased before 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.

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

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

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ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON TANGIBLE ASSETS

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

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

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

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

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

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

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

XIV. INFORMATION ON LEASING ACTIVITIES

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

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

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

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

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ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON LEASING ACTIVITIES(Continued)

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

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

XV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

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

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

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

XVI. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS

Reserve for employee termination benefits

In accordance with existing Turkish Labor Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at September 30, 2022 is 15,371 (full TL) (December 31, 2021: 8,285 (full TL)).

The Bank reserved for employee severance indemnities in the accompanying unconsolidated financial statements using actuarial method in compliance with the TAS 19 – Employee Benefits.

Other benefits to employees

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

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

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ACCOUNTING POLICIES (Continued)

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

Pension fund

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

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

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

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

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

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

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

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

The technical financial statements of the Fund are audited by the certified actuary according to the “Actuaries Regulation” which is issued as per the Article no. 21 of the 5684 numbered Insurance Law. As per the actuarial report dated September 30, 2022 in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against as at December 31, 2021.

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION

Corporate tax

Law No. 7394 On the Assessment of Immovable Properties Belonging to the Treasury and the Amendment of the Value Added Tax Law, Article 26 of the Law on the Amendment of Certain Laws and Decree Laws published in the Official Gazette no. 31810 dated April 15, 2022, and with the sentence added to the provisional article 13 of the Corporate Tax Law no 5520, the Corporate Tax returns that must be declared starting from July 1, 2022, and applicable to corporate earnings for the taxation period starting from January 1, 2022, the corporate income tax rate is set at the 25%. The tax rate for the 1st Provisional Corporate Income Tax was applied as 23%. The corporate income tax rate is applied to the tax base to be found as a result of deducting the abatements such as the addition of expenses that are not accepted as a deduction in accordance with the tax laws to the commercial earnings of the corporations and the exemption in the tax laws.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Except for the dividend payments to these institutions, the withholding tax rate on the dividend payments is 10%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax. No further tax is paid if the profit is not distributed.

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

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

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

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

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

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

Corporate tax (Continued)

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

Corporation tax legislation for the foreign branches

Bahrain

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

Erbil

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

New York

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

Qatar

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

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

Deferred taxes

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

For the deferred tax assets and liabilities calculated within the scope of TAS 12, deferred tax calculations were made at the rate of 25% for the assets and liabilities as of the end of the reporting period.

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

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

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

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

Transfer Pricing

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

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

XVIII. INFORMATION ON CASH AND CASH EQUIVALENTS

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

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ACCOUNTING POLICIES (Continued)

XIX. ADDITIONAL INFORMATION ON BORROWINGS

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

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

The bank is not hedging about debt instruments.

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES

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

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

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

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

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

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

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ACCOUNTING POLICIES (Continued)

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES(Continued)

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

XXI. INFORMATION ON CONFIRMED BILLS OF EXCHANGE AND ACCEPTANCES

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

XXII. INFORMATION ON GOVERNMENT INCENTIVES

As at September 30, 2022 and December 31, 2021, the Bank does not have any government incentives.

XXIII. INFORMATION ON SEGMENT REPORTING

An operating segment is a component of an entity:

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

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

XXIV. INFORMATION ON OTHER MATTERS

Earnings per share

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

As at and for the period ended September 30, 2022, earnings per 100 shares are full TL 2.4554 (September 30, 2021: full TL 0.5576).

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

None.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT

I. INFORMATION ON EQUITY ITEMS

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

Additionally, the recent revision changes considered are as follows:

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

Pursuant to the BRSA's letter no. 10188 dated April 28, 2022, the exchange rates announced by the CBRT as of December 31, 2021 were used in the calculation of the amount based on credit risk.

As of September 30, 2022 Bank's equity amount TL 125,982,198 (December 31, 2021: 79,523,759 TL) capital adequacy ratio is 15.77% (December 31, 2021: 14.85%).

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	7,111,364	3,905,622
Share Premium	16,468,559	6,303,277
Reserves	35,841,511	31,666,047
Income recognized under equity in accordance with TAS	20,912,218	7,418,705
Profit	15,610,116	4,175,464
Current Period's Profit	15,610,116	4,175,464
Prior Period's Profit	-	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	1,215,268	766,228
Common Equity Tier 1 Capital Before Deductions	97,159,036	54,235,343
Deductions from Common Equity Tier 1 Capital	-	-
Valuation adjustments calculated as per the (i) item of first paragraph of Article 9	-	-
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS	3,172,826	413,830
Leasehold Improvements on Operational Leases	191,118	183,441
Goodwill netted with deferred tax liability	-	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	408,315	274,111
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Excess amount expressed in the law (Article 56 4th paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
The amount to be deducted from common equity tier 1 capital	-	-
Total regulatory adjustments to Common equity Tier 1	3,772,259	871,382
Common Equity Tier 1 capital (CET1)	93,386,777	53,363,961
Additional Tier 1 capital: instruments	17,659,788	15,638,650
Premiums that are not included in Common Equity Tier 1 capital	-	-
Bank's borrowing instruments and related issuance premium	17,659,788	15,638,650
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	-
Additional Tier 1 Capital before deductions	-	-
Deductions from Additional Tier 1 Capital	-	-
Bank's direct or indirect investment in Tier 1 Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%	-	-
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

	Current Period	Prior Period
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	17,659,788	15,638,650
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	111,046,565	69,002,611
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	5,465,245	4,299,907
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	9,493,659	6,232,034
Tier 2 Capital Before Deductions	14,958,904	10,531,941
Deductions From Tier 2 Capital		
Bank's direct or indirect investment in Tier 2 Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by Financial Institutions with the conditions declared in Article 8	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions From Tier 2 Capital	-	-
Tier 2 Capital	14,958,904	10,531,941
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	126,005,469	79,534,552
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)	126,005,469	79,534,552
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 (-)	-	-
Other accounts to be defined by the BRSA (-)	23,271	10,793
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital	125,982,198	79,523,759
Total Risk Weighted Amounts	798,703,333	535,633,275
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	11.69	9.96
Tier 1 Capital Adequacy Ratio (%)	13.90	12.88
Capital Adequacy Ratio (%)	15.77	14.85
BUFFERS		
Total buffer requirement (a+b+c)	2,510	2,506
a) Capital conservation buffer requirement (%)	2,500	2,500
b) Bank specific counter-cyclical buffer requirement (%)	0,010	0,006
c) Systemically important banks buffer requirement (%)*	0,000	0,000
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	7.19	5.46
Amounts below deduction thresholds		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Limits related to provisions considered in Tier 2 calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	17,363,201	12,065,932
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	9,493,659	6,232,034
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Current Period - September 30, 2022						
Issuer	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	XS0849728190/ US90015NAB91	XS1551747733 / US90015WAE30	TRSVKFB92719	TRSVKFBA0043	XS1984644812	TRSVKFB92925
Governing law(s) of the instrument	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity
Regulatory treatment						
Subject to 10% deduction as of 1/1/2015	Subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	-	4,215	525	4,994	12,666	725
Par value of instrument (in million)	11,416	4,215	525	4,994	12,666	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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Coupons / dividends						
Fixed or floating dividend/coupon	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months	Fixed interest rate / Interest payment once in a year	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date
Coupon rate and any related index	6% fixed interest rate	8% fixed interest rate	5 years maturity “Indicator Government Debt Security” +350 basis points	12.62 % fixed interest rate	5.076 % fixed interest rate	TLREF + 150 basis points
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Nil	Nil	Nil	Nil	Nil	Nil
Existence of step up or other incentive to redeem	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible						
If convertible, conversion trigger (s)	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, fully or partially	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, conversion rate	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, mandatory or optional conversion	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify instrument type convertible into	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify issuer of instrument it converts into	Nil	Nil	Nil	Nil	Nil	Nil
Write-down feature						
If write-down, write-down trigger(s)	Not available.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank’s shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity.	Available. BRSA regulation on bank’s shareholder equity and the matters referred to in Article 7 of Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity.	Available. Revoking the business activity of Bank according to 71 clause of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.
If write-down, full or partial	Not available.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.
If write-down, permanent or temporary	Not available.	Has permanent write down feature.	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature.
If temporary write-down, description of write-up mechanism	Not available.	Has no write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.
Whether conditions which stands in article of 7 and 8 of Banks’ shareholder equity law are possessed or not	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 8
According to article 7 and 8 of Banks’ shareholders equity law that are not possessed	Not Possess Article 7	Not Possess Article 7	Not Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2021						
Issuer	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.	T.Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	XS0849728190/ US90015NAB91	XS1551747733 / US90015WAE30	TRSVKFB92719	TRSVKFA0043	XS1984644812	TRSVKFB92925
Governing law(s) of the instrument	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity	Debt Instrument Communiqué numbered CMB- VII-128.8 BRSA regulation on bank’s shareholder equity BRSA Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks’ Equity
		Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	Subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	-	3,050	525	4,994	10,645	725
Par value of instrument (in million)	8,353	3,050	525	4,994	10,645	725
Accounting classification	347011- Subordinated Liabilities	347011- Subordinated Liabilities	346011- Subordinated Liabilities	346001- Subordinated Liabilities	347001- Subordinated Liabilities	346011-Subordinated Liabilities
Original date of issuance	November 1, 2012	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Perpetual or dated	Dated (10 years) Maturity Date: November 1, 2022	Dated (10 years) Maturity Date: November 1, 2027	Dated (10 years) Maturity Date: September 6, 2027	Undated	Undated	Dated (10 years) Maturity Date: September 14, 2029
Issue date	November 1, 2012	February 13, 2017	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available
Call option dates, conditioned call dates and call amount	Not available.	Early call date at November 1, 2022 is available.	Early call date at the end of five years.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call date at the end of five years.
Subsequent call dates, if applicable	Not available.	Only one call option is available.	Only one call option is available.	September 27, 2023	April 24, 2024	Only one call option is available

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I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2021

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Reconciliation of capital items to balance sheet:

	Current Period September 30, 2022	Prior Period December 31, 2021
Shareholders' equity	90,824,842	51,952,740
Valuation differences of the marketable securities	3,161,368	1,868,773
Leasehold improvements on operational leases	(191,118)	(183,441)
Goodwill and intangible assets	(408,315)	(274,111)
General provision (1.25% of the amount that subject to credit risk)	9,493,659	6,232,034
Subordinated debt	23,125,033	19,938,557
Deductions from shareholders' equity	(23,271)	(10,793)
Capital	125,982,198	79,523,759

(*) In accordance with the BRSA regulation dated December 21, 2021, and numbered 9996, in calculating the capital adequacy ratio, the equity amount calculated without taking into consideration the negative valuation differences of the securities in the “Fair Value of Financial Assets Through Other Comprehensive Income” portfolio, which was obtained before this date, was used.

(**) Pursuant to the BRSA's letter dated April 28, 2022 and numbered 10188, the exchange rates announced by the CBRT as of 31 December 2021 were used in the calculation of the amount based on credit risk.

II. FOREIGN CURRENCY EXCHANGE RISK

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

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

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

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

As at September 30, 2022 and December 31, 2021 the Bank does not have derivative financial instruments held for risk management.

Foreign exchange risk management policy

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

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

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

	US Dollar	Euro
The Bank's foreign currency purchase rate at the balance sheet date	18.5200	18.09459
Foreign currency purchase rates for the days before balance sheet date:		
Day 1	18.5326	18.0526
Day 2	18.5198	17.8096
Day 3	18.4824	17.7533
Day 4	18.4470	17.8290
Day 5	18.4116	17.9384
Last 30-days arithmetical average rate	18.2749	18.1352

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Information on currency risk

Current Period - September 30, 2022	Euro	US Dollar	Other FC	Total
<i>Assets:</i>				
Cash and balances with the Central Bank of Republic of Turkey	68,069,157	68,799,167	13,930,928	150,799,252
Banks	7,164,719	29,989,531	10,645,834	47,800,084
Financial assets at fair value through profit or loss ⁽⁶⁾	-	324,360	14,795,616	15,119,976
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	19,372,789	79,383,351	-	98,756,140
Loans ⁽¹⁾	131,753,536	142,995,340	314,396	275,063,272
Associates, subsidiaries and joint-ventures	1,629,020	-	-	1,629,020
Financial assets measured at amortized cost	16,818,155	14,952,299	-	31,770,454
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	39,739	4,524	44,263
Intangible assets	-	946	-	946
Other assets ⁽²⁾	1,262,285	5,976,650	17,611	7,256,546
Total assets	246,069,661	342,461,383	39,708,909	628,239,953
<i>Liabilities:</i>				
Bank deposits	17,742,113	11,163,111	2,696,917	31,602,141
Foreign currency deposits	157,734,625	219,569,414	42,444,738	419,748,777
Interbank money market takings ⁽³⁾	4,094,424	23,384,483	-	27,478,907
Other funding	38,292,803	63,605,611	8,284,768	110,183,182
Securities issued	12,948,048	76,143,314	1,650,848	90,742,210
Miscellaneous payables	4,242,942	2,378,274	2,209	6,623,425
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities ⁽²⁾	1,096,191	7,204,139	144,800	8,445,130
Total liabilities	236,151,146	403,448,346	55,224,280	694,823,772
Net ‘on balance sheet’ position	9,918,515	(60,986,963)	(15,515,371)	(66,583,819)
Net ‘off-balance sheet’ position	(7,767,085)	60,813,002	15,182,737	68,228,654
Derivative assets ⁽⁴⁾	23,621,242	96,012,071	18,844,730	138,478,043
Derivative liabilities ⁽⁴⁾	31,388,327	35,199,069	3,661,993	70,249,389
Non-cash loans ⁽⁵⁾	62,577,624	78,557,666	5,242,004	146,377,294
Prior Period - December 31, 2021	Euro	US Dollar	Other FC	Total
Total assets	192,824,189	264,632,977	26,874,842	484,332,008
Total liabilities	181,135,361	309,571,652	39,918,809	530,625,822
Net ‘on balance sheet’ position	11,688,828	(44,938,675)	(13,043,967)	(46,293,814)
Net ‘off-balance sheet’ position	(9,205,089)	47,522,011	12,990,072	51,306,994
Derivative assets ⁽⁴⁾	10,562,912	57,049,916	21,148,983	88,761,811
Derivative liabilities ⁽⁴⁾	19,768,001	9,527,905	8,158,911	37,454,817
Non-cash loans ⁽⁵⁾	49,879,695	77,774,961	2,754,797	130,409,453

- (1). Foreign currency indexed loans amounting to TL 465,719 (December 31, 2021: TL 522,078) which are presented in TL column in the balance sheet are included in the table above.
- (2). Other Derivative Financial Instruments Currency Income Costs TL 697,483 (31 December 2021: TL 388,490), Prepaid Expenses TL 469,293 (December 31, 2021 : TL 285,522 1st and 2nd stage expected loss provisions (TL 20,355) (December 31, 2021: (17,558)), deferred tax TL 847,083 (December 31,2021 None) and derivative financial instruments currency expense accruals of TL 389,778 (December 31, 2021: 290,286), Expected Credit Loss on Non-Cash Loans amounting to TL 13,004 (December 31, 2021: TL 9,409) unearned income TL 324,574 (December 31, 2021: TL 267,904) and shareholders' equity TL 2,467,793 (December 31, 2021: TL 582,253 are not taken into consideration in the currency risk calculation.
- (3). Subordinated debt are shown under securities issued.
- (4). Asset purchase commitments amounting to TL 15,804,209 (December 31, 2021: TL (4,512,599)) and asset sales commitments amounting to TL 26,186,647 (December 31, 2021: TL 5,593,730) are included.
- (5). Non-cash loans are not taken into consideration in the calculation of the net ‘off-balance sheet’ position.
- (6). The amount in other FX consists of gold-based bonds.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Exposure to currency risk

10% appreciation of the TL against the following currencies as at and for the period ended September 30, 2022 and September 30, 2021 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

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

	Current Period- September 30, 2022		Prior Period- September 30, 2021	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	(21,465)	(21,465)	65,875	65,875
Euro	189,217	189,217	173,853	173,853
Other currencies	(33,716)	(33,716)	807	807
Total, net (**)	134,036	134,036	240,535	240,535

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

(**) Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

10% appreciation of the TL against the following currencies as at and for the period ended September 30, 2022 and September 30, 2021 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	Current Period - September 30, 2022		Prior Period- September 30, 2021	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	21,465	21,465	(65,875)	(65,875)
Euro	(189,217)	(189,217)	(173,853)	(173,853)
Other currencies	33,716	33,716	(807)	(807)
Total, net (**)	(134,036)	(134,036)	(240,535)	(240,535)

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

(**) Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. INTEREST RATE RISK

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

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

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

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

Current Period - September 30, 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<i>Assets:</i>							
Cash and balances with CBRT	-	-	-	-	-	166,081,366	166,081,366
Banks	3,776,456	1,735,271	-	144,789	-	42,809,601	48,466,117
Financial assets at fair value through profit/loss	-	-	-	14,795,615	-	393,256	15,188,871
Interbank money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	42,804,746	14,407,004	69,120,083	46,627,862	8,425,141	90,830	181,475,666
Loans and receivables ⁽¹⁾	202,406,469	206,362,511	220,689,286	86,146,210	78,862,354	19,520,859	813,987,689
Financial assets measured at amortized cost	70,769,246	649,969	5,113,894	32,350,326	16,243,423	-	125,126,858
Other assets ⁽²⁾	4,720,593	13,796,287	966,485	1,702,832	886,766	12,349,649	34,422,612
Total assets	324,477,510	236,951,042	295,889,748	181,767,634	104,417,684	241,245,561	1,384,749,179
<i>Liabilities:</i>							
Bank deposits	36,860,073	5,731,205	499,556	-	-	11,195,331	54,286,165
Other deposits	466,539,785	178,897,011	49,193,605	999,351	757	206,403,580	902,034,089
Interbank money market takings	23,686,342	9,773,293	8,417,977	3,821,357	-	-	45,698,969
Miscellaneous payables	-	-	-	-	-	29,255,378	29,255,378
Securities issued ⁽³⁾	2,746,684	17,050,567	17,478,650	62,185,729	5,993,715	-	105,455,345
Funds borrowed	4,249,628	65,183,479	15,953,162	22,877,498	2,255,990	4,633,325	115,153,082
Other liabilities ⁽⁴⁾	1,455,195	14,277,323	1,270,945	1,199,469	2,340,167	112,323,052	132,866,151
Total liabilities	535,537,707	290,912,878	92,813,895	91,083,404	10,590,629	363,810,666	1,384,749,179
On balance sheet long position	-	-	203,075,853	90,684,230	93,827,055	-	387,587,138
On balance sheet short position	(211,060,197)	(53,961,836)	-	-	-	(122,565,105)	(387,587,138)
Off-balance sheet long position	3,928,953	18,720,937	513,276	2,129,347	-	-	25,292,513
Off-balance sheet short position	-	-	-	-	(2,264,297)	-	(2,264,297)
Net position	(207,131,244)	(35,240,899)	203,589,129	92,813,577	91,562,758	(122,565,105)	23,028,216

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

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

⁽³⁾ Subordinated debts are shown under securities issued.

⁽⁴⁾ Equity is included in non-interest bearing column in other liabilities line.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. INTEREST RATE RISK(Continued)

Prior Period - December 31, 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<i>Assets:</i>							
Cash and balances with CBRT	25,401,559	-	-	-	-	118,747,428	144,148,987
Banks	-	812,580	307,252	121,663	-	20,064,843	21,306,338
Financial assets at fair value through profit/loss	3,611,441	-	631,572	11,696,728	-	463,762	16,403,503
Interbank money market placements	-	-	-	-	-	6,914,400	6,914,400
Financial assets at fair value through other comprehensive income	11,369,433	9,631,299	40,457,150	64,212,470	7,793,705	7,246	133,471,303
Loans and receivables ⁽¹⁾	155,124,137	146,467,816	123,424,740	82,034,755	66,648,862	18,309,561	592,009,871
Financial assets measured at amortized cost	14,842,974	3,763,419	13,441,960	23,860,784	17,952,846	-	73,861,983
Other assets ⁽²⁾	10,442,312	8,168,845	1,494,729	783,169	2,233,791	(4,025,534)	19,097,312
Total assets	220,791,856	168,843,959	179,757,403	182,709,569	94,629,204	160,481,706	1,007,213,697
<i>Liabilities:</i>							
Bank deposits	22,314,690	9,026,003	-	-	-	1,887,187	33,227,880
Other deposits	301,065,932	90,795,430	21,666,080	191,232	548	143,996,285	557,715,507
Interbank money market takings	122,576,810	7,719,245	7,467,266	6,117,463	-	-	143,880,784
Miscellaneous payables	-	-	-	-	-	18,185,250	18,185,250
Securities issued ⁽³⁾	1,455,630	4,659,834	21,323,621	57,548,837	5,955,402	-	90,943,324
Funds borrowed	1,424,536	54,201,377	10,074,107	16,504,095	6,859,145	2,367,270	91,430,530
Other liabilities ⁽⁴⁾	1,189,141	3,698,072	1,582,814	1,028,960	2,679,451	61,651,984	71,830,422
Total liabilities	450,026,739	170,099,961	62,113,888	81,390,587	15,494,546	228,087,976	1,007,213,697
On balance sheet long position	-	-	117,643,515	101,318,982	79,134,658	-	298,097,155
On balance sheet short position	(229,234,883)	(1,256,002)	-	-	-	(67,606,270)	(298,097,155)
Off-balance sheet long position	3,951,650	14,297,259	-	-	-	-	18,248,909
Off-balance sheet short position	-	-	(40,287)	(699,332)	(1,786,197)	-	(2,525,816)
Net position	(225,283,233)	13,041,257	117,603,228	100,619,650	77,348,461	(67,606,270)	15,723,093

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

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

(3) Subordinated debts are shown under securities issued.

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. INTEREST RATE RISK (Continued)

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

	Euro	US Dollar	Yen	TL
	%	%	%	%
Current Period - September 30, 2022				
Assets:				
Cash and balance with CBRT	-	-	-	-
Banks	1.85	3.05	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	3.71	4.45	-	21.03
Loans and receivables	5.41	7.45	-	17.44
Financial assets measured at amortized cost	4.59	6.43	-	31.66
Liabilities:				
Bank deposits	1.88	4.02	-	15.53
Other deposits	2.21	3.00	-	15.29
Interbank money market takings	0.82	4.28	-	11.92
Miscellaneous payables	-	-	-	-
Securities issued (**)	5.08	6.19	-	15.59
Funds borrowed	2.25	5.02	-	12.30
Prior Period - December 31, 2021				
Assets:				
Cash and balance with CBRT	-	-	-	8.50
Banks	0.66	0.06	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	3.69	3.78	-	16.22
Loans and receivables	4.78	7.24	-	16.01
Financial assets measured at amortized cost	4.59	6.34	-	12.59
Liabilities:				
Bank deposits	0.46	0.72	-	17.69
Other deposits	0.41	1.07	-	16.13
Interbank money market takings	1.41	2.06	-	14.04
Miscellaneous payables	-	-	-	-
Securities issued (**)	5.08	6.11	-	15.42
Funds borrowed	1.67	2.51	-	14.19

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

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. STOCK POSITION RISKS

Stock position risks arising from banking book items

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

The accounting applications regarding to share investment that qualifications in associate and at fair value through profit or loss, at fair value through other comprehensive income subsidiary of are disclosed in Section 3 Note III and Note VII.

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

Current Period - September 30, 2022	Comparison		
Stock Investments	Carrying Value	Fair Value^(*)	Market Value^(*)
Stocks quoted in exchange^(*)	3,662,826	3,662,826	3,662,826
1.Stocks Investments Group A	3,662,826	3,662,826	3,662,826
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
Stocks unquoted in exchange^(**)	5,056,620	4,660,297	-

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

^(**) The values of stocks unquoted in exchange are determined according to December 31, 2021 valuation reports prepared by independent valuation companies.

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

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

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. STOCK POSITION RISKS (Continued)

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

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

Portfolio- Current Period September 30, 2022	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total (*)	Included in Supplementary Capital	Total (*)	Included in Supplementary Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	1,772,331	1,772,331
3. Other Stocks	-	1,702,942	1,702,942	-	-
4. Total	-	1,702,942	1,702,942	1,772,331	1,772,331

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

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

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

Explanations on Equity Shares Risk Arising from Banking Book

Portfolio Current Period September 30, 2022	Carrying Value	Total RWA	Minimum Capital Requirement
1.Private Equity Investments	-	-	-
2.Quoted	3,662,826	3,571,910	285,753
3.Other Stocks	5,056,620	4,731,837	378,547
4. Total	8,719,446	8,303,747	664,300

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

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

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

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

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

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

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

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

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

In line with the Covid-19 outbreak, which caused a serious slowdown in global and regional economic activities, liquidity adequacy is constantly monitored through stress tests and scenario analyzes. It is observed that the impact of the Covid-19 outbreak on the Bank's liquidity adequacy is limited.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

In accordance with the "Regulation on the Calculation of the Liquidity Coverage Ratio of Banks" published in the Official Gazette dated March 21, 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.

Current Period – September 30, 2022

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	August 5, 2022	152.77	August 5, 2022	286.84
The highest value	August 19, 2022	210.91	August 19, 2022	594.49

Current Period - September 30, 2022		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			342,398,836	206,276,413
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	368,583,224	202,421,808	33,890,888	20,242,181
3	Stable deposits	59,348,686	-	2,967,434	-
4	Less stable deposits	309,234,538	202,421,808	30,923,454	20,242,181
5	Unsecured wholesale funding, of which:	479,181,689	209,334,971	204,260,447	93,084,462
6	Operational deposits	325,969,853	134,970,467	81,448,432	33,742,617
7	Non-operational deposits	92,685,405	48,755,759	62,392,467	33,819,263
8	Other Unsecured debts	60,526,431	25,608,745	60,419,548	25,522,582
9	Secured wholesale funding			-	-
10	Other cash outflows, of which;	55,579,453	17,646,747	55,579,453	17,646,747
11	Outflows related to derivative exposures and other collateral requirements	55,329,912	17,646,747	55,329,912	17,646,747
12	Outflows related to loss of funding on debt products	249,541	-	249,541	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	104,822,210	93,105,336	5,241,111	4,655,267
15	Other contingent funding obligations	227,390,607	74,739,957	18,068,358	5,751,597
16	TOTAL CASH OUTFLOWS			317,040,257	141,380,254
CASH INFLOWS					
17	Secured lending	155,920	-	-	-
18	Unsecured lending	91,745,646	46,713,337	74,891,199	42,244,545
19	Other cash inflows	54,602,252	53,038,544	54,602,252	53,038,544
20	TOTAL CASH INFLOWS	146,503,818	99,751,881	129,493,451	95,283,089
Upper Limit Applied Amounts					
21	TOTAL HQLA			342,398,836	206,276,413
22	TOTAL NET CASH OUTFLOWS			187,546,806	46,097,165
23	LIQUIDITY COVERAGE RATIO (%)			182.36	431.78

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Prior Period - December 31, 2021

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

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

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

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

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

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

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

Maturity analysis of assets and liabilities according to remaining maturities

Current Period – September 30, 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (1)	Total
Assets:								
Cash and balance with CBRT	147,465,845	18,615,521	-	-	-	-	-	166,081,366
Banks	45,541,009	1,045,048	1,735,271	-	144,789	-	-	48,466,117
Financial assets at fair value through profit/loss	17,712	-	-	-	14,795,615	-	375,544	15,188,871
Interbank money market placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	36,205	3,587,152	64,310,598	79,161,020	34,289,861	90,830	181,475,666
Loans and receivables	-	62,294,125	49,631,589	196,233,915	271,157,555	215,149,646	19,520,859	813,987,689
Financial assets measured at amortized cost	-	4,378,541	-	11,266,839	54,059,424	55,422,054	-	125,126,858
Other assets ⁽³⁾	28,026	6,553,573	3,739,985	902,607	6,990,680	9,774,658	6,433,083	34,422,612
Total assets	193,052,592	92,923,013	58,693,997	272,713,959	426,309,083	314,636,219	26,420,316	1,384,749,179
Liabilities:								
Bank deposits	11,195,331	36,860,073	5,731,205	499,556	-	-	-	54,286,165
Other deposits	206,403,580	466,539,785	178,897,011	49,193,605	999,351	757	-	902,034,089
Funds borrowed	-	1,559,721	13,830,415	36,432,662	42,325,521	21,004,763	-	115,153,082
Interbank money market takings	-	22,995,544	1,223,264	10,506,450	-	335,370	-	45,698,969
Securities issued ⁽²⁾	-	2,492,034	12,725,269	13,015,059	72,867,230	4,355,753	-	105,455,345
Miscellaneous payables	-	19,123,219	-	-	-	-	10,132,159	29,255,378
Other liabilities	79	1,398,951	12,820,770	262,168	1,644,612	4,421,677	112,317,894	132,866,151
Total liabilities	217,598,990	550,969,327	225,227,934	109,909,500	128,475,055	30,118,320	122,450,053	1,384,749,179
Liquidity gap	(24,546,398)	(458,046,314)	(166,533,937)	162,804,459	297,834,028	284,517,899	(96,029,737)	-
Net Off Balance Sheet Position	-	428,190	917,855	1,024,836	8,031,055	3,059,132	-	13,461,068
Receivables from Derivative Financial Instruments	-	87,394,720	21,435,689	6,291,426	56,310,057	72,035,377	-	243,467,269
Payables from Derivative Financial Instruments	-	86,966,530	20,517,834	5,266,590	48,279,002	68,976,245	-	230,006,201
Non-cash Loans	81,290,768	9,700,339	28,161,161	92,529,138	31,312,851	4,041,131	-	247,035,388
Prior Period – December 31, 2021								
Total assets	164,241,422	70,723,368	39,819,044	139,856,028	360,394,540	220,723,562	11,455,733	1,007,213,697
Total liabilities	145,883,472	458,208,149	115,811,467	74,478,065	110,819,266	33,771,574	68,241,704	1,007,213,697
Liquidity gap	18,357,950	(387,484,781)	(75,992,423)	65,377,963	249,575,274	186,951,988	(56,785,971)	-
Net Off Balance Sheet Position	-	8,054,170	757,384	309,989	3,720,350	4,262,132	-	17,104,025
Receivables from Derivative Financial Instruments	-	59,675,583	9,574,660	17,903,715	28,260,382	68,052,584	-	183,466,924
Payables from Derivative Financial Instruments	-	51,621,413	8,817,276	17,593,726	24,540,032	63,790,452	-	166,362,899
Non-cash Loans	78,778,041	13,223,627	22,155,655	45,427,011	29,392,087	3,162,907	-	192,139,328

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

(2) Subordinated debt are shown under securities issued.

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

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

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VI. LEVERAGE RATIO

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

The Bank’s unconsolidated leverage rate which is calculated due to “Regulation on Banks’ Measurement and Evaluation of Leverage Level” actualised as 6.06%. Increase in balance sheet assets and Tier I Capital transactions resulted in change in comparison with previous period (December 31, 2021: 5.51%) leverage rate. The Regulation adjudicated minimum leverage rate as 3%.

Leverage ratio common disclosure template

	Current Period September 30, 2022 ^(*)	Prior Period December 31, 2021 ^(*)
On-balance sheet exposures		
1. On-balance sheet items (excluding derivatives and SFTs; including collateral)	1,355,347,473	917,822,488
2. Assets deducted in determining Basel III Tier 1 capital	(550,892)	(454,973)
3. Total on-balance sheet exposures (excluding derivatives and SFTs)	1,354,796,581	917,367,515
Derivative exposures		
4. Replacement cost	11,742,094	18,000,551
5. Add-on amount	1,883,017	2,283,055
6. Total derivative exposures	13,625,111	20,283,606
Securities financing transaction exposures		
7. Gross SFT assets (with no recognition of accounting netting)	9,479,547	12,616,615
8. Agent transaction exposures	-	-
9. Total securities financing transaction exposures	9,479,547	12,616,615
Other off-balance sheet exposures		
10. Off-balance sheet exposures with gross nominal amount	518,708,057	334,234,825
11. Adjustment amount off-balance sheet exposures with credit conversion factor	(167,731,827)	(104,680,461)
12. Total off-balance sheet exposures	350,976,230	229,554,364
Capital and total exposures		
13. Tier 1 capital	104,887,697	64,675,456
14. Total exposures	1,728,877,469	1,179,822,100
Leverage ratio		
15. Leverage ratio	6.06	5.51

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

VII. SEGMENT REPORTING

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

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

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

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. SEGMENT REPORTING (Continued)

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	15,102,931	35,375,196	46,710,098	227,514	97,415,739
Interest Expense	13,977,502	24,361,054	19,517,606	174,019	58,030,181
Net Interest Income/Losses(Net)	1,125,429	11,014,142	27,192,492	53,495	39,385,558
Net Fees and Commissions Income	1,607,300	5,098,718	492,158	-	7,198,176
Dividend Income	-	-	148,351	-	148,351
Trading Income/ Losses (Net)	-	-	3,100,898	-	3,100,898
Other Income	-	-	-	7,392,668	7,392,668
Allowance for Expected Credit Losses	-	-	-	23,017,410	23,017,410
Other Expenses	-	-	-	11,328,127	11,328,127
Profit Before Taxes	2,732,729	16,112,860	30,933,899	(26,899,374)	22,880,114
Provision for taxes	-	-	-	-	(7,269,998)
Net Profit/ Loss					15,610,116
Segment Assets	161,804,454	490,204,567	671,902,094	52,584,992	1,376,496,107
Subsidiaries and Associates (Net)	-	-	8,253,072	-	8,253,072
TOTAL ASSETS	161,804,454	490,204,567	680,155,166	52,584,992	1,384,749,179
Segment Liabilities	360,025,042	549,858,942	318,572,983	65,467,370	1,293,924,337
Equity	-	-	-	90,824,842	90,824,842
TOTAL LIABILITIES	360,025,042	549,858,942	318,572,983	156,292,212	1,384,749,179

Prior Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	10,170,550	21,430,978	17,315,347	5,623	48,922,498
Interest Expense	9,395,355	13,055,004	15,876,621	27,253	38,354,233
Net Interest Income/Losses(Net)	775,195	8,375,974	1,438,726	(21,630)	10,568,265
Net Fees and Commissions Income	766,642	2,083,991	241,737	-	3,092,370
Dividend Income	-	-	120,452	-	120,452
Trading Income/ Losses (Net)	-	-	(3,813,615)	-	(3,813,615)
Other Income	-	-	-	6,276,341	6,276,341
Expected Credit Loss and Other Provision Expenses	-	-	-	6,827,387	6,827,387
Other Expenses	-	-	-	6,661,846	6,661,846
Profit Before Taxes	1,541,837	10,459,965	(2,012,700)	(7,234,522)	2,754,580
Provision for taxes	-	-	-	-	(576,707)
Net Profit/ Loss					2,177,873
Segment Assets	128,055,671	338,478,160	509,701,254	24,280,779	1,000,515,864
Subsidiaries and Associates (Net)	-	-	6,697,833	-	6,697,833
TOTAL ASSETS	128,055,671	338,478,160	516,399,087	24,280,779	1,007,213,697
Segment Liabilities	241,249,058	320,581,553	360,860,697	32,569,649	955,260,957
Equity	-	-	-	51,952,740	51,952,740
TOTAL LIABILITIES	241,249,058	320,581,553	360,860,697	84,522,389	1,007,213,697

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. INFORMATION ON RISK MANAGEMENT

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

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

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

Risk Weighted Amounts

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period- September 30, 2022	Prior Period - December 31, 2021	Current Period- September 30, 2022
1 Credit Risk (excluding counterparty credit risk) ^(*)	742,711,344	489,312,822	59,416,908
2 Standardised approach	742,711,344	489,312,822	59,416,908
3 Internal rating based approach	-	-	-
4 Counterparty Credit Risk	16,763,633	9,242,103	1,341,091
5 Standardised approach for counterparty credit risk	16,763,633	9,242,103	1,341,091
6 Internal model method	-	-	-
7 Equity position in banking book under basic risk weighting or internal rating based	-	-	-
8 Equity investments in funds – look-through approach	17,712	7,806	1,417
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – 1250% weighted risk approach	-	-	-
11 Settlement Risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory formula approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
16 Market risk	6,470,782	7,469,054	517,662
17 Standardised approach	6,470,782	7,469,054	517,662
18 Internal model approaches	-	-	-
19 Operational Risk	32,739,862	29,601,490	2,619,189
20 Basic Indicator Approach	32,739,862	29,601,490	2,619,189
21 Standardised approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	798,703,333	535,633,275	63,896,267

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

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SECTION FIVE

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS

1. Cash and balances with Central Bank

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Cash	2,574,118	2,797,780	1,930,251	2,017,698
Central Bank of the Republic of Turkey (*)	11,680,051	141,728,374	26,610,644	109,585,919
Other	1,027,945	6,273,098	819,015	3,185,460
Total	15,282,114	150,799,252	29,359,910	114,789,077

(*) TL 75,515,174 (December 31, 2021: TL 56,969,055) of the foreign currency deposit at Central Bank of the Republic of Turkey consists of foreign currency reserve deposits.

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

In accordance with “Announcement on Reserve Deposits” of CBRT numbered 2013/15, all banks operating in Turkey shall provide a reserve rate ranging from %3.0 to %8.0 (December 31, 2021: ranging from %3.0 to %8.0). For foreign currency liabilities, all banks shall provide a reserve rate ranging from %5 to %26 in US Dollar or Euro (December 31, 2021: ranging from %5 to %26).)

Balances with the Central Bank of Republic of Turkey

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Unrestricted demand deposits	11,136,029	48,118,610	25,948,962	52,616,864
Restricted demand deposits	543,918	-	375,623	-
Unrestricted time deposits	104	-	-	-
Restricted time deposits	-	18,094,590	-	-
Reserve Deposits	-	75,515,174	286,059	56,969,055
Total	11,680,051	141,728,374	26,610,644	109,585,919

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

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

	Current Period - September 30, 2021	Prior Period - December 31, 2020
Collateralized/blocked investment securities	-	14,383,082
Investments subject to repurchase agreements	14,756,099	-
Total	14,756,099	14,383,082

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Positive differences on derivative financial assets held for trading purpose

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Forward transactions	6,713	26,624	1,186,318	5,610
Swap transactions	14,762,600	3,389,853	18,215,437	1,894,303
Futures	-	-	-	-
Options	459	88,400	12,457	173,245
Other	-	-	-	-
Total	14,769,772	3,504,877	19,414,212	2,073,158

The Bank has performed cross currency and interest rate swap transactions that can be canceled. Thus, swap transactions, in the event of certain conditions related to the loan (such as not making a payment) regarding the Bank, may be terminated by not realizing the amount to be paid and paid by any party according to the contract. As of September 30, 2022, the fair value of this transaction is TL 1,755,665, with a nominal amount of 120 million USD and an average maturity of 1.79 years. (As of December 31, 2021, the fair value of this transaction was 1,079,186 TL, with a nominal amount of 120 million USD, and an average maturity of 2.54 years.)

3. Information on banks

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Banks				
Domestic	33	1,257	50	307,252
Foreign	666,000	47,798,827	1,120,350	19,878,686
Foreign Head Offices and Branches	-	-	-	-
Total	666,033	47,800,084	1,120,400	20,185,938

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

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

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	12,975,166	36,006,339	13,880,235	2,604,505
Other	-	-	-	-
Total	12,975,166	36,006,339	13,880,235	2,604,505

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

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Government bonds	2,025	417,601	10,777,067	56,651,084
Treasury bills	-	-	-	-
Other debt securities	-	16,048,786	-	7,615,243
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	2,025	16,466,387	10,777,067	64,266,327

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on financial assets at fair value through other comprehensive income

	Current Period September 30, 2022	Prior Period December 31, 2021
Debt securities	185,016,132	135,177,712
Quoted on a Stock Exchange	184,649,286	134,904,123
Unquoted	366,846	273,589
Equity securities	90,830	7,246
Quoted on a Stock Exchange	-	-
Unquoted	90,830	7,246
Provisions for impairment losses (-)	3,631,296	1,713,655
Total	181,475,666	133,471,303

5. Information on loans

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

	Current Period September 30, 2022		Prior Period December 31, 2021	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders	-	1,406	-	8,344
Legal entities	-	1,406	-	8,344
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	534,869	-	481,072	-
Total	534,869	1,406	481,072	8,344

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

Current Period - September 30, 2022

	Standard loans	Loans and other receivables under close monitoring		
		Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	721,403,159	33,338,763	2,047,375	37,677,533
Loans given to enterprises	172,231,182	16,845,794	1,888,920	36,998,682
Export loans	57,062,632	653,896	-	-
Import loans	-	-	-	-
Loans given to financial sector	21,745,505	6,857	-	-
Consumer loans	125,257,460	1,331,245	12,756	666,182
Credit cards	41,679,365	492,274	145,393	3,010
Other	303,427,015	14,008,697	306	9,659
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	721,403,159	33,338,763	2,047,375	37,677,533

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Agreement has been reached between all lenders, including the Bank, to restructure the debts provided to Ojer Telecommunications INC (OTAS), the main shareholder of Turkish Telecommunications INC (Türk Telekom), and is owned by OTAŞ, Of the 192,500,000,000,000 Group A shares that account for 55% of Türk Telekom's issued capital and are pledged to the guarantee of existing loans, all lenders must be direct or indirect party of LYY Telecommunication INC, which was established as a special purpose company in the Republic of Turkey, was completed on December 21, 2018. The Bank participated in LYY Telecommunication INC. by 4.2559%. At LYY's Ordinary General Assembly Meeting on September 23, 2019, it was decided to convert part of the loan into capital and add it to LYY's capital, and in this context, the fiat value of the Bank's shares in LYY increased from TL 2 to TL 169,483. This amount is shown in the financial statements under the item " Fair Value Through Profit and Loss". In the statements made on the Public Disclosure Platform on March 10, 2022; It has been announced that a Share Transfer Agreement has been signed between the parties for the sale of all shares written on behalf of group A to the Turkish Asset Fund, equivalent to 55% of türk telekom capital owned by LYY. Accordingly, on March 31, 2022, the relevant company was transferred to the Turkey Wealth Fund. A 100% provision has been made for the portion remaining after the collection from the sales and followed as a loan in the financial statements and for the shares followed under the "Financial Assets at Fair Value Through Profit and Loss" item, and the portion followed up as a loan has been classified as non-performing loans as of June 30, 2022. Since there is no reasonable expectation regarding its recovery, it has been deducted from the records together with the specific provision amount within the scope of TFRS 9.

Prior Period - December 31, 2021

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

Current Period - September 30, 2022

	Standard Loans	Loans under close monitoring
12-Month expected credit losses	3,040,955	-
Significant Increase in Credit Risk	-	13,952,794

Prior Period - December 31, 2021

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

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Current Period - September 30, 2022	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	4,477,764	109,223,901	113,701,665
Housing loans	7,578	55,617,593	55,625,171
Automobile loans	14,807	2,207,477	2,222,284
General purpose loans	4,455,379	51,398,831	55,854,210
Other	-	-	-
Consumer loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Retail credit cards – TL	30,913,932	135,430	31,049,362
With instalment	14,079,619	134,556	14,214,175
Without instalment	16,834,313	874	16,835,187
Retail credit cards – FC	80,874	-	80,874
With instalment	-	-	-
Without instalment	80,874	-	80,874
Personnel loans – TL	4,411	244,330	248,741
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	4,411	244,330	248,741
Other	-	-	-
Personnel loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards – TL	284,572	274	284,846
With instalment	120,418	269	120,687
Without instalment	164,154	5	164,159
Personnel credit cards – FC	1,282	-	1,282
With instalment	-	-	-
Without instalment	1,282	-	1,282
Overdraft Checking Accounts – TL (Real person)	13,316,489	-	13,316,489
Overdraft Checking Accounts – FC (Real person)	748	-	748
Total	49,080,072	109,603,935	158,684,007

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

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

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Installment based commercial loans and corporate credit cards

Current Period - September 30, 2022	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	26,624,231	101,583,858	128,208,089
Real estate loans	29,710	1,339,504	1,369,214
Automobile loans	1,203,205	4,587,854	5,791,059
General purpose loans	25,391,316	95,656,500	121,047,816
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	369,902	369,902
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	369,902	369,902
Other	-	-	-
Instalment-based commercial loans – FC	28,689	66,933,463	66,962,152
Real estate loans	-	-	-
Automobile loans	-	25,301	25,301
General purpose loans	28,689	66,908,162	66,936,851
Other	-	-	-
Corporate credit cards – TL	10,771,173	106,220	10,877,393
With instalment	4,244,970	94,017	4,338,987
Without instalment	6,526,203	12,203	6,538,406
Corporate credit cards – FC	26,285	-	26,285
With instalment	-	-	-
Without instalment	26,285	-	26,285
Overdraft Checking Accounts – TL (Corporate)	14,793,952	-	14,793,952
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	52,244,330	168,993,443	221,237,773

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

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Allocation of domestic and overseas loans (*)

	Current Period- September 30, 2022	Prior Period - December 31, 2021
Domestic loans	793,005,345	572,705,445
Foreign loans	1,461,485	994,865
Total	794,466,830	573,700,310

(*) Non-performing loans are not included.

Loans to associates and subsidiaries

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Direct loans to associates and subsidiaries	10,357,221	3,978,742
Indirect loans to associates and subsidiaries	-	-
Total	10,357,221	3,978,742

Specific provisions accounted for loans (Stage 3)

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Loans and receivables with limited collectability	439,881	527,488
Loans and receivables with doubtful collectability	1,165,141	923,721
Uncollectible loans and receivables	14,076,713	12,682,659
Total	15,681,735	14,133,868

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period - September 30, 2022			
Gross Amounts Before The Reserves	142,517	426,891	2,030,239
Loans Which Are Restructured	142,517	426,891	2,030,239
Prior Period - December 31, 2021			
Gross Amounts Before The Reserves	194,082	359,908	1,572,036
Loans Which Are Restructured	194,082	359,908	1,572,036

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Movements in non-performing loan groups

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period - September 30, 2022			
Balance at the beginning of the period	1,093,465	1,811,703	15,404,393
Additions (+)	4,428,059	513	2,062,942
Transfers from other categories of loans under follow-up (+)	-	4,092,036	3,313,169
Transfers to other categories of loans under follow-up (-)	4,092,036	3,313,169	-
Collections (-) ^(*)	555,523	625,681	1,944,613
Write-offs (-) ^(**)	-	-	2,154,399
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	873,965	1,965,402	16,681,492
Provision (-)	439,881	1,165,141	14,076,713
Net balance	434,084	800,261	2,604,779

^(*) 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, 2022, the Bank has TL 2,154,399 out of non-performing loans, which are followed in the fifth group, have no collateral, no reasonable expectations for recovery, and 100% provision has been made, in accordance with the amendment to the Provisions Regulation published by the BRSA in the Official Gazette dated November 27, 2019 and numbered 30961. The amount of loans corresponding to the first part of the loan and the provisions set aside for these have been deducted from the records. After the loans are written off, the Bank's NPL ratio decreased from 2.66% to 2.40%.

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

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

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

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

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

	Group III	Group IV	Group V
	Loans With	Loans With	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	Loans
Current Period - September 30, 2022			
Balance at the end of the period	113,160	262,416	5,535,769
Provision (-)	57,277	171,431	5,000,036
Net balance on balance sheet	55,883	90,985	535,733
Prior Period - December 31, 2021			
Balance at the end of the period	6,313	105,422	4,660,882
Provision (-)	3,810	59,196	3,736,730
Net balance on balance sheet	2,503	46,226	924,152

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

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

	Group III	Group IV	Group V
	Loans With	Loans With	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	Loans
Current Period - September 30, 2022			
Current Period (Net)	434,084	800,261	2,604,779
Consumer and Commercial Loans (Gross)	872,374	1,965,386	16,658,650
Provision (-)	438,294	1,165,128	14,053,885
Consumer and Commercial Loans (Net)	434,080	800,258	2,604,765
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,591	16	22,842
Provision (-)	1,587	13	22,828
Other Loans and Receivables (Net)	4	3	14

	Group III	Group IV	Group V
	Loans With	Loans With	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	Loans
Prior Period - December 31, 2021			
Current Period (Net)	565,977	887,982	2,721,734
Consumer and Commercial Loans (Gross)	1,093,130	1,811,691	15,381,413
Provision (-)	527,153	923,713	12,659,700
Consumer and Commercial Loans (Net)	565,977	887,978	2,721,713
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	335	12	22,980
Provision (-)	335	8	22,959
Other Loans and Receivables (Net)	-	4	21

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

	Group III Loans With Limited Collectability	Group IV Loans With Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net) - September 30, 2022	27,940	76,919	423,462
Interest accruals and valuation differences	59,210	188,495	2,232,778
Provision (-)	31,270	111,576	1,809,316
Prior Period (Net) - December 31, 2021	41,802	87,321	398,494
Interest accruals and valuation differences	90,626	199,687	1,881,468
Provision (-)	48,824	112,366	1,482,974

6. Information on other financial assets measured at amortized cost

Information on measured at amortized cost government debt securities

	Current Period September 30, 2022		Prior Period December 31, 2021	
	TL	FC	TL	FC
Government bonds	93,297,454	19,452,929	48,358,190	15,883,492
Treasury bills	-	-	-	-
Other securities issued by the governments	-	12,168,536	-	9,293,290
Total	93,297,454	31,621,465	48,358,190	25,176,782

Information on financial assets measured at amortized cost

	Current Period September 30, 2022	Prior Period December 31, 2021
Debt Securities	125,126,858	73,861,983
Quoted at stock exchanges	124,977,869	73,593,922
Unquoted at stock exchanges	148,989	268,061
Impairment losses (-)	-	-
Total	125,126,858	73,861,983

The movement table of other financial assets measured at amortized cost

	Current Period September 30, 2022	Prior Period December 31, 2021
Balances at the beginning of the period	73,861,983	58,747,252
Foreign currency differences on monetary assets	6,631,262	9,987,748
Purchases during the period	27,378,526	1,418,048
Disposals through sales/redemptions	(1,874,785)	(2,975,048)
Change in Impairment losses	-	-
Change in amortized costs of the securities (*)	19,129,872	6,683,983
Balances at the end of the period	125,126,858	73,861,983

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

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Current Period - September 30, 2022	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	14,324,628	2,882,232	15,302,019	2,777,662
Investments subject to repurchase agreements	9,517,960	11,969,296	15,355,474	12,168,536
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	35,436,553	14,603,084	62,698,911	16,824,256
Total	59,279,141	29,454,612	93,356,404	31,770,454

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

Prior Period - December 31, 2021	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/blocked investment securities	3,724,514	8,171,526	5,222,046	8,553,080
Investments subject to repurchase agreements	28,266,611	14,139,847	42,200,956	14,987,420
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	719,513	1,576,739	994,138	1,904,343
Total	32,710,638	23,888,112	48,417,140	25,444,843

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

7. Information on investments in associates

Information on investments in associates

Title	Address (City/ Country)	Parent Bank’s Share- If Different, Voting Rights (%)	Bank Risk Group’s Share (%)
1 Kıbrıs Vakıflar Bankası Ltd.	Lefkoşa/KKTC	15.00	15.00
2 Türkiye Sınai Kalkınma Bankası AŞ	İstanbul/Turkey	8.38	8.38
3 Roketsan Roket Sanayi ve Ticaret AŞ (*)	Ankara/ Turkey	9.93	9.93
4 Bankalararası Kart Merkezi AŞ (*)	İstanbul/ Turkey	4.75	4.75
5 KKB Kredi Kayıt Bürosu AŞ (*)	İstanbul/ Turkey	9.09	9.09
6 Güçbirliği Holding AŞ (*)	İzmir/ Turkey	0.07	0.07
7 İzmir Enternasyonal Otelcilik AŞ (*)	İstanbul/ Turkey	5.00	5.00
8 İstanbul Takas ve Saklama Bankası AŞ (*)	İstanbul/ Turkey	4.37	4.37
9 Kredi Garanti Fonu AŞ	Ankara/ Turkey	1.49	1.49
10 Türkiye Ürün İhtisas Borsası AŞ	Ankara/ Turkey	3.00	3.00
11 Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ	İstanbul/ Turkey	33.33	33.33
12 JCR Avrasya Derecelendirme AŞ	İstanbul/ Turkey	2.86	2.86
13 Birleşik İpotek Finansmanı AŞ (*)	İstanbul/ Turkey	8.33	8.33
14 Tasfiye Halinde World Vakıf UBB Ltd. (**)	Lefkoşa/KKTC	83.00	83.62

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year's Profit/(Loss)	Prior Period's Profit/Loss	Fair Value
1	3,366,230	154,902	9,374	193,138	6,082	23,669	20,982	-
2	109,983,362	9,717,065	1,916,981	4,289,959	2,831,001	2,640,644	774,602	6,846,000
3	18,257,555	6,051,080	1,912,117	37,276	2,929	1,969,118	551,824	15,873,364
4	601,847	494,145	107,922	28,736	-	122,202	53,975	-
5	690,984	148,119	320,069	14,206	719	19,581	26,499	-
6	130,403	(219,064)	88,065	1	-	(114,120)	24,476	-
7	80,907	(577,245)	72,652	-	-	(146,718)	(57,703)	-
8	60,377,277	3,446,370	188,246	517,739	87,997	658,669	430,626	-
9	1,975,639	1,186,043	25,815	94,539	-	205,844	87,976	-
10	255,837	223,572	39,466	15,414	-	146,841	28,767	-
11	420,964	327,342	123,853	26,266	-	(22,715)	261	-
12	156,130	138,959	31,453	9,643	-	78,817	46,508	-
13	66,975	64,773	1,609	1,914	885	12,972	-	-
14	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, 2022.

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

Movement table of investments in associates

	Current Period September 30, 2022	Prior Period December 31, 2021
Balance at the beginning of the period	2,047,712	1,394,406
Movements during the period	307,723	653,306
Transfers	-	-
Acquisitions	72,412	-
Bonus shares received	63,745	-
Share of current year profit	-	-
Sales/liquidations	(1,750)	-
Fair value changes	235,038	732,825
Impairment losses	(61,722)	(79,519)
Balance at the end of the period	2,355,435	2,047,712
Capital commitments	20,154	3,150
Share percentage at the end of period (%)	-	-

In the current period, it has been decided to increase the capital of Kıbrıs Vakıflar Bankası LTD from TL 70,000 to TL 100,000. Bonus shares amounting to TL 4,500 corresponding to the Bank's share are shown under Bonus Shares Received in the Movement table of investments in associates

It has been decided to increase the paid-in capital of Roketsan Roket Sanayii ve Ticaret AŞ from TL 147,053 to TL 1,005,842 in the current period. It has been decided that TL 270,577 of the capital increase will be covered by paid, 588,211 TL from internal resources. A portion of 6,718 TL, which is 1/4 of the 26,872 TL worth share corresponding to the bank's share, has been paid and is shown in Purchase in the movement table for subsidiaries. Bonus shares worth TL 58,417 corresponding to the Bank's share are shown in Bonus Shares in the movement table for participations.

In the current period, it has been decided to increase the capital of JCR Avrasya Rating AŞ from 1,000 TL to 30,000 TL. Bonus shares amounting to TL 828 corresponding to the Bank's share are shown in Bonus Shares in the movement table regarding participations.

In the current period, the Bank has purchased the shares of PTT and TVF in Platform Ortak Kartli Sistemler AŞ with a share transfer agreement dated April 22, 2022, and the paid shares worth 700 TL for the share transfer are shown under Acquisitions in the movement table for participations. After the share transfer, the Bank's share in the Company increased from 20% to 33.33%.

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

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Sectoral distribution of investments in financial associates

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Banks	618,543	379,004
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	11,825	11,825
Total	630,368	390,829

Quoted associates

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Quoted at domestic stock exchanges	573,522	338,484
Quoted at international stock exchanges	-	-
Total	573,522	338,484

Investments in associates disposed during the period

In the current period, all of the Bank's 33.33% shares in Platform Ortak Kartlı Sistemler AŞ have been sold to Türkiye Halk Bankası AŞ as of June 21, 2022, and our Bank has no shares left in the Company. The shares sold amounting to TL 1,750 are shown in Sales in the movement table for subsidiaries.

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

Investments in associates acquired during the period

There are no affiliates purchased in the current period.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries

Information on financial subsidiaries

	Vakıfbank International AG	Vakıf Finansal Kiralama AŞ	Vakıf Yatırım Menkul Değerler AŞ	Vakıf Faktoring AŞ	Vakıf Gayrimenkul Yat. Ort. AŞ	Vakıf Menkul Kıymet Yat. Ort. AŞ
Current Period - September 30, 2022						
Paid in Capital	311,248	600,000	250,000	450,000	1,145,000	30,000
Share Premium	-	18,476	137	-	322,717	121
Equity share premiums	-	1,366	-	-	301,118	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	17,110	137	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	21,640	8,474	5,594	(530)	176
Other accumulated comprehensive income that will be reclassified in profit or loss	2,080,850	-	-	-	-	-
Profit Reserves	26,550	92,683	152,736	135,080	155,104	1,645
Legal Reserves	26,550	20,737	53,122	29,006	19,520	478
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	71,946	24,564	106,074	135,037	1,167
Other Profit Reserves	-	-	75,050	-	547	-
Profit/Loss	256,106	230,354	215,674	301,066	874,909	3,536
<i>Prior Period's Profit/Loss</i>	148,344	(39,235)	5,058	(31,857)	5,221	(3)
<i>Current Period's Profit/Loss</i>	107,762	269,589	210,616	332,923	869,688	3,539
Minority Rights	-	-	-	-	-	-
Total Core Capital	2,674,754	963,153	627,021	891,740	2,497,200	35,478
SUPPLEMENTARY CAPITAL						
CAPITAL	2,674,754	963,153	627,021	891,740	2,497,200	35,478
NET AVAILABLE EQUITY	2,674,754	963,153	627,021	891,740	2,497,200	35,478

(*) Reviewed BRSA financial statements as of September 30, 2022 are considered.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries (Continued)

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

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

Information on investments in subsidiaries

Title	Address (City / Country)	Bank’s Share –If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1 Vakıf Faktoring AŞ	İstanbul/Turkey	78.39	80.75
2 Vakıf Finansal Kiralama AŞ	İstanbul/ Turkey	62.05	62.05
3 Vakıf Yatırım Menkul Değerler AŞ	İstanbul/ Turkey	99.25	99.41
4 VakıfBank International AG	Vienna/Austria	100.00	100.00
5 Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ	İstanbul Turkey	33.77	33.77
6 Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	İstanbul/ Turkey	48.95	48.95
7 Vakıf Enerji ve Madencilik AŞ	Ankara/ Turkey	65.50	80.50
8 Taksim Otelcilik AŞ	İstanbul/ Turkey	51.00	51.00
9 Vakıf Pazarlama Sanayi ve Ticaret AŞ	İstanbul/ Turkey	86.97	89.00
10 Vakıf Gayrimenkul Değerleme AŞ	İstanbul/ Turkey	97.14	97.14
11 Vakıf Elektronik Para ve Ödeme Hizmetleri AŞ	İstanbul/ Turkey	100.00	100.00

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year’s Profit/Loss	Prior Period’s Profit/Loss	Fair Value
1	9,833,413	920,834	3,458	1,450,589	-	330,161	84,279	587,367
2	10,314,870	1,014,708	167,688	713,015	-	281,337	61,073	1,810,200
3	3,026,636	627,020	62,658	116	15,949	210,615	140,230	499,853
4	15,845,371	3,062,147	10,746	257,563	-	4,328	75,147	1,629,020
5	36,585	35,480	141	218	3,491	3,538	2,277	167,220
6	5,008,237	3,259,090	3,317,308	147,811	39,296	818,303	93,968	3,133,865
7	253,396	253,038	34,327	5,091	-	62,788	(4,077)	43,911
8	569,640	530,410	202,882	33,524	-	81,938	50,921	555,605
9	251,605	154,673	109,784	10,547	194	8,733	(422)	150,767
10	71,920	61,154	360	5,877	-	5,194	(8,732)	56,667
11	109,290	109,088	2,123	14,488	-	8,760	-	100,000

(*) The financial statement information provided for these subsidiaries is taken from the financial statements as of June 30, 2022.

Movement table of investments in subsidiaries

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Balance at the beginning of the period	4,650,121	3,651,134
Movements during the period	1,247,516	998,987
Transfers	-	-
Acquisitions	164,804	526,846
Bonus shares received	307,337	183,689
Share of current year profit	(99,325)	(99,250)
Sales and liquidations	-	-
Fair value changes	1,188,151	981,424
Impairment losses	(313,451)	(593,722)
Balance at the end of the period	5,897,637	4,650,121
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

In the current period, 20.000.000 shares owned by Türkiye Sigorta AŞ, one of the shareholders of Vakıf Finansal Kiralama AŞ, were acquired for TL 49,000. Shares amounting to TL 49,000 corresponding to the Bank's share are shown under Acquisitions in the Movement table of investments in associates

In the current period, 2.522,434 shares of Türkiye Sigorta AŞ, one of the shareholders of Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ, and 2.399.981 shares of Türkiye Hayat ve Emeklilik AŞ were acquired for an amount of TL 25,990. Shares amounting to TL 25,990 corresponding to the Bank's share are shown under Acquisitions in the Movement table of investments in associates

In the current period, it has been decided to increase the capital of Vakıf Finansal Kiralama AŞ from 500,000 TL to 600,000 TL. Bonus shares amounting to 58,712 TL corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the current period, it has been decided to increase the capital of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ from 1,000,000 TL to 1,145,000 TL. Bonus shares amounting to 70,982 TL corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the current period, it has been decided to increase the capital of Vakıf Pazarlama Sanayi ve Ticaret AŞ from 30,241 TL to 100,000 TL by an increase of 69,759 TL. 60,671 TL worth of shares corresponding to the Bank's share are shown in Purchases in the movement table for subsidiaries.

In the current period, it has been decided to increase the capital of Vakıf Gayrimenkul Değerleme AŞ from 30,000 TL to 60,000 TL by an increase of 30,000 TL. 29,143 TL worth of shares corresponding to the Bank's share are shown under Purchases in the movement table for subsidiaries.

In the current period, it has been decided to increase the capital of Vakıf Faktoring AŞ from 350,000 TL to 450,000 TL Bonus shares amounting to 78,393 TL corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

In the current period, it has been decided to increase the capital of Vakıf Yatırım Menkul Değerler AŞ from 150,000 TL to 250,000 TL. Bonus shares amounting to 99,250 TL corresponding to the Bank's share are shown in Bonus Shares in the movement table of subsidiaries.

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

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

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

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

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

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

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Methods to measure investments in subsidiaries

	Current Period September 30, 2022	Prior Period - December 31, 2021
Measured at cost	-	-
Measured at fair value	5,897,637	4,650,121
Equity method of accounting	-	-
Total	5,897,637	4,650,121

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

Sectoral distribution of investments in financial subsidiaries

	Current Period September 30, 2022	Prior Period December 31, 2021
Banks	1,629,020	1,369,078
Factoring companies	460,454	460,454
Leasing companies	1,123,149	905,048
Financing companies	-	-
Other financial subsidiaries	2,086,714	1,407,055
Total	5,299,337	4,141,635

Quoted subsidiaries

	Current Period September 30, 2022	Prior Period December 31, 2021
Quoted at domestic stock exchanges	2,713,759	1,716,749
Quoted at international stock exchanges	-	-
Total	2,713,759	1,716,749

Investments in subsidiaries disposed during the period

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

Investments in subsidiaries acquired during the period

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

In the current period, the Bank established Vakıf Elektronik Para ve Dağıtım Hizmetleri AŞ with a capital of 100,000 TL to operate in the field of electronic money and payment services. The company was registered in the trade registry on November 25, 2021. The Bank's share in the Company is 100% and shares worth 100,000 TL are shown under Purchases in the movement table for subsidiaries.

9. Investments in joint-ventures

None.

10. Information on finance lease receivables (net)

None.

11. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

12. Information on investment properties

None.

13. Information on deferred tax assets

The deferred tax asset of the Bank as of September 30, 2022 is TL 6,018,090 (December 31, 2021: None). Accounting policies applied for deferred tax assets and deferred tax liabilities are shown in the financial statements by being netted. Information on deferred tax liability V. Section II. Section 8 is shown in footnote.

The deferred tax asset / liability schedule as of September 30, 2022 and December 31, 2021 is as follows:

	Current Period September 30, 2022	Prior Period December 31, 2021
As of 1 September	(46,378)	1,125,282
Deferred tax income/(loss)	8,555,895	(953,358)
Deferred tax that is accounted under Equity	(3,180,152)	(193,287)
Other	(24,941)	(25,015)
Deferred tax asset/(Liability)	5,304,424	(46,378)

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

As of September 30, 2022, the cost of property and equipment held for sale purpose and related to discontinued operations are TL 436,709 (December 31, 2021: TL 756,779) and the provision for impairment is TL 1,073 (December 31, 2021: TL 1,746).

15. Information on other assets

As at September 30, 2022 and December 31, 2021 “Other Asset” item does not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

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

	Current Period September 30, 2022	Prior Period September 30, 2021
Balances with the Central Bank	1,726	1,532
Banks	18,629	12,710
Total	20,355	14,242
Financial Assets Measured at Amortized Cost	15,564	8,247
Total	35,919	22,489

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period September 30, 2022	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	22,737,866	-	11,022,802	22,795,115	91,223,595	5,816,956	9,196,737	9,885	162,802,956
Foreign currency deposits	91,607,517	-	74,475,407	162,037,293	35,109,228	6,448,033	11,778,512	-	381,455,990
Residents in Turkey	86,162,992	-	72,304,662	157,084,426	33,227,210	4,990,572	6,617,338	-	360,387,200
Residents in abroad	5,444,525	-	2,170,745	4,952,867	1,882,018	1,457,461	5,161,174	-	21,068,790
Public sector deposits	20,652,476	-	66,474,480	13,337,928	1,092,931	321,771	39,944	-	101,919,530
Commercial deposits	20,932,970	-	63,122,402	35,711,266	31,493,393	13,105,659	4,566,414	-	168,932,104
Other	15,693,788	-	5,052,609	24,456,789	3,329,803	189,680	165,255	-	48,887,924
Precious metal deposits	34,778,963	-	-	14,532	115,731	2,830,973	295,386	-	38,035,585
Bank deposits	11,195,331	-	27,684,988	14,867,198	39,092	499,556	-	-	54,286,165
Central Bank	984,732	-	-	-	-	-	-	-	984,732
Domestic banks	1,483,407	-	23,518,265	2,345,222	36,386	-	-	-	27,383,280
Foreign banks	1,571,372	-	4,166,723	12,521,976	2,706	499,556	-	-	18,762,333
Participation banks	7,155,820	-	-	-	-	-	-	-	7,155,820
Other	-	-	-	-	-	-	-	-	-
Total	217,598,911	-	247,832,688	273,220,121	162,403,773	29,212,628	26,042,248	9,885	956,320,254

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

As of September 30, 2022, 72,433,683 (December 31, 2021: TL 8,958,208) “Turkish Lira Time Deposits with Currency Protection” deposit instrument opened in the Bank’s deposit accounts within the scope of the announcement of the Ministry of Treasury and Finance dated December 24, 2021, dated December 21, 2021 and no. 31696 There is a TL 79,720,784 (December 31, 2021: TL 1,231,731) “Turkish Lira Time Deposits with Currency Conversion Protection” published in the Official Gazette by the CBRT

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, 2022		Prior Period - December 31, 2021	
	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
Saving deposits	61,965,463	100,837,493	38,157,515	48,642,384
Foreign currency saving deposits	45,185,708	152,036,378	35,113,479	119,335,680
Other saving deposits	-	-	-	-
Foreign branches’ deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
Total	107,151,171	252,873,871	73,270,994	167,978,064

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Saving deposits out of insurance coverage limits

	Current Period September 30, 2022	Prior Period - December 31, 2021
Deposits and other accounts at foreign branches	170,148	127,496
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	31,498	17,472
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9/2004	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	-	-

2. Information on derivative financial liabilities held for trading purpose

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

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Forwards	120,457	4	1,167,111	3,555
Swaps	178,747	5,422,425	428,039	3,702,220
Futures	-	-	-	-
Options	304	104,375	14,062	175,291
Other	-	-	-	-
Total	299,508	5,526,804	1,609,212	3,881,066

3. Information on funds borrowed

a) *Information on banks and other financial institutions*

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	4,408,155	1,689,768	484,900	1,791,814
Domestic banks and institutions	373,542	6,057,902	404,632	5,356,443
Foreign banks, institutions and funds	188,203	102,435,512	170,844	83,221,897
Total	4,969,900	110,183,182	1,060,376	90,370,154

b) *Maturity information of funds borrowed*

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Short-term ^(*)	3,235,794	5,000,745	718,210	2,552,479
Medium and Long-term ^(*)	1,734,106	105,182,437	342,166	87,817,675
Total	4,969,900	110,183,182	1,060,376	90,370,154

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

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for 8.90% (December 31, 2021: 9.57%) of the Bank’s liabilities. There is no risk concentration on funding sources of the Bank.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Maturity information of funds borrowed(Continued)

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

Syndicated Loans Receive

Beginning From	Maturity (Days)	Currency	Amount (Millions)	Interest rate	Coordinator Bank	Agent Bank
December 9, 2021	367	USD	296	Libor + 2.15%	The Commercial Bank (P.S.Q.C.) First Abu Dhabi Bank (P.J.S.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C).
	367	EUR	313,5	Euribor+1.75%	The Commercial Bank (P.S.Q.C.) First Abu Dhabi Bank (P.J.S.C.) Emirates NBD Bank (P.J.S.C)	Emirates NBD Bank (P.J.S.C)
May 12, 2022	368	USD	199,5	SOFR+2.75%	Abu Dhabi Commercial Bank, Emirates NBD Bank (P.J.S.C), Mashreqbank (P.S.C.)	Emirates NBD Bank (P.J.S.C)
	368	EUR	738,65	Euribor+2.10%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) Mashreqbank (P.S.C.)	Emirates NBD Bank (P.J.S.C)

Securitisation Loans Received

Beginning From	Due date	Currency	Amount (USDMillions) ^(*)	Loan Type
May 13, 2011	June 15, 2023	USD	346,5	Based on international remittance flows
May 4, 2018	March 15, 2023	USD/EUR	380 ^(**)	Based on international remittance flows
October 5, 2018	September 15, 2028	USD	300	Based on international remittance flows / Based on treasury financing transactions
October 15, 2019	December 15, 2026	USD	417	Based on international remittance flows / Based on treasury financing transactions
March 22, 2021	March 15, 2027	USD	461,5	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2028	USD	200	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2026	USD	508	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2026	EUR	200	Based on international remittance flows
	September 15, 2026	USD	154	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2026	EUR	50	Based on international remittance flows
March 15, 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, 2022, the total securitization balance is equivalent of USD 1,663 million and EUR 267 million. (December 31, 2021: USD 1,689 million and EUR 337 million).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on securities issued

On 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, USD 4.3 billion has been collected world wide.

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

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

	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Current Period - September 30, 2022				
Nominal	4,171,883	4,144,000	750,297	60,414,041
Cost	3,986,993	4,144,000	749,625	60,146,527
Net Book Value	4,074,442	4,388,582	759,617	60,975,242

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

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

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

5. Information on lease payables (net)

Obligations under financial leasing

The amounts recognized under TFRS 16 as of September 30, 2022 and December 31, 2021 are presented below.

Current Period - September 30, 2022	Service Buildings	Vehicles	Total
Lease payables	1,920,356	60,319	1,980,675
Deferred rental expenses	991,070	10,504	1,001,574
Lease payables (Net)	929,286	49,815	979,101
Right of use assets	843,834	46,401	890,235

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

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, 86,726 TL of lease payments were made in the related period. (September 30, 2021: TL 54,405)

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	Gross	Net	Gross	Net
Under 1 year	51,478	46,431	47,705	44,359
1-4 Years	307,723	221,462	364,367	297,588
Over 4 years	1,621,474	711,208	1,078,021	611,965
Total	1,980,675	979,101	1,490,093	953,912

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

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

Negative fair values of hedging purpose derivatives

None.

7. Information on Provision

Information on employee rights

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

As of September 30, 2022, TL 1,182,093 (December 31, 2021: TL 979,244) provision for severance pay and TL 127,407 (December 31, 2021 TL 95,048) provision for unused vacation are stated in financial statements under employee rights provision.

Provision for currency exchange loss on foreign currency indexed loans

None.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

As of September 30, 2022, Bank has recorded TL 49,104 (December 31, 2021: TL 44,305) as provisions for non-cash loans that are not indemnified or converted into cash.

Information on provision for probable risks

As of September 30, 2022, the free provision in the financial statements amounted to a total of TL 1,772,000, of which is constituted by TL 7,728,000 in the current period and TL 9,500,000 in the prior periods. (December 31, 2021: TL 1,772,000)

8. Taxation

Current taxes

Tax provision

As of September 30, 2022, the Bank's corporate tax payable is TL 5,399,414 (December 31, 2021: TL 10,325).

Information on taxes payable

	Current Period September 30, 2022	Prior Period December 31, 2021
Corporate taxes payable	5,399,414	10,325
Taxation on securities	423,366	372,700
Capital gains tax on property	7,596	5,763
Banking and Insurance Transaction Tax (BITT)	490,977	350,451
Taxes on foreign exchange transactions	26,279	59,585
Value added tax payable	20,374	21,368
Other	108,258	114,146
Total	6,476,264	934,338

Information on premiums payable

	Current Period September 30, 2022	Prior Period December 31, 2021
Social security premiums- employee share	-	-
Social security premiums- employer share	-	-
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	3,445	3,114
Unemployment insurance- employer share	6,890	6,229
Other	3	259
Total	10,338	9,602

Information on deferred tax liabilities

The Bank does not have deferred tax debts as of September 30, 2022. (December 31, 2021: 46,378)

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

None.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

10. Information on subordinated debts

Stated bonds' total balance sheet value is TL 35,257,462 as of September 30, 2022 (December 31, 2021: TL 28,968,427).

	Current Period September 30, 2022		Prior Period December 31, 2021	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	4,993,575	12,948,048	5,145,230	11,018,134
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	4,993,575	12,948,048	5,145,230	11,018,134
Debt instruments to be included in the additional capital calculation	1,256,536	16,059,303	1,259,521	11,545,542
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	1,256,536	16,059,303	1,259,521	11,545,542
Total	6,250,111	29,007,351	6,404,751	22,563,676

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

11. Information on equity

Paid-in capital

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Common Stock	7,111,364	3,905,622
Preferred Stock	-	-

Paid-in capital of the Bank amounted to TL 7,111,364TL is divided into groups comprised of 15.12% Group (A), 5.49% Group (B), 5.68% Group (C) and 73.71% Group (D).

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

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

Capital System	Paid-in Capital	Ceiling per RegisteredShare Capital
Registered capital system	7,111,364	10,000,000

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

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

Information on share capital increases from revaluation funds

None.

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

None.

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

None.

Information on the privileges given to stocks representing the capital

None.

Valuation differences of the marketable securities

	Current Period - September 30, 2022		Prior Period - December 31, 2021	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	3,609,331	(214,785)	3,002,827	(182,919)
Financial assets at fair value through other comprehensive income	13,227,631	(2,741,562)	1,251,170	354,576
Foreign exchange differences	80,727	-	80,727	-
Total	16,917,689	(2,956,347)	4,334,724	171,657

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

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Commitments for credit card limits	53,499,266	30,687,962
Loan granting commitments	51,684,362	34,013,637
Commitments for cheque payments	6,875,182	7,029,711
Asset purchase sale commitments	59,843,070	13,030,758
Other	5,793,291	2,931,623
Total	177,695,171	87,693,691

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

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

The Bank provided specific provision amounting to TL 585,283 (December 31, 2021: TL 507,691) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 49,104 (December 31, 2021: TL 44,305).

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

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Provisional letters of guarantee	4,186,250	3,239,783
Final letters of guarantee	64,587,785	51,344,606
Letters of guarantee for advances	25,573,787	14,848,052
Letters of guarantee given to custom offices	5,057,461	2,542,604
Other letters of guarantee	89,964,617	61,543,637
Total	189,369,900	133,518,682

2. Non-cash loans

	Current Period - September 30, 2022	Prior Period - December 31, 2021
Non-cash loans given for cash loan risks	52,474,337	44,781,413
<i>With original maturity of 1 year or less</i>	13,586,436	8,896,727
<i>With original maturity of more than 1 year</i>	38,887,901	35,884,686
Other non-cash loans	194,561,051	147,357,915
Total	247,035,388	192,139,328

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

3. Sectoral risk concentrations of non-cash loans

	Current Period - September 30, 2022				Prior Period - December 31, 2021			
	TL	%	FC	%	TL	%	FC	%
Agricultural	232,472	0.23	578,039	0.39	139,996	0.23	615,401	0.47
Farming and Cattle	219,231	0.22	175,217	0.12	124,298	0.2	537,647	0.41
Forestry	2,918	-	-	-	12,157	0.02	-	-
Fishing	10,323	0.01	402,822	0.28	3,541	0.01	77,754	0.06
Manufacturing	37,996,246	37.75	78,208,754	53.43	19,502,805	31.59	71,808,891	55.07
Mining	798,254	0.79	1,070,743	0.73	436,029	0.7	1,021,326	0.78
Production	28,501,429	28.32	70,904,591	48.44	12,775,324	20.7	65,154,049	49.97
Electric, gas and water	8,696,563	8.64	6,233,420	4.26	6,291,452	10.19	5,633,516	4.32
Construction	19,593,395	19.47	26,059,880	17.80	14,800,027	23.98	17,549,761	13.46
Services	41,360,490	41.09	31,416,100	21.46	26,235,282	42.5	34,094,890	26.14
Wholesale and retail trade	19,042,115	18.92	18,186,105	12.42	11,533,354	18.69	13,427,929	10.3
Hotel, food and beverage Services	1,423,868	1.41	984,413	0.67	599,846	0.97	863,562	0.66
Transportation and telecommunication	8,006,162	7.95	7,817,175	5.34	5,179,687	8.39	16,557,465	12.7
Financial institutions	6,326,889	6.29	1,646,364	1.12	4,694,387	7.6	1,545,143	1.18
Real estate and renting Services	3,227,160	3.21	1,782,216	1.22	2,180,150	3.53	1,323,085	1.01
Self-employment services	2,596,113	2.58	931,284	0.64	1,721,447	2.79	315,385	0.24
Education services	431,841	0.43	50,952	0.03	124,387	0.2	49,930	0.04
Health and social services	306,342	0.30	17,591	0.01	202,024	0.33	12,391	0.01
Other	1,475,491	1.47	10,114,521	6.91	1,051,765	1.7	6,340,510	4.86
Total	100,658,094	100.00	146,377,294	100.00	61,729,875	100.00	130,409,453	100.00

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

Current Period - September 30, 2022	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	97,523,839	85,610,804	2,663,881	2,986,093
Confirmed Bills of Exchange and Acceptances	4,258	5,227,351	-	-
Letters of Credit	208,901	50,702,296	-	415,397
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	1,107,285	-	-
Non-Cash Loans	97,736,998	142,647,736	2,663,881	3,401,490

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

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

5. Contingent assets and liabilities

Bank allocates TL 37,141 as provision for lawsuits against the Bank (December 31, 2021: TL 37,141).

6. Services rendered on behalf of third parties

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

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS

1. Interest income

Information on interest income received from loans

	Current Period September 30, 2022		Prior Period September 30, 2021	
	TL	FC	TL	FC
Short-term Loans	20,033,588	1,161,891	8,996,683	523,863
Medium and Long-Term Loans	27,600,564	9,724,476	21,591,335	5,014,348
Non-performing Loans	620,800	-	495,619	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	48,254,952	10,886,367	31,083,637	5,538,211

Information on interest income received from banks

	Current Period September 30, 2022		Prior Period December 31, 2021	
	TL	FC	TL	FC
Central Bank of Republic of Turkey	-	19,614	-	-
Domestic Banks	22,950	2,066	5,011	1,156
Foreign Banks	-	130,502	-	7,110
Foreign Head Office and Branches	-	-	-	-
Total	22,950	152,182	5,011	8,266

Information on interest income received from marketable securities portfolio

	Current Period September 30, 2022		Prior Period September 30, 2021	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss	-	259,366	-	120,283
Financial assets at fair value through other comprehensive income	12,564,794	3,369,932	4,318,032	1,359,579
Financial assets measured at amortized cost	20,259,750	1,138,336	5,305,416	556,278
Total	32,824,544	4,767,634	9,623,448	2,036,140

The estimated inflation rate used in the valuation is updated when deemed necessary during the year. As of September 30, 2022, the valuation of Consumer Price Indexed (CPI) government bonds was valued according to the annual inflation forecast of 42.80%. If the CPI estimate increases or decreases by 1%, the profit for the pre-tax period will increase or decrease by approximately TL 175 million (Full TL) as of September 30, 2022.

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS
(Continued)

Information on interest income received from associates and subsidiaries

	Current Period September 30, 2022	Prior Period September 30, 2021
Interest Received from Associates and Subsidiaries	779,079	232,870

2. Interest expense

Interest expense on funds borrowed

	Current Period September 30, 2022		Prior Period September 30, 2021	
	TL	FC	TL	FC
Banks	209,977	2,213,811	61,145	882,794
Central Bank of Republic of Turkey	149,634	4,816	11,500	6,851
Domestic Banks	47,542	100,768	29,279	83,269
Foreign Banks	12,801	2,108,227	20,366	792,674
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	108,110	-	43,524
Total	209,977	2,321,921	61,145	926,318

Interest expense paid to associates and subsidiaries

	Current Period September 30, 2022	Prior Period September 30, 2021
Interest Paid to Associates and Subsidiaries	309,124	191,376

Interest expense on securities issued

Interest paid to securities issued as at for the period ended September 30, 2022 is TL 5,752,681 (TL 1,734,982 and 4,017,699 FC). (September 30, 2021: TL 4,185,123 (TL 1,980,501 and 2,204,622 FC)).

Maturity structure of the interest expense on deposits

Current Period September 30, 2022	Time Deposits						Cumulative deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<i>TL</i>								
Interbank deposits	-	517,452	930,191	30,445	-	-	-	1,478,088
Saving deposits	4,265	1,104,835	3,280,875	7,083,692	477,732	394,943	749	12,347,091
Public sector deposits	34,454	3,263,179	944,063	85,910	38,016	4,564	-	4,370,186
Commercial deposits	9,392	4,884,568	4,258,888	1,125,502	3,565,489	239,621	-	14,083,460
Other deposits	1,594	574,421	2,466,934	283,125	66,586	26,084	-	3,418,744
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	49,705	10,344,455	11,880,951	8,608,674	4,147,823	665,212	749	35,697,569
<i>FC</i>								
Foreign currency deposits	62,480	621,311	2,341,883	519,968	55,138	47,419	-	3,648,199
Interbank deposits	8,943	116,957	210,247	6,881	-	-	-	343,028
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	208	571	8,071	803	-	9,653
Total	71,423	738,268	2,552,338	527,420	63,209	48,222	-	4,000,880
Grand Total	121,128	11,082,723	14,433,289	9,136,094	4,211,032	713,434	749	39,698,449

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS
(Continued)

Maturity structure of the interest expense on deposits (Continued)

Prior Period - September 30, 2021	Demand Deposits	Time Deposits					Cumulative deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<i>TL</i>								
Interbank deposits	-	211,371	512,106	-	-	-	-	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	-	3,034,085	4,035,736	135,026	84,567	29,635	-	7,319,049
Other deposits	-	249,313	1,924,652	295,677	258,601	141,749	-	2,869,992
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	24,469	5,331,930	14,347,735	774,838	516,296	319,138	589	21,314,995
<i>FC</i>								
Foreign currency deposits	17,046	241,561	1,179,297	66,827	48,067	67,240	-	1,620,038
Interbank deposits	4,010	37,315	90,403	-	-	-	-	131,728
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	24	-	4,792	626	-	5,442
Total	21,056	278,876	1,269,724	66,827	52,859	67,866	-	1,757,208
Grand Total	45,525	5,610,806	15,617,459	841,665	569,155	387,004	589	23,072,203

3. Information on trading income/loss

	Current Period September 30, 2022	Prior Period September 30, 2021
Profit	70,371,266	35,146,320
Income from capital market operations	1,362,441	669,617
Income from derivative financial instruments	51,059,256	22,142,098
Foreign exchange gains	17,949,569	12,334,605
Losses	(67,270,368)	(38,959,935)
Loss from capital market operations	(257,382)	(45,981)
Loss from derivative financial instruments	(52,192,195)	(27,068,576)
Foreign exchange loss	(14,820,791)	(11,845,378)
Net trading profit/loss	3,100,898	(3,813,615)

Net loss arising from changes in foreign exchange rates that relate to the Bank’s foreign exchange rate based derivative financial instruments is amounting to 894,094 as at and for the year ended September 30, 2022 (September 30, 2021: TL 4,411,439 net loss).

4. Information on other operating income

	Current Period September 30, 2022	Prior Period September 30, 2021
Income from reversal of the specific provisions for loans from prior periods	6,109,464	5,686,140
Communication income	19,092	16,749
Gain on sale of assets	815,850	384,200
Rent income	8,985	6,243
Other income	439,277	183,009
Total	7,392,668	6,276,341

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS
(Continued)

5. Expected Credit Loss and Other Provision Expenses

	Current Period September 30, 2022	Prior Period September 30, 2021
Expected Credit Loss	15,096,546	6,422,946
12 month expected credit loss (stage 1)	2,741,035	1,543,013
Significant increase in credit risk (stage 2)	8,439,207	2,419,864
Non-performing loans (stage 3)	3,916,304	2,460,069
Marketable Securities Impairment Expense	192,864	4,441
Financial Assets at Fair Value through Profit or Loss	169,483	-
Financial Assets at Fair Value Through Other Comprehensive Income	23,381	4,441
Investments in Associates, Subsidiaries and Held- to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	7,728,000	400,000
Total	23,017,410	6,827,387

(*) Free provision balance calculated in 2022 is TL 7,728,000 (September 30, 2021 TL 400,000)

6. Information on other operating expenses

	Current Period September 30, 2022	Prior Period September 30, 2021
Reserve for Employee Termination Benefits	202,849	129,246
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses on Tangible Assets	414,151	346,994
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortization Expenses on Intangible Assets	36,097	32,192
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	4,009,354	2,219,801
<i>Leasing expenses related toIFRS 16 exceptions</i>	86,726	54,405
<i>Repair and maintenance expenses</i>	125,871	80,314
<i>Advertisement expenses</i>	301,726	180,587
<i>Other expenses</i>	3,495,031	1,904,495
Loss on sale of assets	536	1,035
Other (*)	1,847,965	1,160,988
Total	6,510,952	3,890,256

(*) Other operating expenses amounted TL 1,847,965 (September 30, 2021: TL 1,160,988); Dividend provision expenses to be paid to staff amounted TL 528,492 (September 30, 2021: TL 282,976), 412,609 TL (September 30, 2021: TL 254,217) taxes, duties, fees and funds, TL 600,003 (September 30, 2021: 376,137) SDIF expenses and TL 306,861 (September 30, 2021: TL 247,658) consists of other expenses.

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

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS
(Continued)

8. Information on tax provision from discontinued and continuing operations

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

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

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

10. Provision for taxes

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

In the current period, the Bank has recorded a tax charge of TL 15,825,893 (September 30, 2021: TL 180,152) from the net taxable profit calculated in accordance the laws and regulations in effect.

As of September, 2022, the Bank's deferred tax income from the occurrence/ (Closing) of deductible temporary differences is TL 8,098,484 (September 30, 2021: (TL 84,321)), from the taxable temporary differences (Occurrence)/Closing TL 457,411 (June 30, 2021: (TL 480,876)) has deferred tax expense.

11. Information on net profit and loss

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

The Bank has earned TL 97,415,739 interest income, TL 58,030,181 interest expenses, TL 7,198,176 net fees and commissions income, from ordinary banking transactions (September 30, 2021: TL 48,922,498 interest income, TL 38,354,233 interest expenses, TL 3,092,370 net fees and commissions income).

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

None.

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

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

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

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

Current Period - September 30, 2022	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the year	3,978,742	208,949	-	8,344	228,644	22,489
Balance at the end of the year	10,357,221	183,281	-	1,406	125,752	20,291
Interest and commission income	779,079	3,292	-	-	5,135	683

Prior Period - September 30, 2021	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the year	3,582,369	772,579	-	32,511	63,311	64,767
Balance at the end of the year	3,978,742	208,949	-	8,344	228,644	22,489
Interest and commission income	232,870	422	-	-	3,571	43

Information on deposits held by the Bank’s risk group

	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the year	2,729,465	2,682,838	3,908,130	2,237,815	82,435	117,989
Balance at the end of the year	8,464,650	2,729,465	3,494,329	3,908,130	171,747	82,435
Interest on deposits	309,124	191,376	510,710	398,366	8,228	6,757

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

Bank’s Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	850,262	-	-	-	-
Total profit/loss	-	(39,694)	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total income/loss	-	-	-	-	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

Information on Benefits Provided to Directors

In the accounting period ending on September 30, 2022, a total amount of TL 46,872 was paid to the Bank's top management. (September 30, 2021: TL 27,723).

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SECTION SIX

OTHER DISCLOSURES

I. OTHER DISCLOSURES ON THE BANK’S ACTIVITY

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

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

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

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

August 2022	Moody’s Investors Service
Baseline Credit Assessment	caa2
Local Currency Deposit Rating	B3
Local Currency Outlook	Stable
Foreign Currency Deposit Rating	B3
Foreign Currency Outlook	Stable

June 2022^(*)	JCR Eurasia
Long Term International FC Issuer Credit Rating	BB(Stable)
Short Term International FC Issuer Credit Rating	J3(Stable)
Long Term International Local Currency Issuer Credit Rating	BB
Short Term International Local Currency Issuer Credit Rating	J3
Long Term National Issuer Credit Rating	AAA(Stable)
Short Term National Issuer Credit Rating	J1+ (Stable)

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

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OTHER DISCLOSURES (Continued)

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

None.

**SECTION SEVEN
INDEPENDENT AUDITORS’ REVIEW REPORT**

I. INFORMATION ON INDEPENDENT AUDITORS’ REVIEW REPORT

The Bank’s unconsolidated financial statements and footnotes as at and for nine-month period ended September 30, 2022 have been reviewed 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 7, 2022 that nothing material has come to their attention that caused them to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the Bank’s financial position and results of its operations.

I. EXPLANATIONS AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.

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

Assessment of the Chairperson of the Board

Dear stakeholders,

It was among the critical agenda items that in 3Q2022, Russia reduced the gas supply to Europe against the sanctions imposed on it; and incidentally, this has led to an energy crisis in Europe. The central banks of developed countries continued to take steps towards quantitative tightening in their monetary policies for anti-inflationist measures. Moreover, commodity prices enjoyed a decline during that period thanks to the slow-down in the global demand.

The US Central Bank (FED) continued to underline its message that it is highly alert against inflation risks, and rose its policy rate to the range of 3-3.25% with a 75 basis point hike in September in line with the expectations. This way, the rate of hikes in the first nine-month period of the year reached 300 basis points. The FED also emphasized that it would continue policy rate hikes until the end of the year. European Central Bank (ECB) also rose its policy interest rate by 75 basis points in its September meeting and it represented the sharpest rate increase in its history. The Japanese Central Bank kept its policy interest rate at a level of – 0.1% with a focus on worries about the growth outlook despite the pressure on Yen and Japanese bonds.

In 3Q2022, the US economy grew by 2.6% annually. While the growth rate was above expectations, the expectation that the FED would continue its policy rate increases to pull down the inflation also fuelled up recession worries. In Euro zone, on the other hand, because the inflation is way above and the deepened energy crisis caused a slow-down in production and trade, and led to the fact that the growth of the regional economy in 3Q2022 hovered around 2.1% yearly.

Turkish economy, on the other hand, grew by 7.6% year-over-year basis in 2Q2022 despite the loss of momentum in global economic activities. According to the Medium Term Program which spanned 2023 through 2025 as published in September, the growth rate forecast for Turkish economy was set to 5% for 2022 and 2023, respectively, and to 5.5% for 2024 and 2025, respectively.

The asset size of Turkish banking sector rose by 42.2% in 3Q2022 compared to the end of the previous year, culminating in TL 13.100 billion. The capital adequacy ratio of the sector by the end of September turned out to be 18.83%.

VakıfBank continued its support to the national economy during this period as well. Our asset size reached TL 1.385 billion in the third quarter of the year. Our cash loans, which capture the lion's share in our assets, rose by 38.48%, reaching TL 794.467 million. Deposits which represent our main funding source rose to TL 956.320.

In light of the foregoing, I would like to thank to our esteemed customers, our shareholders and investors for their trust as well as our employees for their efforts.

Sincerely yours,

MUSTAFA SAYDAM
Chairperson of the Board

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INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)

Assessment of the General Manager

Our dear stakeholders,

Inflation remained as the top agenda item of the global economy during 3Q2022. Many countries continued their quantitative tightening monetary policies against inflationist pressures. In their respective September meetings, both FED and the ECB rose their policy rates by 75 basis points. Moreover, geopolitical developments during this period led to downwards risk in global growth expectations. The US economy and Euro Zone economy grew by 2.6% and 2.1%, respectively, annually, in 3Q2022.

Turkish economy, on the other hand, grew by 7.6% in 2Q2022 on a year-on-year basis and managed to propel its well-balanced and stable growth performance. This way, our national economy continued to rank among top countries in OECD and G20 countries,

VakıfBank managed to increase its asset size by 37.48%, which hit TL 1,384,749 million. Our cash loans grew by 38.48% in the third quarter of the year compared to the year end, reaching to TL 794,467 million. This way, our support to national economy by means of cash and non-cash loans reached to TL 1,041,502 million.

During this period, deposits continued to be the main funding source of our Bank. We managed to raise our total deposits to TL 956,320 million with a 61.83% increase thanks to our diverse product and service portfolio. We held onto our strong and leading position in the sector thanks to international sources we raised in addition to deposits.

In VakıfBank, we continued to develop ourselves in order to offer an original digital experience to our customers and to keep a close eye on trends during this period as well. The number of our digital bank customers exceeded 11 million as of the end of September. On the other hand, we continued to increase the number of transactions that can be executed through mobile banking channel and to support ViBi, your digital assistant, by means of new features based on artificial intelligence. We have designated ViBi as a financial advisors to our customers thanks to its tailored proposals and solutions. We will continue to make the life easier and to create added value thanks our unique innovative solutions in the next period.

We proceeded with our works during this period as well to further improve our Vinov ecosystem, which has brought speed, trust and convenience to all payment and collection procedures for banking customers from all segments. We launched our Vinov Workplace application by which businesses may easily manage their receivables and collect them under VakıfBank guarantee.

Moreover, our Bank has succeeded to bring value to the sector owing to its innovative products and services during this period, and offered its "Platinum Plus Metal Card", the newest member of the credit cards world, for the service of our customers. Our card supports all new generation payment and security features thanks to its technological specifications and this way we allowed cardholders to make use of many privileges and advantages.

In line with our sustainability strategy, we did not lose our momentum in our efforts during this period in the field of our fight against climate change and water safety. We published our CDP Water Safety Report that we had started in 2021 in August. We participated in the Water Safety Program of CDP, one of the most respectful initiatives in the world in the field of climate change. We scored the highest performance following CDP grading and we set it our goal to be one of the leading names in this field.

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On the other hand, we invited young people with a career goal in software sector on their minds to join VakıfBank iOS Swift Bootcamp 2022 which we will be organizing between 29 October -11 December 2022 driven by the motto "It is in your Hands to Write the "Future". This way, we offer significant opportunities to young people who are willing to work in the software sector thanks to our strong technological infrastructure, innovative outlook and our knowledge.

VakıfBank will continue to contribute to the sustainable and strong growth of Turkish national economy now and in the future as well thanks to our strong technological infrastructure and with more than 16 thousand employees under our belt. I heartily thank to our customers and shareholders thanks to their trust in us, our employees with the lion’s share in our achievements and our Board of Directors and other stakeholders who never shied away from supporting us.

Sincerely yours,

Abdi Serdar ÜSTÜNSALİH
CEO and Board of Directors Executive Member

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INFORMATION ON THE INTERIM ANNUAL REPORT (Continued)

Key Financial Indicators

BALANCE SHEET (TL Million)	SEPTEMBER 2022	DECEMBER 2021	CHANGE (%)
TOTAL ASSETS	1,384,749	1,007,214	37.48
SECURITIES PORTFOLIO	321,791	223,737	43.83
LOANS (*)	794,467	573,700	38.48
- Commercial Loans	635,783	448,953	41.61
- Retail Loans	158,684	124,748	27.20
DEPOSITS	956,320	590,943	61.83
- Time Deposits	738,721	445,060	65.98
- Demand Deposits	217,599	145,883	49.16
FUNDS BORROWED	115,153	91,431	25.95
SUBORDINATED DEBT	35,257	28,968	21.71
SECURITIES ISSUED (NET)	70,198	61,975	13.27
SHAREHOLDERS' EQUITY	90,825	51,953	74.82
NON-CASH LOANS	247,035	192,139	28.57

INCOME STATEMENT (TL Million)	SEPTEMBER 2022	SEPTEMBER 2021	CHANGE (%)
Period's Net Profit/ Loss	15,610	2,178	616.76

INDICATIVE RATIOS (%)	SEPTEMBER 2022	DECEMBER 2021
TOTAL LOANS/ TOTAL ASSETS (*)	57.37	56.96
LOANS/DEPOSITS (*)	83.08	97.08
NON-PERFORMING LOAN RATIO	2.40	3.09
CAPITAL ADEQUACY RATIO	15.77	14.85
RETURN ON AVERAGE ASSETS (ROAA) (**)	1.74	0.49
RETURN ON AVERAGE EQUITY (ROAE) (**)	29.16	8.48

(*) Loans excluding legal proceedings.

(**) Calculations are annualized

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

Assessment of 3rd Quarter of 2022

Our Bank managed to grow in the third quarter of 2022, and its total asset size reached TL 1,385 billion, which meant a 37.48% increase. During that period, our performing loans rose by 38.48% and reached TL 794,467 million, and performing loans in our total assets captured a 57.37% share in total assets. When we look at the sub-distribution of loans, we see that our commercial loans reached TL 635,783 million while retail loans reached TL 158,684 million.

During the third quarter of 2022, our Bank has increased its deposits by 61.83%, reached TL 956.320 million.

In addition to deposits, our Bank issued financial bills with a total nominal value of TL 14,517 million in total as of the third quarter in 2022 for marketing via public offering and qualified investors in national market. The international funding has reached USD 1,695 million during the year.

Our Bank’s net profit in the third quarter of 2022 was TL 15,610 million while our capital adequacy ratio was 15.77%.

As of 30 September 2022, the number of our Bank branches was 939 with 16,850 employees.

On July 8, 2022, International Credit Rating Agency Fitch Ratings downgraded Turkey's long-term foreign currency credit rating from B+ to B, confirming its negative credit outlook. Fitch Ratings lowered our Bank’s Long-term Foreign Currency Issuer Default Rating to B- from B and our Long Term Local Currency Issuer Default Rating Rate to B from B+ on 26 July 2022 and it confirmed our Negative outlook.

Moody's, the international credit rating agency, lowered Turkey's credit note to B3 from B2 and revised its outlook from negative to stagnant on 12 August 2022. Following this decision, Moody’s lowered our Bank's Long-term Foreign Currency and Local Currency Issuer Default Rating to B3 from B2 on 16 August 2022 and revised its outlook from negative to stable.

Other Significant Developments

- In line with our Board of Directors resolution, our Bank purchased and completed the title deed transfers on 12.08.2022 for immovable properties which are located in the province of Istanbul, borough of Umraniye, neighbourhood of Saray, Dr. Adnan Buyukdeniz Street and which are currently used by us as our Head Office Service Buildings.

Amendments to Articles of Incorporation

Article 6 of the Articles of Incorporation entitled "Capital" was changed and the said amendment was registered on 21.03.2022 and published in Turkish Trade Registry Gazette dated 24.03.2022. You can read our Articles of Incorporation by visiting the following link: <https://www.kap.org.tr/en/Bildirim/1012721>.