

TURKIYE VAKIFLAR BANKASI T.A.O.
THE REPORT ON USE OF PROCEEDS FROM CAPITAL INCREASE
THROUGH PRIVATE PLACEMENT

Date of the Report: 11.05.2020

Purpose of the Report: The report is prepared to be submitted to the approval of the Board of Directors as per Article 33 of the Communiqué on Shares No. VII-128.1.

The report was approved by board of directors decision dated 11 May 2020 and numbered 93691.

By our Bank's board of directors resolution dated 11 May 2020 and numbered 93691, it is resolved that within the limit of the registered share capital ceiling, our paid-in capital of TRY 2,500,000,000.- (TwoBillionFiveHundredMillion) consisting of shares each with a nominal value of TRY 0.01 shall be increased in cash and in a nominal capital amount to be calculated based on the share sale price to be determined as per the Borsa Istanbul A.S.'s Procedure for Wholesale Transactions where the total sales proceeds shall amount to TRY 7,000,000,000.- (SevenBillion) in cash, and all such newly issued shares shall be sold to Turkiye Varlik Fonu (Turkey Wealth Fund) through private placement by completely restricting the pre-emptive rights of shareholders. Net proceeds from this capital increase is planned to be used for the following:

- Strengthening capital structure of our Bank,
- Minimizing the potential impact of the harsh conditions caused by the world-wide COVID-19 outbreak on our Bank's financials and further increasing our strong financial resilience against any potential global market volatilities and unforeseeable asset deteriorations,
- Generating additional capacity for our future growth strategies and thereby maintaining sustainable profitability on a long-term basis.