FIRST SUPPLEMENT dated 18 June 2020 to the Base Prospectus dated 7 May 2020

TÜRKİYE VAKIFLAR BANKASI T.A.O.

US$7,000,000,000

Global Medium Term Note Programme

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated 7 May 2020 (the "*Base Prospectus*") prepared by Türkiye Vakıflar Bankası T.A.O. (the "*Issuer*" or the "*Bank*") under the Issuer's global medium term note programme. Capitalised terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "*Prospectus Regulation*"). The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of the Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. This document constitutes a supplement for the purposes of the Prospectus Regulation and has been prepared and published for the purposes of incorporating into the Base Prospectus the Issuer's latest financial statements and updating the Base Prospectus with certain recent events. As a result, modifications to the Base Prospectus are hereby being made.

A copy of each of: (a) the consolidated BRSA Financial Statements of the Group as of and for the three month period ended 31 March 2020 (including any notes thereto and the independent auditor's review report thereon, the "*Group's New BRSA Financial Statements*") and (b) the unconsolidated BRSA Financial Statements of the Issuer as of and for the three month period ended 31 March 2020 (including any notes thereto and the independent auditor's review report thereon, the "*Issuer's New BRSA Financial Statements*" and, with the Group's New BRSA Financial Statements, the "*New BRSA Financial Statements*") has been filed with the Central Bank of Ireland and the Irish Stock Exchange plc trading as Euronext Dublin and, by means of this Supplement, is incorporated by reference into, and forms part of, the Base Prospectus. Copies of the New BRSA Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer's website at: (a) with respect to the Group's New BRSA Financial Statements, https://www.vakifbank.com.tr/tas-bank-only.aspx?pageID=644, and (b) with respect to the Issuer' New BRSA Financial Statements, https://www.vakifbank.com.tr/tas-consolidated.aspx?pageID=646 (such website does not, and shall not be deemed to, constitute a part of, nor is incorporated into, this Supplement or the Base Prospectus). The New BRSA Financial Statements, which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Issuer confirms are direct and accurate). The New BRSA Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

The New BRSA Financial Statements were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("*PwC*"). PwC's review reports included within the New BRSA Financial Statements note that they applied limited procedures in accordance with professional standards for a review of such information and such reports state that they did not audit and they do not express an opinion on the interim financial information in the New BRSA Financial Statements. Accordingly, the degree of reliance upon their reports on such information should be restricted in light of the limited nature of the review procedures applied. The financial information in the New BRSA Financial Statements is subject to any adjustments that might be necessary as a result of the audit process to be undertaken in respect of the full financial year. In addition, the independent auditor's review reports included within the New BRSA Financial Statements were qualified with respect to free provisions that were allocated by the Group. These additional provisions were taken in accordance with the conservatism principle applied by the Group in considering the negative circumstances that might arise from possible changes in the economy and market conditions. See "Risk Factors – Risks relating to the Group and its Business – Audit Qualification" in the Base Prospectus as hereby amended.

Statements contained herein shall, to the extent applicable and whether expressly, by implication or otherwise, modify or supersede statements set out in, or previously incorporated by reference into, the Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Base Prospectus. Where there is any inconsistency between the information contained in (or incorporated by reference into) the Base Prospectus and the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement), the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement) shall prevail.

Except as disclosed herein (including in the New BRSA Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement), there has been no: (a) no material adverse change in the prospects of the Bank since 31 December 2019, (b) no significant change in the financial performance of the Group since 31 March 2020 to the date of this Supplement and (c) no significant change in the financial position of the Group since 31 December 2019.

The Issuer accepts responsibility for the information contained herein. To the best of the knowledge of the Issuer, the information contained herein (including the information incorporated by reference into the Base Prospectus by means of this Supplement) is in accordance with the facts and makes no omission likely to affect the import of such information.

To the full extent permitted by applicable law, none of the Dealers, the Arranger, the Agents or any of their respective affiliates accept any responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement.

AMENDMENTS

The following amendments are made to the Base Prospectus:

OVERVIEW

The fourth paragraph of the section titled "General Description of the Programme - The Group" on page 1 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> The Bank is controlled by the Turkish Treasury, which on 11 December 2019 acquired shares in the Bank that had previously been held by various foundations managed by the General Directorate of Foundations (*T.C. Vakıflar Genel Müdürlüğü*) (the "*GDF*"), which acquisition was effected pursuant to Decree No. 696 ("*Decree No. 696*") published in the Official Gazette on 24 December 2017 that amended the Vakıfbank Law. According to Decree No. 696, the Bank's Class A and B shares that were previously owned by such foundations were to be transferred to the Turkish Treasury following the decision of the President regarding the share price of the Bank, which price was to be determined based upon the appraisal of three firms (the "*President's Decision regarding the Share Transfer*"). Following the President's Decision regarding the Share Transfer, the transfer occurred on 11 December 2019. Additionally, on 11 May 2020, the Bank's Board decided to increase the Bank's capital through a private placement of new Class D shares to the Turkey Wealth Fund, which sale was completed on 20 May 2020, resulting in an increase in the Bank's capital of TL 7.0 billion. As of 18 June 2020, 73.45% of the Bank's shares are held directly or indirectly by the Turkish Treasury (including 35.99% that are held by the Turkey Wealth Fund), 16.15% are publicly traded (excluding the Class D shares held by the Turkey Wealth Fund), 10.30% are held by the Vakıfbank Pension Fund, 0.06% are other shares held by non-affiliated foundations and 0.04% are other shares held by individuals, legal entities and non-affiliated foundations.

The following sentence is hereby added after the second sentence of the sixth paragraph of the section titled "General Description of the Programme - The Group" on page 1 of the Base Prospectus:

> On 10 May 2020, the Qatar Financial Centre Regulatory Authority approved the Bank's request for a license to conduct banking activities in Qatar.

RISK FACTORS

The first sentence of the second paragraph of the section titled "Risk Factors - Risks Relating to Turkey - Economic Conditions - Turkish Economy" on page 16 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> Domestic macroeconomic factors, including the current account deficit, high levels of unemployment (13.6% as of February 2020), high levels of inflation and interest rate and currency volatility, remain of concern, particularly in light of the recent depreciation of the Turkish Lira.

The following sentence is hereby inserted after the third sentence of the first paragraph of the section titled "Risk Factors - Risks Relating to Turkey - Economic Conditions - High Current Account Deficit" on page 19 of the Base Prospectus:

> According to the Central Bank, Turkey's current account deficit for the first four months of 2020 was US$12.9 billion compared to US$885 million for the same period of the previous year. This increase was primarily due to a decrease in exports to Europe arising from the shutdowns for the COVID-19 pandemic.

The following paragraph is hereby inserted as a new paragraph after the second paragraph of the section titled "Risk Factors - Risks Relating to Turkey - Economic Conditions - High Current Account Deficit" on page 19 of the Base Prospectus:

> Due to the negative impact of the global COVID-19 pandemic, Turkey's tourism business and (in particular due to the EU being Turkey's largest export market) export revenues have experienced a significant decline in early 2020, whereas demand for imports into Turkey has increased. In order to reduce the negative impact on Turkey's current account deficit by decreasing the demand for imports into Turkey and supporting domestic producers, the Turkish government imposed new (or increased) custom tax rates for numerous products, which changes are to be effective until 30 September 2020.

The last sentence of the first paragraph of the section titled "Risk Factors - Risks Relating to Turkey - Economic Conditions - Inflation" on page 20 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of May 2020, the last 12 month CPI inflation was 11.39% and the last 12 month domestic producer price inflation was 5.53%.

Clause (h) of the first paragraph of the section titled "Risk Factors - Risks Relating to Turkey - Turkish Regulatory and Other Matters - Banking Regulatory Matters" on page 21 of the Base Prospectus is hereby replaced in its entirety as follows:

(h) on 18 April 2020, the BRSA introduced a new test referred to as the "Asset Ratio," which ratio banks are required to meet on a weekly basis starting from 1 May 2020 (for which the method of calculation was revised as of 1 June 2020 per a BRSA announcement on 29 May 2020 as noted in "Turkish Regulatory Environment - Additional COVID-19-Related Temporary Measures"); the monthly average of the Asset Ratio, which is a modified form of a financial assets (*e.g.*, loans and securities) to deposits ratio and is (*inter alia*) intended to measure (and encourage) a bank's use of deposits for active lending (particularly in Turkish Lira) as opposed to investing in securities or other financial assets (particularly in foreign currencies), should not be lower than 100% for deposit-taking banks and 80% for participation banks; any failure to satisfy this minimum level subjects the applicable bank to a fine of up to 5% of the shortfall, which fine shall not be less that TL 500,000 in any case.

The following sentence is hereby added after the second sentence of the first paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Operational Risks - International Operations" on page 31 of the Base Prospectus:

On 10 May 2020, the Qatar Financial Centre Regulatory Authority approved the Bank's request for a license to conduct banking activities in Qatar.

The first paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Other Group-Related Risks - Audit Qualification" on page 33 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The independent auditor's review reports included in the BRSA Annual Financial Statements and the Bank's and the Group's BRSA Financial Statements as of and for the three month period ended 31 March 2020 (such interim BRSA Financial Statements, the "*BRSA Interim Financial Statements*") were qualified with respect to free provisions that were provided by the Bank's management. Specifically, such report in the Group's BRSA Interim Financial Statements states that the qualification was the result of the decision of: "by the Bank [sic] management considering the negative circumstances that may arise from possible changes in the economy and market conditions[,] ... which does not meet the requirements of" the BRSA Principles. See also the auditor's review reports included in the BRSA Annual Financial Statements and the BRSA Interim Financial Statements. Similar qualifications might be included in the corresponding audit or review reports for future fiscal periods.

The first paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Credit Risks - Government Default" on page 24 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Group has significant exposure to Turkish governmental and state-controlled entities, including the Central Bank. As of 31 March 2020, 75.02% of the Group's total securities portfolio (14.32% of its total assets and equal to 198.55% of its shareholders' equity) was invested in securities issued by the Turkish Treasury and 4.57% of the Group's total assets were used to make loans to Turkish governmental and state-controlled entities (77.31%, 13.41%, 173.10% and 4.88%, respectively, as of 31 December 2019). Also, the Group has exposure to the Turkish government through the Group's participation in financing state-sponsored infrastructure projects and the KGF-guaranteed loan programme, which might be susceptible to increased credit risk in the event of continued weakness in Turkey's macroeconomic condition or deterioration of the Turkish government's creditworthiness. Furthermore, the Group maintains significant amounts of reserves (including foreign currency reserves) with the Central Bank, for which it is subject to the Central Bank's ability to return such reserves, and is otherwise dependent upon the Central Bank.

The following is hereby inserted into the Base Prospectus as a new risk factor at the end of the section titled "Risks Relating to the Structure of the Notes" that starts on page 34 of the Base Prospectus:

Sustainability Notes - The application of the net proceeds of Sustainability Notes as described in "Use of Proceeds" might not meet investor expectations or be (or remain) suitable for an investor's investment criteria

The Programme anticipates the possibility of the issuance of Sustainability Notes the proceeds of which will (in accordance with the Issuer's Sustainable Finance Framework) be used to finance (including refinance) certain eligible Green Projects and/or Social Projects, for both of which the Issuer will exercise its judgment and sole discretion in determining the businesses and projects that satisfy the eligibility criteria in the Issuer's Sustainable Finance Framework. The Issuer intends to engage a third-party auditor or other person to provide an annual assessment on the alignment of the allocation of such proceeds with the Sustainable Finance Framework's criteria. A prospective investor in any Sustainability Notes should have regard to the information in "Use of Proceeds" regarding the use of the net proceeds of such Sustainability Notes and must determine for itself the relevance of such information (together with any other investigation that such investor deems necessary, including a review of the then-applicable Sustainable Finance Framework) for the purpose of such investor's investment in such Sustainability Notes. In addition, the Sustainable Finance Framework can be amended by the Issuer from time to time. In particular, no assurance is given by the Issuer, any Arranger, any Dealer or any Agent that the use of such proceeds for any Sustainability Project(s) will satisfy, whether in whole or part, any present or future expectations of such investor or any of such investor's requirements with respect to any investment criteria or guidelines with which such investor and/or its investments are required to comply. Furthermore, it should be noted that the proceeds of any loans to an entity described in clause (a) of the definition of Green Projects or Social Projects can be used by such entity for general corporate purposes.

In addition, it should be noted that there is no clear definition (legal, regulatory or otherwise) of, nor any market consensus as to what constitutes, a "green," "social," "sustainability" or similarly labelled project or as to what attributes are required for a particular project to be so considered, nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change; *however*, the EU's proposal for a regulation on the establishment of a framework to facilitate sustainable investment (the "*EU Taxonomy*") might, if adopted, provide some definition for such topics within the EU. Accordingly, no assurance is or can be given (whether by the Issuer, the Dealers, the Agents or any other person) to any investor in a Sustainable Note that: (a) any project or uses the subject of, or related to, any Sustainability Projects will meet all or any of such investor's expectations regarding any "green," "social," "sustainability" or similarly labelled performance objectives or investment criteria, (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Sustainability Projects or (c) the Sustainable Finance Framework will be aligned with the EU Taxonomy (if adopted) or any other sustainability framework.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) that might or might not be made available in connection with the issuance of any Sustainability Notes, including (in particular) to the extent addressing whether any Sustainability Project fulfils any environmental, social, sustainability and/or other criteria. Any such report, assessment, opinion or certification does not, nor shall be deemed to, constitute a part of, nor is incorporated into, this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any Arranger, any Dealer, any Agent or any other person to invest in any Sustainability Notes. Any such report, assessment, opinion or certification is only current as of the date it was issued. Prospective investors in Sustainability Notes must determine for themselves the relevance of any such report, assessment, opinion or certification, the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in Sustainability Notes. The providers of such reports, assessments, opinions and certifications might not be subject to any specific oversight or regulatory or other regime.

In the event that any Sustainability Notes are listed or admitted to trading on any dedicated "green," "environmental," "social," "sustainability" or other similarly labelled securities exchange or market (or segment thereof), whether or not regulated, no representation or assurance is given by the Issuer, any Arranger, any Dealer, any Agent or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. In addition, the criteria for any such listings or admission to trading might vary from one securities exchange or market to another. No representation or assurance is given or made by the Issuer, any Arranger, any Dealer, any Agent or any other person that any such listing or admission to trading will be obtained in respect of any Sustainability Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the applicable Sustainability Notes.

While it is the intention of the Issuer to apply the net proceeds of any Sustainability Notes and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in "Use of Proceeds," there can be no assurance that the Issuer will be able to do so. In addition, there can be no assurance that any Sustainability Projects will be completed within any specified period or at all or with respect to the results or outcome (whether or not related to the environment, social goals, sustainability goals or similar) as originally expected or anticipated by the Issuer.

Any such event or failure to apply the net proceeds of any issue of Sustainability Notes for any Sustainability Projects or to obtain and publish any such reports, assessments, opinions and certifications will neither constitute an "Event of Default" under the relevant Sustainability Notes nor give rise to any other claim of an investor in such Sustainability Notes against the Issuer. The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Sustainability Notes no longer being listed or admitted to trading on any securities exchange or market, as aforesaid, might have a material adverse effect on the value of an investment in such Sustainability Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

USE OF PROCEEDS

The following, including the definitions below, are hereby added at the end of the section titled "Use of Proceeds" on page 46 of the Base Prospectus:

In addition, where the "Reasons for the Offer" in Part B of the applicable Final Terms are stated to be for "green," "social" or "sustainability" purposes as described in this "Use of Proceeds" section ("*Green Bonds*," "*Social Bonds*" and "*Sustainability Bonds*," respectively, and together the "*Sustainablility Notes*"), the net proceeds from each issue of Sustainability Notes will be used as so described. For any Sustainability Notes, such net proceeds will be separately identified and applied by the Issuer in financing (including refinancing), individually or on a portfolio basis, Green Projects and/or Social Projects (each as defined below and further described in the "Sustainable Finance Framework" published on the Issuer's website (as of 18 June 2020, https://www.vakifbank.com.tr/sustainable-finance.aspx?pageID=3907) (as amended, supplemented or otherwise updated from time to time, the "*Sustainable Finance Framework*")) (together, the "*Sustainability Projects*"), including the financing of new Sustainability Projects and the refinancing of existing and/or on-going Sustainability Projects. In the case of Green Bonds, such financing (including refinancing) shall be of Green Projects; in the case of Social Bonds, such financing (including refinancing) shall be of Social Projects; and in the case of Sustainability Bonds, such financing (including refinancing) shall be of Green Projects and/or Social Projects; *however*, the proceeds of any Sustainability Notes will not be used to finance businesses and projects covered by the Issuer's "Overall Exclusions List" as detailed in the Sustainable Finance Framework (which includes, as of 18 June 2020, businesses and projects involved in the following operations: payday loans, adult entertainment, manufacture and production of alcoholic beverages, lethal defence goods, gambling, military contracting, nuclear power generation, manufacture and production of tobacco products, child labour or forced labour and any activity or technology associated with the extraction, production, refining, transmission and distribution of fossil fuels).

Pending the application of any net proceeds of Sustainability Notes in financing the relevant Sustainability Project(s), such proceeds will be held by the Issuer at its own discretion in cash and/or invested in short-term liquid investments as indicated in the Sustainable Finance Framework. If a business or project to which the net proceeds of any Sustainability Notes are allocated ceases to fulfil the applicable eligibility criteria, the Issuer will remove the same from the portfolio upon becoming aware of such ineligibility and endeavour to replace it with an eligible Green Project or Social Project, as the case may be, as soon as reasonably practicable.

A report, as outlined in the Sustainable Finance Framework, will be published in English by the Issuer with respect to each Series of Sustainability Notes: (a) within 12 months following the Issue Date of each Tranche of such Series and (b) if the net proceeds thereof have not been allocated by the time of such first report, for each following 12 month period until the full initial allocation of the net proceeds of such issuance (with a final such report being published after such initial allocation has been completed). As noted in the Sustainable Finance Framework, such reports will provide information on the allocation of the net proceeds of the applicable Series, including the portion thereof allocated to Green Projects and/or Social Projects (as applicable), examples of projects being financed from such proceeds and the portion of such proceeds used for new financings versus refinancings. The Issuer intends to engage a third-party auditor or other person to provide an annual assessment on the alignment of the allocation of such proceeds with the Sustainable Finance Framework's criteria. Additional reports might be published from time to time in case of material developments.

"*Green Project*" means either: (a) a corporation or other entity of which 90% or more of its revenues (as determined to the Issuer's satisfaction) are derived from activities in the list of "eligible green use of proceeds categories" in the Sustainable Finance Framework at the applicable time (as such list is developed from time to time in accordance with the ICMA Green Bond Principles and ICMA Sustainability Bond Guidelines) or (b) a project falling within such categories. As of 18 June 2020, such categories include: (i) renewable energy, (ii) pollution prevention and control and (iii) green buildings.

"*ICMA Green Bond Principles*" means, at any time, the Green Bond Principles published by the International Capital Markets Association at such time, which as of 18 June 2020, are the Green Bond Principles of June 2018 (https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf).

"*ICMA Social Bond Principles*" means, at any time, the Social Bond Principles published by the International Capital Markets Association at such time, which as of 18 June 2020, are the Social Bond Principles of June 2018 (https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp).

"*ICMA Sustainability Bond Guidelines*" means, at any time, the Sustainability Bond Guidelines published by the International Capital Markets Association at such time, which as of 18 June 2020, are the Sustainability Bond Guidelines of June 2018 (https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Sustainability-Bonds-Guidelines-June-2018-270520.pdf).

"*Social Project*" means either: (a) a corporation or other entity of which 90% or more of its revenues (as determined to the Issuer's satisfaction) are derived from activities in the list of "eligible social use of proceeds categories" in the Sustainable Finance Framework at the applicable time (as such list is developed from time to time in accordance with the ICMA Social Bond Principles and ICMA Sustainability Bond Guidelines) or (b) a project falling within such categories. As of 18 June 2020, such categories include: (i) employment generation, including through the potential effect of SME financing and microfinance, and (ii) affordable housing.

Neither the Sustainable Finance Framework nor any of the reports, verification assessments, opinions or contents of any of the websites referenced in this "Use of Proceeds" section are, or shall be deemed to, constitute a part of, nor are incorporated into, this Base Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" starting on page 52 of the Base Prospectus is hereby amended by the insertion at the end thereof on page 84 of the language in Exhibit A.

The first two paragraphs of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 52 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

The following discussion should be read in conjunction with "Presentation of Financial and Other Information" and the BRSA Financial Statements (including the notes therein) incorporated by reference herein. The financial information included in this discussion was prepared in accordance with the BRSA Principles except for the free provisions recognised by the Group.

Under the BRSA Principles, the Bank's financial statements reflect a full consolidation only of its financial subsidiaries (except to the extent immaterial), whereas other equity participations are included as noted in the following paragraph. The entities that were consolidated in the Group's BRSA Annual Financial Statements were Güneş Sigorta, Vakıf Emeklilik A.Ş. ("*Vakıf Emeklilik*"), Vakıf Factoring A.Ş., Vakıf Finansal Kiralama A.Ş., Vakıf Menkul Kıymet Yatırım Ortaklığı A.Ş., Vakıf Yatırım Menkul Değerler A.Ş., Vakıfbank International AG, Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş., which were included in the consolidated financial statements of the Group, and Kıbrıs Vakıflar Bankası Ltd. and Türkiye Sınai Kalkınma Bankası A.Ş., which were consolidated per the equity method. With respect to the Group's BRSA Interim Financial Statements, the same entities were included other than Güneş Sigorta and Vakıf Emeklilik, both of which were sold in the last quarter of 2019 as described previously. See "The Group and its Business - Subsidiaries and Other Affiliated Companies."

The last sentence of the fourth paragraph of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 52 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

For further information on the standalone as compared to the consolidated financial condition and results of operations of the Bank, please see the BRSA Financial Statements of the Bank incorporated by reference herein.

The second and third paragraphs of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations - Turkish Economy" starting on page 53 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

Since the beginning of 2017, economic conditions across emerging markets, including Turkey, were volatile as a result of several factors, including expectations regarding slower growth in China, the trade dispute between the U.S. and China, the expectation of (and actual) rate hikes and rate cuts by the U.S. Federal Reserve, the strengthening of the U.S. dollar and, most recently, the impact of the COVID-19 pandemic. See "-Global Economic Conditions" below. In addition, there has been considerable uncertainty regarding Turkey's political and geopolitical conditions resulting from a variety of factors, including the attempted coup in 2016, the extension of the powers of the president following the presidential and parliamentary elections held on 24 June 2018 and the May 2019 decision to hold a revote of the İstanbul mayoral election (see "Risk Factors - Risks Relating to Turkey - Political Conditions - Political Developments"), continued and intensified conflict with the PKK, the regional conflicts in Syria and neighbouring jurisdictions (see "Risk Factors - Risks Relating to Turkey - Political Conditions - Terrorism and Conflicts"). The situation in Turkey was exacerbated starting in August 2018 as a result of deteriorating relations with the United States (see "Risk Factors - Risks Relating to Turkey - Political Conditions - Political Developments"), and then increasing conflicts with the EU (see "Risk Factors - Risks Relating to Turkey - Political Conditions - Relationship with the European Union"), which relations remain uncertain.

Partially as a result of these factors, GDP growth in Turkey fell from 7.4% in 2017 to 2.8% in 2018 and then (after a period of recession) the GDP increased by only 0.9% in 2019, which impacted the Group's growth during 2019 and increased concerns about non-performing loans. While the economy recorded strong growth in 2017 and the first half of 2018, it started to slow down in the second half due to significant volatility in foreign exchange rates and increases in interest rates, particularly in the third quarter and 6.0% positive growth in the last quarter. With negative growth of 2.8% in the final quarter of 2018, the Turkish economy only grew by 2.8% in 2018. The negative growth continued in the first two quarters of 2019 before turning positive with 0.9% growth in the third quarter (and 0.9% for the full year). The Turkish government has sought to improve economic growth and, in November 2017, the Turkish Ministry of Development announced a three-year medium-term economic programme for 2018 to 2020, which was then replaced in September 2018 by a new programme announced by the Turkish Treasury, which included projections for 2018 to 2021. According to this "New Economic Programme," GDP growth was estimated to be 3.8%, 2.3%, 3.5% and 5.0% for 2018, 2019, 2020 and 2021, respectively (as noted above, the actual 2018 and 2019 figures have since been announced as only 2.8% and 0.9%, respectively). In September 2019, the Turkish Treasury announced a new three-year medium-term economic programme for 2020 to 2022 under which GDP growth was estimated to be 5.0% for each year (the 0.9% increase in 2019 exceeded the 0.5% that had been estimated); *however*, such expectations have been superseded by the impact of the COVID-19 pandemic. In the first quarter of 2020, GDP increased by 4.5% compared to the same period of the previous year; *however*, the impact of the COVID-19 pandemic is expected to be felt most strongly in the second quarter of 2020 and overall GDP growth for 2020 might be limited or negative.

The first two paragraphs of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations - Turkish Economy - Impact on Asset Quality" on page 54 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

Impact on Asset Quality. NPLs are particularly sensitive to economic conditions and this remains a key area of focus for the Bank given its strong loan growth and macroeconomic conditions in Turkey. The Bank's NPL ratio as of 31 March 2020 was 5.30%, decreasing from 5.93% as of 31 December 2019, itself an increase from 4.65% as of 31 December 2018 and 4.01% as of 31 December 2017. During 2019, the increase in NPLs was principally a result of the continued weak level of economic activity in Turkey and the reclassification as NPLs of the previously classified Stage 2 loans that were included within the BRSA NPL Instruction, whereas the improvement in the first quarter of 2020 was principally a result of the write-off of previous NPLs amounting to TL 888,478 thousand (which had a positive impact on the Bank's NPL ratio of 0.26%), limited NPL inflows and the BRSA's temporary rules on classification of loans. See "Turkish Regulatory Environment – Expected Credit Losses – Current Rules." In the remainder of 2020, the Bank's management expects that, notwithstanding the impact of the COVID-19 pandemic, there will be a further decline in Bank's NPL ratio as a result of the BRSA's temporary rule on classification of loans, which will reduce NPL inflows until the end of 2020, and the denominator effect of growth in lending; *however*, unless the BRSA extends the period of application of the temporary rule on classification of loans, the Bank's management expects that the Bank's NPL ratio will increase in 2021 due to the lapse of such rule on 31 December 2020 (which increase might be significant, particularly if economic conditions in Turkey do not improve following the impact of the COVID-19 pandemic).

As of 31 December 2018, the value of the Bank's NPLs increased by 41.4% as compared to 31 December 2017, whereas in 2019, the value of the Bank's NPLs increased by 60.3% as compared to 31 December 2018. As of 31 March 2020, the Bank's NPLs increased a further 0.92% compared to 31 December 2019. During these periods, while there were sales of NPLs in the Turkish banking sector, the Bank did not sell any of its NPLs but undertook a detailed review of its entire loan portfolio. As a result, in the first quarter of 2020, the Bank (for the first time in its history) has written-off loans as described in the previous paragraph. In addition, a number of large corporate borrowers have restructured their loans due to financial pressures resulting from the economic volatility in Turkey, including in particular foreign exchange conditions, and the Bank's management anticipates that further such restructurings and even defaults might occur in commercial, corporate and SME loans as conditions remain challenging for large corporate borrowers, which might lead to further material NPL inflows.

The penultimate sentence of the second paragraph of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations - Changes to Turkish Banking Policy and Regulations" on page 55 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 25 July 2019, the Central Bank decreased the policy rate by 425 basis points to 19.75% and then further reduced it to 16.50% on 12 September 2019, which was followed with cuts on 24 October 2019 to 14.00%, on 12 December 2019 to 12.00%, on 16 January 2020 to 11.25%, on 19 February 2020 to 10.75%, on 17 March 2020 to 9.75%, on 22 April 2020 to 8.75% and on 21 May 2020 to 8.25%.

The first two paragraphs of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations - Expected Credit Losses" on page 59 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

The Group's financial results can be significantly affected by the amount of expected credit losses (prior to the implementation of TFRS 9 as of 1 January 2018, provisions for possible loan losses). As of 1 January 2018, the Bank recognises provisions for impairment by applying the expected credit loss (the "*ECL*") model under TFRS 9 according to the Classification of Loans and Provisions Regulation. As such, the Group's provisions for losses on loans and other credit receivables for 2018 and later periods are not comparable to these provisions for 2017 due to the adoption of new TFRS 9 impairment rules as of 1 January 2018.

The net provision for possible losses on cash and non-cash loans was TL 2.2 billion in 2017. The expected credit losses were TL 4.5 billion in 2018, TL 8.4 billion in 2019 and TL 3.2 billion in the first quarter of 2020. The ratio of the Group's NPLs to total gross cash loans (*i.e.*, NPL ratio) increased from 4.11% as of 31 December 2017 to 4.75% as of 31 December 2018 and then further increased to 5.91% as of 31 December 2019, before declining to 5.31% as of 31 March 2020. The Group's NPL ratio increased in 2018 principally due to the weak level of economic activity in Turkey during the second half of 2018. In 2019, the Group's NPL ratio increased as a result of the continued weak level of economic activity and the reclassification as NPLs of the previously classified Stage 2 loans that were included within the BRSA NPL Instruction. In the first quarter of 2020, the improvement was principally a result of the write-off of previous NPLs amounting to TL 888,478 thousand (which had a positive impact on the Bank's NPL ratio of 0.26%), the denominator effect of growth in lending, limited NPL inflows and the BRSA's temporary rules on classification of loans. See "Turkish Regulatory Environment – Expected Credit Losses – Current Rules." In the remainder of 2020, the Bank's management expects that, notwithstanding the impact of the COVID-19 pandemic, there will be a further decline in Bank's NPL ratio as a result of the BRSA's temporary rule on classification of loans (as part of the measures taken against the impacts of the COVID-19 pandemic), which will reduce NPL inflows until the end of 2020, and the denominator effect of growth in lending; *however*, unless the BRSA extends the period of application of the temporary rule on classification of loans, the Bank's management expects that the Bank's NPL ratio will increase in 2021 due to the lapse of such rule on 31 December 2020. Despite such temporary rules implemented by the BRSA, the Bank revised its forward-looking macroeconomic scenario for 2020 in the data set used for the Bank's IFRS 9 model for the calculation of expected credit losses as if such rules had not been implemented, which revision was made in order to act conservatively and set aside additional provisions for loans. For this purpose, the scenario weighting in the macroeconomic data set was increased to 50% from 25% for the worst case scenarios and decreased to 50% from 75% for the best case scenarios.

The following sentence is hereby inserted at the end of the first paragraph (*i.e.*, immediately after the table) of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations - Exchange Rates" on page 60 of the Base Prospectus:

The Group's and the Bank's foreign currency net open position ratios were (17.64)% and (20.20)%, respectively, as of 31 March 2020.

The last sentence of the sixth paragraph of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Analysis of Results of Operations for 2017, 2018 and 2019 - Operating Expenses - Expected Credit Losses - Provision for losses on loans and other receivables as of 31 December 2017" on page 73 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

In 2019, the corresponding figures were 92.93% and 7.07%, respectively.

The last sentence of the third paragraph of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Assets - Investment Securities" on page 76 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of 31 December 2019, the share of the Group's financial assets measured at amortised cost (prior to implementation of TFRS 9, held-to-maturity investments) in the Group's securities portfolio (excluding trading securities) decreased to 64.57% and total investment securities held in the Group's portfolio of financial assets measured at fair value through other comprehensive income increased accordingly.

THE GROUP AND ITS BUSINESS

The first sentence of the first paragraph of the section titled "The Group and its Business - Overview of the Group" on page 107 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Bank is a full service commercial and retail bank with its headquarters in İstanbul, Turkey and is controlled by the Turkish Treasury, which (pursuant to Decree No. 696) on 11 December 2019 acquired shares in the Bank that had previously been held by various foundations managed by the GDF and (indirectly through the Turkey Wealth Fund) acquired newly issued shares of the Bank on 20 May 2020.

The following sentence is hereby added after the sixth sentence of the first paragraph of the section titled "The Group and its Business - Overview of the Group" on page 107 of the Base Prospectus:

On 10 May 2020, the Qatar Financial Centre Regulatory Authority approved the Bank's request for a license to conduct banking activities in Qatar.

The last sentence of the last paragraph of the section titled "The Group and its Business - History" on page 108 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The ownership structure of the Bank remained unchanged since the 2005 initial public offering until the share transfer from the GDF to the Turkish Treasury described above was finalized on 11 December 2019, with the Turkish Treasury then acquiring (through the Turkey Wealth Fund) additional shares on 20 May 2020 as described above.

The following paragraph is hereby inserted as a new paragraph at the end of the section titled "The Group and its Business - Operations - Retail Banking - Consumer Lending" starting on page 113 of the Base Prospectus:

On 1 June 2020, three state-controlled banks, Ziraat, Halkbank and the Bank, introduced new loan packages intended to support the normalisation process after the COVID-19 pandemic. These new loan packages include mortgages for both new and existing houses, loans for locally produced vehicles (both new and used), loans for certain locally produced goods used in the home (*e.g.*, furniture, electronics, white appliances and home textiles) and loans for holiday expenses. These loans are applicable to retail customers with the exception of loans for commercial vehicles, which are also applicable to commercial, corporate and SME customers, and offer low interest rates and grace periods of up to a year depending upon the loan package.

The following sentence is hereby added after the penultimate sentence of the first paragraph of the section titled "The Group and its Business - Operations - International Banking" starting on page 118 of the Base Prospectus:

On 10 May 2020, the Qatar Financial Centre Regulatory Authority approved the Bank's request for a license to conduct banking activities in Qatar.

The rating chart for Fitch on page 127 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Fitch (19 May 2020)

Long-term Foreign Currency Issuer Default Rating/Outlook:	B+ (Negative)
Short-term Foreign Currency Issuer Default Rating:	B
Long-term Local Currency Issuer Default Rating/Outlook:	BB- (Stable)
Short-term Local Currency Issuer Default Rating:	B
National Long-term Rating/Outlook:	AA (tur) (Stable)
Support Rating:	4
Support Rating Floor:	B
Viability Rating:	b+

MANAGEMENT

The following sentence is hereby added at the end of the second paragraph of the section titled "Management - Board of Directors" on page 133 of the Base Prospectus:

Pursuant to the articles, three members of the Board are selected among candidates proposed by holders of a majority of the Bank's Class A shares (one of which Board members is required to be independent), one member of the Board is selected among candidates proposed by holders of a majority of the Bank's Class B shares, two members of the Board are selected among candidates proposed by holders of a majority of the Bank's Class C shares (one of which Board members is required to be independent), one member of the Board is selected by the shareholders by taking into account the preferences of the holders of the Bank's Class D shares (which Board member is required to be independent) and two remaining members of the Board are selected by the General Assembly among the candidates proposed by the shareholders.

The last sentence of the first paragraph and the table under the first paragraph of the section titled "Management - Members of the Board of Directors" on page 133 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

The following are the Bank's Board members as of 18 June 2020:

Director	**Year First Appointed**	**Current Term Expires**
Abdülkadir Aksu (Chairman).......................................	2019	2023
Dr. Cemil Ragıp Ertem (Deputy Chairman).................	2018	2023
Abdi Serdar Üstünsalih (Member/General Manager) ..	2019	2023
Serdar Tunçbilek (Member/Independent)	2017	2023
Dr. Adnan Ertem (Member)..	2010	2023
Dilek Yüksel (Member/Independent)...........................	2016	2023
Sadık Yakut (Member)..	2019	2023
Şahin Uğur (Member)	2017	2023
Hamza Yerlikaya (Member/Independent)....................	2020	2023

The following sentence is hereby added after the last sentence of the first paragraph of the section titled "Management - Members of the Board of Directors - Abdülkadir Aksu (Chairman)" starting on page 133 of the Base Prospectus:

He is also a member of the Remuneration Committee.

The section titled "Management - Members of the Board of Directors - Prof. Dr. Şahap Kavcıoğlu (Deputy Chairman/Independent Board Member)" on page 134 of the Base Prospectus is hereby deleted in its entirety.

The last sentence of the first paragraph of the section titled "Management - Members of the Board of Directors - Serdar Tunçbilek" on page 134 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

He is also a member of the Audit Committee and the Credit Committee.

The last sentence of the first paragraph of the section titled "Management - Members of the Board of Directors - Dr. Adnan Ertem" starting on page 134 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

He also serves as a substitute member of the Credit Committee and a member of the Remuneration Committee.

The penultimate sentence of the first paragraph of the section titled "Management - Members of the Board of Directors - Dilek Yüksel" on page 135 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

She is also a member of the Audit Committee and the Corporate Governance Committee and a substitute member of the Credit Committee.

The title of the section titled "Management - Members of the Board of Directors - Dr. Cemil Ragıp Ertem" on page 135 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Dr. Cemil Ragıp Ertem *(Deputy Chairman)*

The last sentence of the second paragraph of the section titled "Management - Members of the Board of Directors - Dr. Cemil Ragıp Ertem" on page 135 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of 18 June 2020, Dr. Ertem is the Chief Economic Advisor to President Erdoğan, Dr. Ertem has been serving as a Board member of the Bank since 13 August 2018 and as the Deputy Chairman of the Board since 12 June 2020.

The following sentence is hereby added after the last sentence of the first paragraph of the section titled "Management - Members of the Board of Directors - Sadık Yakut" on page 135 of the Base Prospectus:

He is also a member of the Corporate Governance Committee.

The last sentence of the first paragraph of the section titled "Management - Members of the Board of Directors - Şahin Uğur" on page 135 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

He is also a member of the Credit Committee.

The following is hereby added at the end of the section titled "Management - Members of the Board of Directors" starting on page 133 of the Base Prospectus:

Hamza Yerlikaya

Mr. Yerlikaya (born 1976) graduated from the Department of Physical Education and Sports in the Burdur Education Faculty at Süleyman Demirel University, after which he completed a master's degree at Sakarya University. As a wrestler, Mr. Yerlikaya won two Olympics, three world and eight European championships in the adult category. After winning a gold medal at the Atlanta Olympics in 1996, Mr. Yerlikaya was named "The Wrestler of the Century" by the World Wrestling Federation (FILA) in 1996 and, in 1997, was awarded the "State Medal of Distinguished Service of the Republic of Turkey." Mr. Yerlikaya retired from wrestling in 2007 and, as a member of the AKP, was shortly thereafter elected as a member of the Turkish Parliament from Sivas province. During his time in Parliament, Mr. Yerlikaya served as a member of Turkey's National Olympic Committee, an advisor of the Ministry of Youth and Sports and a member of both the Parliamentary National Education Commission and the Parliamentary Youth and Sports Commission. Following his service as the member of Parliament, Mr. Yerlikaya was elected as the head of the Turkish Wrestling Federation in 2012. After three years of his service in this position, he became a Chief Advisor to President Erdoğan and, on 21 July 2018, was appointed as Deputy Minister of the Ministry of Youth and Sports. Mr. Yerlikaya was appointed as a Board member during the Bank's ordinary general assembly meeting held on 12 June 2020.

The second and third paragraphs of the section titled "Management - Conflicts of Interest" on page 139 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

Each member of the Board (except the General Manager) is appointed from among the candidates nominated by shareholders of one or all of the four classes of shares in the Bank. The interests of the shareholders holding shares in classes A, B, C and D (and thus the director(s) representing those share classes) are potentially in conflict with the interests of the Bank as further described below.

As of 18 June 2020, the Class A and Class B shares are primarily held by the Turkish Treasury and such shares are represented and managed by the Minister to whom the Turkish Treasury reports. In addition, a large portion of the Class D shares are held by the Turkish Treasury indirectly through the Turkey Wealth Fund as of such date. See "Ownership." The interests of the Turkish government potentially conflict with the interests of the Bank across a range of potential issues (*e.g.*, the regulation of Turkish banks). In circumstances in which the Board is required to make a decision in relation to a matter in which the interests of the Bank and the Turkish government are not aligned, then, as a result of their respective responsibilities to the share classes that they represent, the Class A directors (Messrs. Aksu, Üstünsalih and Yerlikaya), the Class B director (Dr. Adnan Ertem) and the Class D director (Mr. Tunçbilek) might vote for the Bank to take an action that is in the interests of the Turkish government but that might not be considered to be in the interests of the Bank. The Turkish government also exercises significant influence over the management of the Bank.

The fifth paragraph of the section titled "Management - Conflicts of Interest" on page 140 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Class D shares of the Bank are represented by Mr. Tunçbilek. The holders of the Bank's free-floating Class D shares owned, in the aggregate, 52.14% of the outstanding shares of the Bank as of 18 June 2020 (including the 35.99% held by the Turkey Wealth Fund). Other than the Turkey Wealth Fund, none of the Class D shareholders owned more than 5% of the outstanding shares of the Bank as of such date.

OWNERSHIP

The section titled "Ownership" starting on page 141 of the Base Prospectus is hereby deleted in its entirety and replaced by Exhibit B.

FORM OF APPLICABLE FINAL TERMS

Item 9 of Part B of the form of the Final Terms on page 196 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

9. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

The net proceeds from the issue of the Notes, the estimated amount of which net proceeds is [●], will be applied by the Issuer for [[Green Projects][and/or][Social Projects] and such Notes will therefore be [Sustainability Notes - [Green Bonds][Social Bonds][Sustainability Bonds]]][its general corporate purposes][●].

(*See "Use of Proceeds" in the Base Prospectus. If the reason for the offer is different from Sustainability Notes or general corporate purposes, then such specific reason will need to be included here.*)

TURKISH REGULATORY ENVIRONMENT

The last sentence of the third paragraph of the section titled "Turkish Regulatory Environment - Additional COVID-19-Related Temporary Measures" on page 175 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of 18 June 2020, the Bank meets the Asset Ratio requirement (the most recent calculation thereof was 130% as of 29 May 2020) and the Bank's management does not anticipate any significant risk of the Bank falling below the required level.

The following paragraph is hereby inserted as a new paragraph after the third paragraph of the section titled "Turkish Regulatory Environment - Additional COVID-19-Related Temporary Measures" on page 175 of the Base Prospectus:

On 29 May 2020, the BRSA announced new guidelines (effective as of 1 June 2020) as to the method of calculating the Asset Ratio, the principal aims of which revisions were announced by the BRSA to be to increase the flow of credit to SMEs and exporters, promote project finance and encourage banks to reduce the gap between their foreign currency assets and liabilities. These new guidelines provide that: (a) banks whose total Turkish Lira and foreign currency deposits are lower than TL 25 billion as of 31 March 2020 as reported to the BRSA will be exempt from being required to meet the Asset Ratio until 31 December 2020, (b) SME loans, export loans and project finance loans will be weighted with a factor of 1.1 (as opposed to 1.0) in calculating the Asset Ratio, (c) loans with a maturity of less than three months are not to be included in the loans component of the calculation of the Asset Ratio, (d) short-term Turkish Lira financing bonds with a maturity of less than six months and repo transactions with clients (other than bank clients) in which a bank sells Turkish Lira-denominated securities are to be included in the Turkish Lira deposit component of the calculation of the Asset Ratio, (e) repo transactions with clients (other than bank clients) in which a bank sells foreign currency-denominated securities are to be included in the foreign currency deposit component of the calculation of the Asset Ratio and (f) for the foreign currency deposits component of the calculation of the Asset Ratio, deposits up to an amount equal to a bank's foreign currency loans will be weighted with a factor of 1.0 while additional foreign currency deposits will be weighted with a factor of 1.75.

The following paragraph is hereby inserted as a new paragraph at the end of the section titled "Turkish Regulatory Environment - Additional COVID-19-Related Temporary Measures" on page 175 of the Base Prospectus:

On 5 May 2020, the BRSA imposed a new requirement that certain Turkish Lira transactions (*i.e.*, Turkish Lira-denominated placements, Central Bank reserves, repurchase transactions and loans) performed by a Turkish bank with foreign financial institutions, including this Turkish bank's foreign branches and consolidated foreign subsidiaries regarded as credit institutions and financial institutions, are limited to 0.5% of such Turkish bank's latest calculated shareholders' equity (as calculated on a bank-only basis) as reported to the BRSA on a monthly basis. If a Turkish bank exceeds such limit, then such bank is not allowed to enter into any new such transactions (or renew any existing such transactions upon their maturity) until such bank is in compliance with this limit. On 20 May 2020, the BRSA declared that any such transactions that clear through Euroclear or Clearstream, Luxembourg are not to be included in the numerator of such calculation. This new measure aims to increase the efficient use of Turkish Lira resources, primarily to satisfy the financing needs of the public and private sectors, which measure is expected to be effective until the extraordinary conditions that exist due to the COVID-19 pandemic have ceased.

EXHIBIT A

RECENT DEVELOPMENTS

Analysis of Results of Operations for the Three Months Ended 31 March 2019 and 2020

The following summary financial and operating data for the three month periods ended 31 March 2019 and 2020 and balance sheet information as of 31 December 2019 and 31 March 2020 have been extracted from the BRSA Interim Financial Statements without material adjustment. This information should be read in conjunction with the BRSA Interim Financial Statements (including the notes thereto). Except to the extent stated otherwise, the financial data for the Group included herein are extracted from the consolidated BRSA Interim Financial Statements without material adjustment. Potential investors in the Notes should note that this section also includes certain financial information for the Bank only, which is extracted from the unconsolidated BRSA Interim Financial Statements of the Bank without material adjustment. Such financial information is identified as being of "the Bank" in the description of the associated tables or information (rather than for the Group on a segmented basis).

Please note that the BRSA Interim Financial Statements have not been prepared in accordance with the international financial reporting standards as endorsed in the EU based upon Regulation (EC) No. 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No. 1606/2002 been applied to the historical financial information presented herein. A narrative description of the differences between IFRS and the BRSA Principles as adopted by the Issuer in preparing its annual financial statements has been included in Appendix A ("Overview of Differences between IFRS and the BRSA Principles").

The following summary financial and operating data as of and for the three month periods ended 31 March 2019 and 2020 have been extracted from the BRSA Interim Financial Statements. This information should be read in conjunction with the BRSA Interim Financial Statements (including the notes therein).

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands)	
Net interest income	2,528,221	5,081,138
Net fee and commission income	973,118	800,395
Other operating income[(1)]	2,097,487	2,824,457
Total operating profit	**5,598,826**	**8,705,990**
Expected credit loss	(2,581,479)	(3,224,365)
Other operating expenses	(2,071,871)	(3,231,083)
Total operating expenses	**(4,653,350)**	**(6,455,448)**
Income/loss from equity accounted investments	14,304	13,386
Income before tax	**959,780**	**2,263,928**
Taxation charge	(163,665)	(460,492)
Net income for the period	**796,115**	**1,803,436**
Attributable to equity holders of the Bank	780,455	1,766,355
Attributable to minority interests	15,660	37,081

(1) For a particular period, this is the sum of: (a) dividend income, (b) trading income/losses (net) and (c) other operating income, in each case, for such period.

Net Income

The Group's net income for the first three months of 2020 was TL 1.8 billion, a 126.53% increase from TL 796.1 million in the same period of the previous year. This change was due to a 100.98% increase in net interest income, which was driven by an increase in net interest margins from 3.35% to 5.21% due primarily to a re-pricing of the Group's asset and deposit portfolios as the decrease in interest earned income on loans and securities was less than the decrease in expenses on deposits (*i.e.*, deposits re-price more quickly than loans and securities). As of 18 June 2020, the Bank's management has not revised its expectations and budget for Turkey's economic performance in 2020 to reflect the impact of the COVID-19 pandemic. The Bank's management continues to closely monitor the implementation and consequences of the government's economic support package on the national economy going forward.

The following sections describe the components of the Group's net income (*i.e.*, operating income, operating expenses and taxation charges) in greater detail.

Operating Income

The Group's operating income is comprised of its net interest income, net fee and commission income and other operating income. Each of these is described in greater detail below.

Net Interest Income. Net interest income, representing 45.16% and 58.36% of the Group's total operating profit in the first three months of 2019 and 2020, respectively, amounted to TL 5.1 billion in the first three months of 2020, a 100.98% increase from TL 2.5 billion in the same period of the previous year. This increase was largely due to an increase in the Group's total loans (as discussed under "Financial Condition - Assets" below) and a decrease in the cost of funding resulting from the significant basis point rate cuts that the Central Bank began in July 2019.

Interest income from CPI-linked bonds in the first three months of 2020 increased by 10.92% from the same period of the prior year, which partially offset the decreasing trend in interest rates that resulted in a decline in the Group's average security yields to 9.27% in the first three months of 2020 from 11.50% in the same period of the previous year. The Group's average Turkish Lira deposit cost decreased to 7.46% for the first three months of 2020 from 14.37% for the same period of the previous year due to the impact of the Central Bank's rate cuts described above beginning in July 2019 (which resulted in a repricing of Turkish Lira deposits more quickly than the repricing of Turkish Lira-denominated loans and other assets).

As of 18 June 2020, the Bank's management expects that the Group's net interest margin will decline (particularly in the second half of 2020) compared to the first three months of 2020 due to the expected decline in core spreads as the Group continues to re-price its loan portfolio downward in line with market conditions; *however*, as of such date, the Bank's management continues to expect that the Group's net interest margin will increase in 2020 by 40 to 50 basis points compared to 2019.

On an annualised basis, the net interest margin of the Group was 5.21% in the first three months of 2020, compared to 3.35% in the same period of the previous year, which change was primarily due to a 10.92% increase in interest income from CPI-linked bonds and the changes to funding costs noted above. See also "-Significant Factors Affecting the Group's Financial Condition and Results of Operations - Interest Rates and Central Bank Policy." The calculation of the Group's annualised net interest margin for the indicated periods is as follows:

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands, except percentages)	
Net interest income	2,528,221	5,081,138
Average interest-earning assets................	301,731,753	389,848,745
Net interest margin	**0.84%**	**1.30%**
Annualisation factor[(1)]...............................	4	4
Net interest margin (annualised) ...	**3.35%**	**5.21%**

(1) The annualisation factor for a period is 12 *divided by* the number of months in such period.

Interest Income. In the first three months of 2020, the Group's interest income increased by 5.17% from the same period of the previous year. The following table sets out the interest earnings on the Group's interest-earning assets during the indicated periods:

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands)	
Interest income from loans	8,105,819	8,381,205
Interest income from marketable securities portfolio .	1,563,445	1,927,474
Interest income from banks	92,905	50,911
Interest income from money market transactions.......	721	479
Others	178,087	94,677
Total interest income...	**9,940,977**	**10,454,746**

The change in interest income from loans in the first three months of 2020 compared to the same period of the previous year was mainly due to a 26.50% increase in the size of the Group's performing loans as of 31 March 2020 compared to 31 March 2019 as described in "Financial Condition - Assets" below, which was offset by the lower market interest rates resulting from the Central Bank's rate cuts starting in July 2019 as described above. For the securities portfolio, there was a 23.28% increase in the Group's "interest income from marketable securities portfolio" in the first three months of 2020 compared to the same period of the previous year due to a 58.23% increase in the nominal amount of the securities portfolio, which exceeded the negative impact of the decline in interest rates.

Interest Expense. In the first three months of 2020, the Group's interest expense decreased by 27.51% from the same period of the previous year. The following table sets out the interest expense on the Group's interest-bearing liabilities by category during the indicated periods:

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands)	
Interest expense on deposits	4,410,622	2,982,640
Interest expense on money market transactions	1,594,172	716,240
Interest expense on securities issued	886,502	1,139,661
Interest expense on funds borrowed	459,267	418,950
Other interest expense	62,193	116,117
Total interest expense	**7,412,756**	**5,373,608**

The decline in the Group's total interest expense in the first three months of 2020 as compared to the same period of the previous year was principally due to a 32.38% decrease in interest expense on deposits and money market transactions as a result of the Central Bank's rate cuts starting in July 2019 as described above. This decline occurred notwithstanding that the Group's Turkish Lira deposits (including bank deposits) increased by 38.68% from 31 March 2019 to TL 149.5 billion as of 31 March 2020 as a result of a significant increase in both demand and term deposits. See "Financial Condition - Liabilities" below.

Net Fee and Commission Income. In the first three months of 2020, the Group's net fee and commission income decreased by 17.75% from the same period of the previous year due to new limitations on certain fees and commissions as described above. See "Risk Factors – Risks Relating to Turkey – Turkish Regulatory and Other Matters – Banking Regulatory Matters." The following table sets out the categories of the Group's fee and commission income and expenses (identified by the principal business lines of the Group) and their respective amounts during the indicated periods:

	For the Three Months Ended 31 March	
	2019	**2020**
	(*TL thousands*)	
Fee and Commission Income		
Commercial banking	592,455	524,802
Credit card fees	383,997	273,412
Retail banking	114,127	120,109
Investment banking	111,402	107,403
Total fee and commission income	**1,201,981**	**1,025,726**
Fee and Commission Expense		
Commercial banking	228,863	225,331
Total fee and commission expense	**228,863**	**225,331**
Net fee and commission income	**973,118**	**800,395**

Other Operating Income. The Group's total other operating income increased by 34.66% in the first three months of 2020 from the same period of the previous year. The following table sets out the Group's total other operating income by category during the indicated periods:

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands)	
Dividend income	1,337	389
Trading gains/losses, net	61,061	(108,279)
Foreign exchange gains, net.	109,868	(471,556)
Income from reversal of provisions for loans from previous periods	1,331,990	2,372,906
Earned insurance premiums (net of reinsurance share)	415,087	658,836
Communication income	10,413	6,220
Gain on sale of assets	54,639	116,749
Income from private pension business	37,643	47,582
Rent income	2,670	31,302
Other operating income	72,779	170,308
Total other operating income	**2,097,487**	**2,824,457**

In the first three months of 2020, the largest component of total other operating income (representing 84.01% of the total) was income from the reversal of provisions for loans from previous periods, which increased by 78.15% in comparison to the same period of the previous year principally as a result of the write-off of loans amounting to TL 888,478 thousand from NPLs (which write-offs increase both "other income" due to their resulting in a reversal of provisions and "other expenses" in the BRSA Financial Statements and thus do not have any impact on profit and loss in the BRSA Financial Statements) and the release of both free provisions and provisions when loans were transferred from stage 1 to stage 2 or stage 2 to stage 3 (which generate expected credit losses). The second largest component of total other operating income during the first three months of 2020 (representing 23.33% of the total) was earned insurance premiums (net of reinsurance share), which was an increase of 58.72% when compared to the same period of the previous year. The third largest component of total other operating income in the first three months of 2020 (representing 6.03% of the total) was other operating income, which increased by 134.01% in comparison to the same period of the previous year due to increases in the operating expenses of the Bank's subsidiaries.

On the other hand, trading gains/losses, net went from positive during the first three months of 2019 to significantly negative during the same period of 2020 as a result of the impact of foreign exchange volatility on the Group's derivative transactions.

Operating Expenses

The Group's operating expenses (including expected credit losses) in the first three months of 2020 increased by 38.12% to TL 6.4 billion from TL 4.6 billion in the same period of the previous year (if the effect of expected credit losses were excluded, then the increase would have been 55.95%). This increase was predominantly due to inflation (including with respect to personnel costs) and increases in expected credit losses.

The Group's cost-to-income ratio increased to 37.11% in the first three months of 2020 from 37.01% during the same period of the previous year. A similar ratio monitored by the Group is operating expenses (excluding foreign exchange losses) as a percentage of average total assets, which ratio increased to 2.84% in the first three months of 2020 from 2.30% in the same period of the previous year. These increases were primarily due to the above-described write-off of loans (which write-offs increase both "other income" due to their resulting in a reversal of provisions and "other expenses" in the BRSA Financial Statements and thus do not have any impact on profit and loss in the BRSA Financial Statements), inflation (including with respect to personnel costs) and increases in expected credit losses.

The following table sets out the Group's total operating expenses (other than impairment losses, net, which are discussed separately below) by category during both of the indicated periods:

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands)	
Other operating expenses	2,071,871	3,231,083
Personnel costs	*752,147*	*862,459*
Reserve for employee termination benefits	*27,999*	*32,564*
Depreciation expenses on tangible assets	*110,672*	*125,745*
Amortisation expenses on intangible assets	*8,868*	*9,564*
Operational lease-related expenses	*3,499*	*17,888*
Advertisement expenses	*30,560*	*33,041*
Other(1)	*1,138,126*	*2,149,822*
Expected credit loss	2,547,551	3,149,430
Total operating expense	**4,619,422**	**6,380,513**

(1) Includes various normal course expenses such as utility charges and repair and maintenance, none of which (other than the loan write-offs in the first quarter of 2020 discussed previously) is individually a material component of this category. See Note 5.4.6 to the Group's BRSA Interim Financial Statements.

Excluding the multi-category "other operating expenses," the two largest total operating expenses, expected credit losses and personnel costs, are discussed in greater detail below.

Expected Credit Losses

Asset quality remains an ongoing concern of Turkish banks, including the Bank, given potential risks to economic growth, inflation, the Turkish Lira's depreciation, interest rate volatility and, most recently, Turkey's financial condition and the impact of the COVID-19 pandemic. The following table sets out the Group's expected credit losses by category during the indicated periods:

	For the Three Months Ended 31 March	
	2019	**2020**
	(TL thousands)	
Expected credit losses	**2,547,551**	**3,149,430**
12 month ECL (Stage 1)	*600,974*	*860,202*
Significant increase in credit risk (Stage 2)	*878,066*	*795,368*
Impaired credits (Stage 3)	*1,068,511*	*1,493,860*
Impairment losses on securities	**33,928**	**35,644**
Financial assets measured at fair value through profit or loss	*2,212*	*3,630*
Financial assets measured at fair value through other comprehensive income	*31,716*	*32,014*
Impairment losses on associates, subsidiaries and joint-ventures	—	**39,291**
Associates	—	*39,291*
Subsidiaries	—	—
Joint-ventures (business partnership)	—	—
Others	—	—
Total	**2,581,479**	**3,224,365**

The Group's nominal NPLs as of 31 March 2020 were TL 17,881,651 thousand, a 0.95% increase from TL 17,712,516 thousand as of 31 December 2019. The Group's NPL ratio decreased to 5.31% as of 31 March 2020 from 5.91% as of 31 December 2019, which decrease was principally a result of the write-off of previous NPLs amounting to TL 888,478 thousand (which had a positive impact on the Bank's NPL ratio of 0.26%), the denominator effect of growth in lending, limited NPL inflows and the BRSA's temporary rules on classification of loans (which, among other things, increased the period of recognition of NPLs from 90 days to 180 days). See "Turkish Regulatory Environment – Expected Credit Losses – Current Rules." Stage 2 (Significant increase in credit risk) loans amounted to TL 32,708,526 thousand as of 31 March 2020, a decrease from TL 34,913,874 thousand as of 31 December 2019, and the ratio of the Group's Stage 2 loans to total performing loans (*i.e.,* Stage 2 loans as of such date *as a percentage of* the total performing loans as of such date) was 10.25% and 12.37%, respectively, as of such dates. As of 31 March 2020, the Group's expected credit losses for Stage 3 loans increased by 39.81% (to TL 1,493,860 thousand) as compared to 31 December 2019.

As of 31 December 2019 and 31 March 2020, the shares of Stage 2 loans within the restructured loans were 92.93% and 89.27%, respectively, with the balance comprising Stage 3 loans.

Personnel costs. Personnel costs increased by 14.67% to TL 862.5 million in the first three months of 2020 from TL 752.1 million in the same period of the previous year. This increase resulted mainly from inflation, with CPI increasing by 11.86% as of 31 March 2020 compared to 31 March 2019 by 19.71%.

Taxation Charge

Income taxation charges for the first three months of 2020 totaled TL 460.5 million, which was a 181.36% increase from TL 163.7 million for the same period of the previous year. The Group's taxation charges for the first three months of 2019 and 2020 included deferred tax income amounting to negative TL 111.7 million and negative TL 311.7 million, respectively.

The Group's effective income tax rate (calculated based upon its reported taxation charge *divided by* its income before tax) was 17.31% and 20.46% for the first three months of 2019 and 2020, respectively (as compared to the Turkish corporate income tax rate of 20%). Taxes on income from the Group's non-Turkish operations were immaterial during such periods. In 2020, the change in the Group's effective income tax rate was primarily due to the valuation of mark-to-market securities. For more information on the Group's taxation, see note 5.4.10 to the Group's BRSA Interim Financial Statements.

Financial Condition

The following summary balance sheet data for both of the indicated dates have been extracted from the BRSA Interim Financial Statements and should be read in conjunction with the BRSA Interim Financial Statements (including the notes thereto).

	As of 31 December 2019		**As of 31 March 2020**	
	Amount	**% of Total**	**Amount**	**% of Total**
Assets	*(TL thousands, except for percentages)*			
Cash and cash equivalents	36,504,592	8.43%	22,689,371	4.75%
Banks	6,218,498	1.44%	5,709,222	1.19%
Loans	282,217,085	65.17%	319,133,393	66.76%
Investment securities	75,122,864	17.35%	91,267,476	19.09%
Investment in equity participations	1,481,253	0.34%	1,526,944	0.32%
Tangible assets, net	3,040,967	0.70%	4,162,416	0.87%
Other assets	28,455,870	6.57%	33,517,119	7.01%
Total assets	**433,041,129**	**100.00%**	**478,005,941**	**100.00%**
Liabilities				
Deposits from banks	10,515,254	2.43%	11,651,879	2.44%
Deposits from customers	243,615,494	56.26%	259,770,387	54.34%
Obligations under repurchase agreements	24,603,857	5.68%	44,885,838	9.39%
Loans and advances from banks (funds borrowed)	45,063,684	10.41%	46,591,871	9.75%
Debt securities issued	29,248,056	6.75%	36,752,740	7.69%
Other liabilities and accrued expenses	46,442,490	10.72%	43,868,018	9.18%
Total liabilities	**399,488,839**	**92.25%**	**443,520,733**	**92.79%**
Total shareholders' equity and minority interest	**33,552,290**	**7.75%**	**34,485,208**	**7.21%**
Total liabilities, shareholders' equity and minority interest	**433,041,129**	**100.00%**	**478,005,941**	**100.00%**

The following summarises the Group's assets, liabilities and shareholders' equity as extracted from its BRSA Interim Financial Statements without any material adjustment.

Assets

The Group's total assets as of 31 March 2020 were TL 478.0 billion, a 10.38% increase from TL 433.0 billion as of 31 December 2019. Cash and cash equivalent balances represented 8.43% and 4.75% of the Group's total assets as of 31 December 2019 and 31 March 2020, respectively. The following describes the Group's loans to banks, loans to customers and investment securities, which jointly represented 83.96% and 87.04% of the Group's total assets as of 31 December 2019 and 31 March 2020, respectively.

Loans. Loans represented 65.17% and 66.76% of the Group's total assets as of 31 December 2019 and 31 March 2020, respectively. The Group's loans amounted to TL 319.1 billion as of 31 March 2020, a 13.08% increase from TL 282.2 billion as of 31 December 2019, which growth was principally the result of the growth in retail loans, SME loans and Turkish Lira short-term corporate loans.

As of 31 March 2020, the Group's NPLs increased by 0.95% from 31 December 2019 due to the write-off of previous NPLs amounting to TL 888,478 thousand, limited NPL inflows and the BRSA's temporary rules on classification of loans. See "Turkish Regulatory Environment – Expected Credit Losses – Current Rules." As of 31 December 2019 and 31 March 2020, provisions representing 90.71% and 93.91%, respectively, of the amount of total NPLs had been set aside. The proportion of the Group's NPLs to total performing loans was 6.28% and 5.60% as of 31 December 2019 and 31 March 2020, respectively, whereas the ratio of the Group's NPLs to total cash and non-cash loans was 4.84% as of 31 December 2019 compared to 4.39% as of 31 March 2020.

In the first three months of 2020, Bank-only loans, which constituted 67.29% of the Bank's total assets as of 31 March 2020, grew by 13.55%. Loan growth was experienced principally in commercial loans, which include corporate loans, and SME loans, which grew by 16.47% and 14.12%, respectively.

For additional information on the Group's loan portfolio, including its NPLs and related provisions, see note 5.1.5 to the Group's BRSA Interim Financial Statements.

Investment Securities. As of 31 December 2019 and 31 March 2020, investment securities represented 17.35% and 19.09%, respectively, of the Group's total assets. In the first three months of 2020, the 21.49% increase in the amount of the Group's assets held as investment securities was mainly due to a 49.19% increase in the amount of financial assets at fair value through other comprehensive income. Securities issued by the Turkish Treasury represented 79.76% and 80.80% of the Group's securities portfolio (excluding trading securities) as of 31 December 2019 and 31 March 2020, respectively.

As of 31 March 2020, the share of the Group's financial assets measured at amortised cost in the Group's securities portfolio (excluding trading securities) decreased to 54.58% from 64.57% as of 31 December 2019 and total investment securities held in the Group's portfolio of financial assets measured at fair value through other comprehensive income increased accordingly.

Pursuant to Turkish market practice, the Group pledges securities to acquire funding under security repurchase agreements. The Group utilises such funding depending upon the difference in rates paid on deposits compared to Central Bank rates, which vary based upon market conditions as well as Central Bank policy. The fair value of securities so pledged amounted to TL 41.4 billion as of 31 March 2020 compared to TL 21.5 billion as of 31 December 2019, comprising 48.88% and 29.56%, respectively, of the Group's total securities portfolio (including trading securities).

For additional information on the Group's investment securities portfolio, see note 5.1.6 to the Group's BRSA Interim Financial Statements.

Liabilities

The Group's total liabilities as of 31 March 2020 were TL 443.5 billion, a 11.02% increase from TL 399.5 billion as of 31 December 2019. The following summarises the three principal categories of the Group's liabilities - deposits, obligations under repurchase agreements and loans from banks.

Deposits. The Group's deposits from customers (including accrued interest expense) amounted to TL 259.8 billion as of 31 March 2020, a 6.63% increase from TL 243.6 billion as of 31 December 2019. The share of deposits from customers in total liabilities represented 60.98% and 58.57% as of 31 December 2019 and 31 March 2020, respectively, which increase was due to a 5.05% increase in Turkish Lira deposits (largely driven by retail and SME clients) and a 9.04% increase in foreign currency-denominated deposits as a result of the volatility in the value of the Turkish Lira and the resulting increased "dollarisation" of the Turkish economy. Foreign currency total deposits (principally U.S. dollars and euro) represented 44.01% and 44.94% of the Group's total deposits as of 31 December 2019 and 31 March 2020, respectively. The share of demand deposits in the Group's total deposit portfolio increased from 20.20% as of 31 December 2019 to 21.66% as of 31 March 2020. For additional information on the Group's deposits, see note 5.2.1 to the Group's BRSA Interim Financial Statements.

Obligations under Repurchase Agreements. Obligations under repurchase agreements amounted to TL 44.9 billion as of 31 March 2020, a 82.43% increase from TL 24.6 billion as of 31 December 2019 (comprising 10.12% and 6.16%, respectively, of the Group's total liabilities as of such dates). This change resulted from repos with the Central Bank of foreign currency-denominated securities issued by the Turkish Treasury in order to obtain additional Turkish Lira funds for the increased Turkish Lira loan demand.

Loans from Banks. Funds obtained in a wholesale transaction (referred to as loans from banks) amounted to TL 46.6 billion as of 31 March 2020, a 3.39% increase from TL 45.1 billion as of 31 December 2019 (constituting 10.51% and 11.28%, respectively, of the Group's total liabilities as of such dates). It is important to note that a portion of these liabilities (either when incurred or as a result of aging) are themselves short-term (as of 31 December 2019 and 31 March 2020, 56.06% and 50.96%, respectively, of the value of loans from banks had a remaining term-to-maturity of one year or less). For additional information on the Group's loans from banks, see note 5.2.3 to the Group's BRSA Interim Financial Statements.

Shareholders' Equity

The Group's total shareholders' equity including minority interest amounted to TL 34.5 billion as of 31 March 2020, an increase of 2.78% compared to TL 33.6 billion as of 31 December 2019. This change was a result of internal capital generation. For additional information on the Group's shareholders' equity and minority interest, see note 5.2.11 in the Group's BRSA Interim Financial Statements. In addition, see "Capital Adequacy" below.

As noted in "General Description of the Programme - The Group," On 20 May 2020, the Turkey Wealth Fund acquired newly issued Class D shares for TL 7.0 billion. As a result of such transaction, the Bank's paid-in capital increased by TL 1.4 billion and the remainder of the purchase price was added to the "share premium" line item, both of which resulted in an increase to the Bank's Tier 1 common equity and other solvency ratios.

Off-Balance Sheet Arrangements

In the normal course of business in order to meet the needs of its customers and to hedge the Group's own positions (and generally not for speculative purposes), the Group enters into certain off-balance sheet transactions. The most significant category of such transactions includes letters of guarantee, letters of credit and other support that the Group provides to its import and export customers, as well as off-balance sheet exposure for the Group's commitments to make loans to its borrowers, derivatives and other transactions. For detailed information on the Group's off-balance sheet commitments and contingencies, see note 5.3 to the Group's BRSA Interim Financial Statements.

The following summarises the three principal categories of the Group's off-balance sheet exposures - letters of credit and similar transactions, derivatives and unfunded commitments to borrowers under credit facilities.

Letters of Credit and Similar Transactions. Letters of guarantee, letters of credit, acceptance credits and other commitments make up the Group's commitments and contingencies, which amounted to TL 83.0 billion as of 31 March 2020, a 6.06% increase from TL 78.3 billion as of 31 December 2019. This change was primarily the result of increases in the letters of guarantee, acceptance credits and revocable commitments provided by the Bank in connection with trade-related transactions.

Other Commitments and Contingencies. The Group's other commitments and contingencies totaled TL 88.3 billion as of 31 March 2020, an increase of 6.42% from TL 83.0 billion as of 31 December 2019. Among other items, these include unfunded commitments to borrowers under credit facilities and lines of credit available to credit cardholders, with the total increasing over the first three months of 2020 due largely to continued growth in the Group's customer-facing businesses.

Derivatives. As of 31 March 2020, the Group's commitments arising from derivatives amounted to TL 197.3 billion, a 12.19% increase from TL 175.9 billion as of 31 December 2019. This change was primarily due to an increase in customer demand for hedging instruments.

Capital Adequacy

The Group's and the Bank's total capital adequacy ratios were 14.56% and 14.73%, respectively, as of 31 March 2020 and 16.22% and 16.61%, respectively, as of 31 December 2019. The Group's and the Bank's "common equity Tier 1 regulatory" capital adequacy ratios were 9.72% and 9.77%, respectively, as of 31 March 2020 and were 10.26% and 10.48%, respectively, as of 31 December 2019. These changes in the Group's total capital adequacy ratios were mainly due to internal capital generation and the positive impact of the BRSA's temporary regulatory forbearance measures allowing banks to use (in their financial statements from March 2020 through 31 December 2020) the foreign exchange rates that were used in their 2019 year-end financial statements while calculating risk-weighted assets and disregarding mark-to-market losses on securities portfolios. As of 31 March 2020, the Bank's total capital adequacy ratio, "Tier 1" capital ratio and "common equity Tier 1 regulatory" capital adequacy ratio were 14.73%, 12.69% and 9.77%, respectively, and would have been 14.09%, 12.05% and 9.13%, respectively, if they had been calculated without considering the BRSA's temporary regulatory forbearance measures described herein.

As noted in "-Financial Condition - Shareholders' Equity" above, the Bank received TL 7.0 billion in additional capital from the TWF in May 2020. If such capital had been in place as of 31 March 2020, the Group's and the Bank's total capital adequacy ratios would have been 16.60% and 16.77%, respectively, as of 31 March 2020 and their "common equity Tier 1 regulatory" capital adequacy ratios would have been 11.76% and 11.81%, respectively, as of such date.

Liquidity and Funding

As of 18 June 2020, the Bank's management believes that funds from the Group's deposit-taking operations generally will continue to meet its liquidity needs for the foreseeable future. As of 31 December 2019 and 31 March 2020, the Group's ratio of cash loans to customers to deposits (including bank deposits) was 111.05% and 117.58%, respectively. The change in the first three months of 2020 was due primarily to high growth of the Group's loans as a result of the loan subsidies included in the government's economic support package.

The Bank is subject to the BRSA's regulations on the measurement of the liquidity adequacy of a bank. See "Turkish Regulatory Environment - Capital Adequacy." The Bank's average weekly and monthly ratios during the indicated periods are shown below:

	For the Three Months Ended 31 March	
	2019	**2020**
Average weekly total liquidity ratio.................	122.68%	86.97%
Average monthly total liquidity ratio................	98.23%	70.82%

EXHIBIT B

OWNERSHIP

As of 18 June 2020, the share capital of the Bank was TL 3,905,622,490 consisting of an equivalent number of shares, each share having a nominal value of TL 1.00. As of the same date, the shares were distributed as follows:

Shareholders	Class of Shares	Share	Amount (TL)
Turkish Treasury (directly and indirectly)	All	73.45%	2,868,354,458
Turkish Treasury	*A*	*27.53%*	1,075,058,640
Turkish Treasury	*B*	*9.93%*	387,673,328
Turkey Wealth Fund	*D*	*35.99%*	1,405,622,490
Non-affiliated foundations	B	0.06%	2,591,251
Vakıfbank Pension Fund	C	10.30%	402,552,666
Individuals and legal entities	C	0.04%	1,527,393
Free float (other than the Turkey Wealth Fund)	D	16.15%	630,596,723
Total		**100.00%**	**3,905,622,490**

There are four classes of shares: A, B, C and D. Other than as described in the following paragraph, all shares have equal voting rights in the General Assembly, which is the ultimate governing body of the Bank. The ordinary General Assembly meetings generally take place in the first quarter of each year. All shareholders are invited to this meeting. Should there be a need for an extraordinary meeting (for example, to approve a capital increase), such meeting is announced publicly at least three weeks in advance.

Transfer to the Turkish Treasury of certain shares of the Bank

On 24 December 2017, Decree No. 696 amending the Vakıfbank Law was published in the Official Gazette. According to such Decree, the Bank's Class A and B shares that were owned by foundations managed and represented by the GDF (but not Class B shares held by non-affiliated foundations) were transferred to the Turkish Treasury on 11 December 2019 following the President's Decision regarding the Share Transfer.

Decree No. 696 also added a provisional article to the Vakıfbank Law, which article provides that the Bank, for so long as the government's share of its stock does not fall below 50%, would be exempt from any court- and execution proceedings-related charges that might arise from lawsuits filed or proceedings initiated by the Bank to collect its NPLs and other receivables.

Decree No. 696 also aimed to align the laws applicable to the Bank with those governing other state-controlled banks (*i.e.*, Ziraat and Halkbank) and amended the Vakıfbank Law's article regarding formation of the Board. Accordingly, while the Board continues consisting of nine members, each member will be appointed by the General Assembly. Accordingly, the changes introduced by Decree No. 696 abolished the Prime Minister's right to appoint the Bank's General Manager, which right is no longer necessary given that the Turkish Treasury controls a majority of the Bank's shares. Following such share transfer(s), the Turkish Treasury has become the controlling party of the Bank, enabling it to nominate and vote directly for the members of the Bank's Board, who would then appoint the Bank's General Manager in accordance with the Banking Law.

As noted above, the Turkish Treasury (via the Turkey Wealth Fund) acquired newly issued Class D shares of the Bank on 20 May 2020.

Main Shareholders other than the Turkish Treasury (including via the Turkey Wealth Fund)

Non-Affiliated Foundations

The non-affiliated foundations holding Class B shares are independent foundations with separate boards of trustees and, as of 18 June 2020, held Class B shares constituting approximately 0.06% of the Bank's shares. The Class B shares can only be sold by a resolution of the President of Turkey.

Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı (i.e., the Vakıfbank Pension Fund)

The Vakıfbank Pension Fund had a 10.30% stake in the Bank's capital as a Class C shareholder as of 18 June 2020. The Bank's employees contribute to the Vakıfbank Pension Fund, which is distinct from the mandatory social security coverage provided by the Social Insurance Institution (*Sosyal Sigortalar Kurumu*). It is mandatory for all of the Bank's Turkish employees to become members of the Vakıfbank Pension Fund. As of such date, the Class C shares may be assigned by the Vakıfbank Pension Fund but any such assignment may require a change to the fund's organic documents.

Other Shareholders

The other shareholders consist of: (a) individuals or legal entities who, as of 18 June 2020, together owned approximately 0.04% of the Bank's equity as Class C shareholders and (b) other than the Class D shares held by the Turkey Wealth Fund, holders of the publicly traded shares of the Bank who, as of such date, accounted for 16.15% of the Bank's equity as Class D shares.