

*CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED  
INTERIM FINANCIAL STATEMENTS AND  
REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH*

**TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS AND RELATED  
DISCLOSURES AT 31 MARCH 2022 WITH  
AUDITOR'S REVIEW REPORT**

(Convenience Translation of the Report on Review of Interim Financial Information Originally Issued in Turkish)

## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**To the General Assembly of Türk Ekonomi Bankası Anonim Şirketi**

### *Introduction*

We have reviewed the accompanying unconsolidated statement of financial position of Türk Ekonomi Bankası A.Ş. (“the Bank”) as at 31 March 2022, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity and unconsolidated statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information does not present fairly, in all material respects, the financial position of Türk Ekonomi Bankası A.Ş. as at 31 March 2022, and of the results of their operations and their cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Regulations.

## **Report on Other Legal and Regulatory Requirements**

Based on our review, nothing has come to our attention that causes us to believe that the unconsolidated interim financial information provided in the Management's interim report included in section seven of the accompanying unconsolidated financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed unconsolidated interim financial statements and the explanatory notes.

*Additional paragraph for English translation:*

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying unconsolidated interim financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying unconsolidated financial statements. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated interim financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat  
Partner

Istanbul, 28 April 2022

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

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.  
AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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The unconsolidated financial report for the three-month period, prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information about the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on Financial Structure and Risk Management of the Bank
- Disclosures and Notes on Unconsolidated Interim Financial Statements
- Review Report
- Interim Activity Report

The accompanying unconsolidated financial statements for the three-month period, related disclosures and notes which have been reviewed and presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance, and incompliance with the financial records of our Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Dr. Akın Akbaygil	Nicolas de Baudinet de Courcelles	Ayşe Aşardağ	Ümit Leblebici	M. Aşkın Dolaştır	Kamer Kıdıl
Chairman of the Board of Directors	Chairman of the Audit Committee	Vice Chairman of the Audit Committee	Chief Executive Officer	Assistant General Manager Responsible of Financial Reporting	Director Responsible of Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Ashlhan Kaya / External Reporting Senior Manager  
Telephone Number : (0216) 635 24 51  
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## INDEX

Page Number

### SECTION ONE General Information

I.	History of the Bank, including its incorporation date, initial legal status and amendments to legal status	1
II.	Explanation on the Bank's capital structure, shareholders of the bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any), and the group the Bank belongs to	1
III.	Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistants and shares of the bank they possess	2
IV.	Information on the Bank's qualified shareholders	3
V.	Summary on the Bank's functions and lines of activity	3
VI.	Differences between the communiqué on preparation of financial statements of banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods	3
VII.	Current or likely, actual or legal barriers to immediate transfer of equity or repayment of debts between bank and its subsidiaries	3

### SECTION TWO Unconsolidated Financial Statements

I.	Balance sheet	5
II.	Statement of off-balance sheet items	7
III.	Statement of profit or loss	8
IV.	Statement of profit or loss and other comprehensive income	9
V.	Statement of changes in shareholders' equity	10
VI.	Statement of cash flows	11

### SECTION THREE Accounting Principles

I.	Explanations on basis of presentation	12
II.	Explanations on usage strategy of financial assets and foreign currency transactions	13
III.	Explanations on investments in associates, subsidiaries and joint ventures	14
IV.	Explanations on forward and option contracts and derivative instruments	14
V.	Explanations on interest income and expenses	15
VI.	Explanations on fees and commission income and expenses	16
VII.	Explanations on financial assets	16
VIII.	Explanations on impairment of financial assets	18
IX.	Explanations on offsetting of financial assets	21
X.	Explanations on sales and repurchase agreements and lending of securities	21
XI.	Explanations on assets held for sale, discontinued operations and liabilities related to those assets	21
XII.	Explanations on goodwill and other intangible assets	22
XIII.	Explanations on tangible fixed assets	23
XIV.	Explanations on leasing transactions	23
XV.	Explanations on provisions and contingent liabilities	23
XVI.	Explanations on contingent assets	24
XVII.	Explanations on liabilities regarding employee benefits	24
XVIII.	Explanations on taxation	25
XIX.	Additional explanations on borrowings	26
XX.	Explanations on issued equity securities	26
XXI.	Explanations on bill guarantees and acceptances	26
XXII.	Explanations on government incentives	26
XXIII.	Explanations on reporting according to segmentation	27
XXIV.	Explanations on other matters	28
XXV.	Reclassifications	28

### SECTION FOUR Information on Financial Structure and Risk Management

I.	Explanations related to components of shareholders' equity	29
II.	Explanations related to currency risk	35
III.	Explanations related to interest rate risk	37
IV.	Explanations related to equity share position risk in banking accounts	39
V.	Explanations related to liquidity risk management and liquidity coverage ratio	40
VI.	Explanations related to leverage ratio	45
VII.	Explanations related to risk management	46

### SECTION FIVE Explanations and Disclosures on Unconsolidated Financial Statements

I.	Explanations and disclosures related to the assets	47
II.	Explanations and disclosures related to the liabilities	61
III.	Explanations and disclosures related to the off-balance sheet items	66
IV.	Explanations and disclosures related to the statement of income	67
V.	Explanations and disclosures related to risk group of the bank	72
VI.	Explanations and disclosures related to subsequent events	73

### SECTION SIX Auditor's Review Report

I.	Explanations on the auditor's review report	73
II.	Other notes and explanations prepared by the independent auditors	73

### SECTION SEVEN Information on Interim Activity Report

I.	Interim period reports Included Chairman of The Board of Directors and General Manager of the bank assessments for the interim activities	74
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**TÜRK EKONOMİ BANKASI A.Ş.**  
**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION ONE**

**GENERAL INFORMATION**

**I. History of the Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status**

Türk Ekonomi Bankası Anonim Şirketi (“TEB” or “Bank”), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas became indirect shareholder of TEB with 42.125% ownership. In 2009 BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. The process regarding the procedure has been summarized below. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas have the share of 50%.

**II. Explanation on the Bank’s Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in these Matters (if any), and the Group the Bank Belongs to**

As of 31 March 2022 and 31 December 2021 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of Shareholders	31 March 2022		31 December 2021	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	<b>2,204,390</b>	<b>100.00</b>	<b>2,204,390</b>	<b>100.00</b>

As of 31 March 2022, the Bank’s paid-in-capital consists of 2,204,390,000 shares of TL 1.00 (full TL) nominal each.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>	<u>Education</u>
<b>Board of Directors;</b>		
Dr. Akın Akbaygil	Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Vice Chairman of the Board of Directors	University
Nicolas de Baudinet de Courcelles	Member of the Board of Directors and Chairman of the Audit Committee	University
Ayşe Aşardağ	Member of the Board of Directors, Vice Chairman of the Audit Committee	University
Yavuz Canevi	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Sandrine Ferdane	Member of the Board of Directors	University
Ayşe Meral Çimenbiçer	Member of the Board of Directors	University
Metin Toğay	Member of the Board of Directors	Master
Didier Albert N. Van Hecke	Member of the Board of Directors	Master
Ümit Leblebici	Chief Executive Officer and the Executive Member	Master
<b>Assistant General Managers;</b>		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor, Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Affairs Group	Master
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit	University
Orhan Hatipoğlu	Assistant General Manager Responsible from Banking Operations and Support Services	University
Bade Sipahioğlu Işık	Assistant General Manager Responsible from Human Resources	Master
Dr. Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay	Assistant General Manager Responsible from Fixed Income	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
<b>Group Heads (*);</b>		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Biröl Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
<b>Internal Audit (*);</b>		
Hakan Tıraşın	Head of Internal Audit	University

(\*) Group Heads and Head of Internal Audit are in Assistant General Manager status.

There are no Bank shares owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Information on the Bank’s Qualified Shareholders

Name / Commercial Name	Share Amount	Share Ratio	Paid-up Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,415	55.00%	1,212,415	-
BNPP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23%	467,879	-

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by Fortis Bank SA/NV whose shareholders are BNP Paribas Fortis NV/SA by 100% shares, respectively. 100% of the shares of BNPP Yatırımlar Holding are controlled by BNP Paribas SA.

### V. Summary on the Bank’s Functions and Lines of Activity

The Bank’s operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 March 2022, the Bank has 451 local branches and 4 foreign branches (31 December 2021: 451 local branches, 4 foreign branches). As of 31 March 2022, the number of employees of the Bank is 8,595 (31 December 2021: 8,572).

### VI. Differences between the Communiqué on Preparation of Financial Statements of Banks and Turkish Accounting Standards and Short Explanation about the Entities Subject to Full Consolidation or Proportional Consolidation and Entities which are Deducted from Equity or Entities which are not Included in these Three Methods

There is no difference between the Communiqué on Preparation of Consolidated Financial Statements of Banks and the consolidation transactions made in accordance with Turkish Accounting Standards, except for the scope of non-financial subsidiaries for the Bank.

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, and it is carried by cost value since necessary requirements for consolidation is not met.

The Bank presented TEB ARF Teknoloji A.Ş., a non-financial subsidiary owned 100% by the Bank, was registered in the Trade Registry Gazette on 16 July 2020. The Bank includes TEB ARF Teknoloji A.Ş. in the subsidiary line in its financial statements.

### VII. Current or Likely, Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Bank and its Subsidiaries

None.



**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet
- II. Off-Balance Sheet Items
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## BALANCE SHEET FOR THE INTERIM PERIOD AS OF 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Section 5 Note	Reviewed Current Period 31.03.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>17,646,715</b>	<b>49,954,178</b>	<b>67,600,893</b>	<b>20,140,497</b>	<b>45,304,746</b>	<b>65,445,243</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>6,600,226</b>	<b>44,284,633</b>	<b>50,884,859</b>	<b>7,333,948</b>	<b>40,007,979</b>	<b>47,341,927</b>
1.1.1 Cash and Balances with Central Bank	(I-1)	4,684,357	32,017,201	36,701,558	5,718,495	30,072,800	35,791,295
1.1.2 Banks	(I-4)	117,498	12,296,730	12,414,228	1,618,025	9,962,314	11,580,339
1.1.3 Receivables from Money Markets		1,800,637	-	1,800,637	-	-	-
1.1.4 Expected Loss Provision (-)		2,266	29,298	31,564	2,572	27,135	29,707
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>		<b>1,407,747</b>	<b>722,103</b>	<b>2,129,850</b>	<b>2,001,647</b>	<b>792,140</b>	<b>2,793,787</b>
1.2.1 Government Debt Securities	(I-2)	1,348,360	449,438	1,797,798	1,942,260	549,168	2,491,428
1.2.2 Equity Securities		59,387	151,088	210,475	59,387	135,326	194,713
1.2.3 Other Financial Assets		-	121,577	121,577	-	107,646	107,646
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	(I-5)	<b>4,460,042</b>	<b>4,545,052</b>	<b>9,005,094</b>	<b>3,001,729</b>	<b>4,173,355</b>	<b>7,175,084</b>
1.3.1 Government Debt Securities		4,446,792	4,545,052	8,991,844	2,988,479	4,173,355	7,161,834
1.3.2 Equity Securities		13,250	-	13,250	13,250	-	13,250
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>		<b>5,178,700</b>	<b>402,390</b>	<b>5,581,090</b>	<b>7,803,173</b>	<b>331,272</b>	<b>8,134,445</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	3,158,859	350,723	3,509,582	6,006,577	325,399	6,331,976
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	2,019,841	51,667	2,071,508	1,796,596	5,873	1,802,469
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>98,311,474</b>	<b>47,385,489</b>	<b>145,696,963</b>	<b>86,522,949</b>	<b>36,807,353</b>	<b>123,330,302</b>
<b>2.1 Loans</b>	(I-6)	<b>89,558,418</b>	<b>39,739,661</b>	<b>129,298,079</b>	<b>78,371,554</b>	<b>29,451,442</b>	<b>107,822,996</b>
<b>2.2 Lease Receivables</b>	(I-11)	-	-	-	-	-	-
<b>2.3 Factoring Receivables</b>		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	(I-7)	<b>11,918,518</b>	<b>8,490,327</b>	<b>20,408,845</b>	<b>11,379,873</b>	<b>8,171,827</b>	<b>19,551,700</b>
2.4.1 Government Debt Securities		11,918,518	8,490,327	20,408,845	11,379,873	8,171,827	19,551,700
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Loss (-)</b>		<b>3,165,462</b>	<b>844,499</b>	<b>4,009,961</b>	<b>3,228,478</b>	<b>815,916</b>	<b>4,044,394</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(I-14)	<b>74,117</b>	-	<b>74,117</b>	<b>65,933</b>	-	<b>65,933</b>
3.1 Held for Sale Purpose		74,117	-	74,117	65,933	-	65,933
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>116,041</b>	-	<b>116,041</b>	<b>116,041</b>	-	<b>116,041</b>
<b>4.1 Investments in Associates (Net)</b>	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	(I-9)	<b>116,036</b>	-	<b>116,036</b>	<b>116,036</b>	-	<b>116,036</b>
4.2.1 Unconsolidated Financial Subsidiaries		115,986	-	115,986	115,986	-	115,986
4.2.2 Unconsolidated Non-Financial Subsidiaries		50	-	50	50	-	50
<b>4.3 Joint Ventures (Net)</b>	(I-10)	<b>5</b>	-	<b>5</b>	<b>5</b>	-	<b>5</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
<b>V. PROPERTY AND EQUIPMENT (Net)</b>		<b>893,578</b>	-	<b>893,578</b>	<b>915,504</b>	-	<b>915,504</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>595,261</b>	-	<b>595,261</b>	<b>601,609</b>	-	<b>601,609</b>
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		174,137	-	174,137	180,485	-	180,485
<b>VII. INVESTMENT PROPERTIES (Net)</b>	(I-13)	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		<b>7,153</b>	-	<b>7,153</b>	<b>133,380</b>	-	<b>133,380</b>
<b>IX. DEFERRED TAX ASSET</b>		<b>1,555,892</b>	-	<b>1,555,892</b>	<b>133,323</b>	-	<b>133,323</b>
<b>X. OTHER ASSETS (Net)</b>		<b>3,778,605</b>	<b>653,807</b>	<b>4,432,412</b>	<b>2,552,827</b>	<b>762,860</b>	<b>3,315,687</b>
<b>TOTAL ASSETS</b>		<b>122,978,836</b>	<b>97,993,474</b>	<b>220,972,310</b>	<b>111,182,063</b>	<b>82,874,959</b>	<b>194,057,022</b>

The accompanying notes are an integral part of these financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## BALANCE SHEET FOR THE INTERIM PERIOD AS OF 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Section 5 Note	Reviewed Current Period 31.03.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(II-1)	70,744,015	82,804,217	153,548,232	55,445,419	76,393,830	131,839,249
<b>II. FUNDS BORROWED</b>	(II-3)	746,177	16,484,840	17,231,017	602,162	14,995,603	15,597,765
<b>III. MONEY MARKET FUNDS</b>		659,128	5,297,311	5,956,439	3,839,747	5,001,962	8,841,709
<b>IV. SECURITIES ISSUED (Net)</b>	(II-3)	1,356,121	-	1,356,121	1,194,525	-	1,194,525
4.1 Bills		1,356,121	-	1,356,121	1,194,525	-	1,194,525
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>		3,203,607	226,032	3,429,639	4,321,769	168,019	4,489,788
7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	2,802,422	223,682	3,026,104	3,995,359	163,818	4,159,177
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-6)	401,185	2,350	403,535	326,410	4,201	330,611
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	(II-5)	532,109	26,587	558,696	526,566	37,923	564,489
<b>X. PROVISIONS</b>	(II-7)	1,028,834	343,059	1,371,893	903,248	321,520	1,224,768
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		803,864	58,783	862,647	693,202	55,663	748,865
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		224,970	284,276	509,246	210,046	265,857	475,903
<b>XI. CURRENT TAX LIABILITY</b>	(II-8)	2,347,322	-	2,347,322	240,411	-	240,411
<b>XII. DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>		-	7,882,066	7,882,066	-	7,239,036	7,239,036
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7,882,066	7,882,066	-	7,239,036	7,239,036
<b>XV. OTHER LIABILITIES</b>	(II-4)	7,122,821	4,400,200	11,523,021	6,454,175	2,753,288	9,207,463
<b>XVI. SHAREHOLDERS' EQUITY</b>	(II-9)	15,868,566	(100,702)	15,767,864	13,793,809	(175,990)	13,617,819
16.1 Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Capital Reserves		389,769	-	389,769	389,769	-	389,769
16.2.1 Share Premiums		2,565	-	2,565	2,565	-	2,565
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		387,204	-	387,204	387,204	-	387,204
16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss		(48,391)	-	(48,391)	(53,164)	-	(53,164)
16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss		743,698	(100,702)	642,996	269,152	(175,990)	93,162
16.5 Profit Reserves		10,983,662	-	10,983,662	9,070,764	-	9,070,764
16.5.1 Legal Reserves		606,596	-	606,596	510,951	-	510,951
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		10,489,526	-	10,489,526	8,253,331	-	8,253,331
16.5.4 Other Profit Reserves		(112,460)	-	(112,460)	306,482	-	306,482
16.6 Profit or Loss		1,595,438	-	1,595,438	1,912,898	-	1,912,898
16.6.1 Prior Periods' Profit / Loss		-	-	-	-	-	-
16.6.2 Current Periods' Profit / Loss		1,595,438	-	1,595,438	1,912,898	-	1,912,898
<b>TOTAL LIABILITIES</b>		<b>103,608,700</b>	<b>117,363,610</b>	<b>220,972,310</b>	<b>87,321,831</b>	<b>106,735,191</b>	<b>194,057,022</b>

The accompanying notes are an integral part of these financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## OFF-BALANCE SHEET ITEMS FOR THE INTERIM PERIOD AS OF 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### II. OFF-BALANCE SHEET ITEMS

	Section 5 Note	Reviewed Current Period 31.03.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET LIABILITIES (I+II+III)</b>		<b>140,982,187</b>	<b>162,115,383</b>	<b>303,097,570</b>	<b>116,127,369</b>	<b>166,079,544</b>	<b>282,206,913</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(III-I)</b>	<b>9,551,149</b>	<b>35,194,368</b>	<b>44,745,517</b>	<b>8,471,532</b>	<b>30,062,181</b>	<b>38,533,713</b>
1.1 Letters of Guarantee		7,129,153	15,396,859	22,526,012	7,058,379	14,037,146	21,095,525
1.1.1 Guarantees Subject to State Tender Law		123,478	158,591	282,069	133,980	147,510	281,490
1.1.2 Guarantees Given for Foreign Trade Operations		418,184	656,844	1,075,028	395,162	612,824	1,007,986
1.1.3 Other Letters of Guarantee		6,587,491	14,581,424	21,168,915	6,529,237	13,276,812	19,806,049
1.2 Bank Loans		-	44,903	44,903	-	33,680	33,680
1.2.1 Import Letter of Acceptance		-	44,903	44,903	-	33,680	33,680
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	14,176,638	14,176,638	-	10,343,834	10,343,834
1.3.1 Documentary Letters of Credit		-	5,622,836	5,622,836	-	4,046,781	4,046,781
1.3.2 Other Letters of Credit		-	8,553,802	8,553,802	-	6,297,053	6,297,053
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		1,730,044	4,561,447	6,291,491	1,384,153	4,279,755	5,663,908
1.9 Other Collaterals		691,952	1,014,521	1,706,473	29,000	1,367,766	1,396,766
<b>II. COMMITMENTS</b>	<b>(III-I)</b>	<b>26,426,733</b>	<b>8,677,280</b>	<b>35,104,013</b>	<b>24,865,509</b>	<b>8,633,167</b>	<b>33,498,676</b>
2.1 Irrevocable Commitments		26,426,733	8,677,280	35,104,013	24,865,509	8,633,167	33,498,676
2.1.1 Asset Purchase Commitments		1,691,039	8,266,863	9,957,902	3,543,805	7,707,411	11,251,216
2.1.2 Deposit Purchase and Sale Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		7,883,780	55,989	7,939,769	7,121,357	52,502	7,173,859
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	210,400	210,400	-	-	-
2.1.7 Commitments for Cheque Payments		2,769,145	-	2,769,145	2,135,381	-	2,135,381
2.1.8 Tax and Fund Liabilities from Export Commitments		53,716	-	53,716	51,363	-	51,363
2.1.9 Commitments for Credit Card Limits		14,022,813	-	14,022,813	12,007,806	-	12,007,806
2.1.10 Commitments for Credit Cards and Banking Services Promotions		6,240	-	6,240	5,797	-	5,797
2.1.11 Receivables from Short Sale Commitments on Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments on Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		-	144,028	144,028	-	873,254	873,254
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>105,004,305</b>	<b>118,243,735</b>	<b>223,248,040</b>	<b>82,790,328</b>	<b>127,384,196</b>	<b>210,174,524</b>
3.1 Derivative Financial Instruments for Hedging Purposes		26,649,500	8,397,290	35,046,790	21,649,500	7,806,018	29,455,518
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		26,649,500	8,397,290	35,046,790	21,649,500	7,806,018	29,455,518
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Held for Trading Transactions		78,354,805	109,846,445	188,201,250	61,140,828	119,578,178	180,719,006
3.2.1 Forward Foreign Currency Buy/Sell Transactions		12,565,422	17,434,993	30,000,415	11,386,300	15,523,785	26,910,085
3.2.1.1 Forward Foreign Currency Transactions-Buy		10,636,224	4,526,118	15,162,342	9,169,995	4,268,100	13,438,095
3.2.1.2 Forward Foreign Currency Transactions-Sell		1,929,198	12,908,875	14,838,073	2,216,305	11,255,685	13,471,990
3.2.2 Swap Transactions Related to Currency and Interest Rates		56,636,447	68,463,630	125,100,077	47,269,862	90,288,974	137,558,836
3.2.2.1 Currency Swap-Buy		1,146,885	42,869,006	44,015,891	1,451,736	55,792,484	57,244,220
3.2.2.2 Currency Swap-Sell		31,630,562	14,598,906	46,229,468	30,279,126	26,837,944	57,117,070
3.2.2.3 Interest Rate Swaps-Buy		11,929,500	5,497,859	17,427,359	7,769,500	3,829,273	11,598,773
3.2.2.4 Interest Rate Swaps-Sell		11,929,500	5,497,859	17,427,359	7,769,500	3,829,273	11,598,773
3.2.3 Currency, Interest Rate and Securities Options		4,454,242	16,966,957	21,421,199	2,116,848	11,241,994	13,358,842
3.2.3.1 Currency Options-Buy		3,423,027	4,074,877	7,497,904	1,630,468	2,022,308	3,652,776
3.2.3.2 Currency Options-Sell		1,031,215	6,413,520	7,444,735	486,380	3,144,606	3,630,986
3.2.3.3 Interest Rate Options-Buy		-	3,239,280	3,239,280	-	3,037,540	3,037,540
3.2.3.4 Interest Rate Options-Sell		-	3,239,280	3,239,280	-	3,037,540	3,037,540
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Currency Futures		4,698,694	4,504,368	9,203,062	367,818	439,173	806,991
3.2.4.1 Currency Futures-Buy		4,679,394	25,423	4,704,817	329,039	113,632	442,671
3.2.4.2 Currency Futures-Sell		19,300	4,478,945	4,498,245	38,779	325,541	364,320
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	2,476,497	2,476,497	-	2,084,252	2,084,252
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>187,942,346</b>	<b>83,596,767</b>	<b>271,539,113</b>	<b>180,225,071</b>	<b>75,379,967</b>	<b>255,605,038</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>34,010,558</b>	<b>13,822,268</b>	<b>47,832,826</b>	<b>32,867,319</b>	<b>11,269,226</b>	<b>44,136,545</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		10,560,598	10,471,350	21,031,948	12,863,893	8,458,577	21,322,470
4.3 Cheques Received for Collection		21,829,913	2,536,333	24,366,246	19,057,718	2,118,236	21,175,954
4.4 Commercial Notes Received for Collection		681,956	206,078	888,034	556,074	131,845	687,919
4.5 Other assets Received for Collection		125	608,507	608,632	125	560,568	560,693
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		937,966	-	937,966	389,509	-	389,509
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>153,010,904</b>	<b>69,284,419</b>	<b>222,295,323</b>	<b>146,582,395</b>	<b>63,783,004</b>	<b>210,365,399</b>
5.1 Marketable Securities		197,582	694,037	891,619	122,836	673,062	795,898
5.2 Guarantee Notes		55,591,719	46,509,710	102,101,429	53,995,371	42,876,164	96,871,535
5.3 Commodity		181,123	302,966	484,089	226,267	-	226,267
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		81,108,223	16,099,644	97,207,867	78,587,982	15,290,955	93,878,937
5.6 Other Pledged Items		15,932,257	5,678,062	21,610,319	13,649,939	4,942,823	18,592,762
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>920,884</b>	<b>490,080</b>	<b>1,410,964</b>	<b>775,357</b>	<b>327,737</b>	<b>1,103,094</b>
<b>TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)</b>		<b>328,924,533</b>	<b>245,712,150</b>	<b>574,636,683</b>	<b>296,352,440</b>	<b>241,459,511</b>	<b>537,811,951</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD ENDED 1 JANUARY - 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### III. STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Section 5 Note	Reviewed Current Period 01.01-31.03.2022	Reviewed Prior Period 01.01-31.03.2021
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(IV-1)</b>	<b>5,682,516</b>	<b>3,450,555</b>
1.1	Interest Income on Loans		4,098,097	2,479,515
1.2	Interest Income on Reserve Requirements		92,066	72,563
1.3	Interest Income on Banks		23,277	36,973
1.4	Interest Income on Money Market Transactions		34,285	49,598
1.5	Interest Income on Securities Portfolio		1,411,972	770,788
1.5.1	Financial Assets at Fair Value Through Profit or Loss		127,060	48,737
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		233,404	191,147
1.5.3	Financial Assets Measured at Amortized Cost		1,051,508	530,904
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		22,819	41,118
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>(IV-2)</b>	<b>2,642,912</b>	<b>1,897,978</b>
2.1	Interest Expense on Deposits		2,215,624	1,508,918
2.2	Interest Expense on Funds Borrowed		210,574	127,174
2.3	Interest Expense on Money Market Transactions		69,237	91,351
2.4	Interest Expense on Securities Issued		35,299	110,436
2.5	Interest Expense on Leases		34,395	24,625
2.6	Other Interest Expenses		77,783	35,474
<b>III.</b>	<b>NET INTEREST INCOME /EXPENSE (I - II)</b>		<b>3,039,604</b>	<b>1,552,577</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>466,340</b>	<b>301,209</b>
4.1	Fees and Commissions Received		810,852	509,809
4.1.1	Non-cash Loans		119,207	73,902
4.1.2	Other	(IV-9)	691,645	435,907
4.2	Fees and Commissions Paid (-)		344,512	208,600
4.2.1	Non-cash Loans		2,010	1,868
4.2.2	Other	(IV-9)	342,502	206,732
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>9,399</b>	<b>5,341</b>
<b>VI.</b>	<b>TRADING INCOME / LOSS (Net)</b>	<b>(IV-3)</b>	<b>206,336</b>	<b>(531,588)</b>
6.1	Securities Trading Gains / Losses		5,072	15,472
6.2	Gains / Losses on Derivative Financial Instruments		(568,598)	(345,668)
6.3	Foreign Exchange Gains / Losses		769,862	(201,392)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(IV-4)</b>	<b>46,096</b>	<b>63,907</b>
<b>VIII.</b>	<b>GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>3,767,775</b>	<b>1,391,446</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	<b>(IV-5)</b>	<b>188,843</b>	<b>22,478</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>(IV-5)</b>	<b>(2,028)</b>	<b>1,375</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>677,347</b>	<b>429,761</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(IV-6)</b>	<b>655,207</b>	<b>508,303</b>
<b>XIII.</b>	<b>NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)</b>		<b>2,248,406</b>	<b>429,529</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XV.</b>	<b>INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XVI.</b>	<b>INCOME/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>		<b>2,248,406</b>	<b>429,529</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-7)</b>	<b>652,968</b>	<b>90,400</b>
18.1	Current Tax Provision		2,215,419	2,348
18.2	Deferred Tax Expense Effect (+)		192,495	559,506
18.3	Deferred Tax Income Effect (-)		(1,754,946)	(471,454)
<b>XIX.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVII±XVIII)</b>		<b>1,595,438</b>	<b>339,129</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1	Expenses from Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>	<b>(IV-7)</b>	-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
<b>XXIV.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-
<b>XXV.</b>	<b>NET INCOME/LOSS (XIX+XXIV)</b>	<b>(IV-8)</b>	<b>1,595,438</b>	<b>339,129</b>
	Earnings/Loss per Share		0.7238	0.1538

The accompanying notes are an integral part of these financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 1 JANUARY - 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed Current Period 01.01-31.03.2022	Reviewed Prior Period 01.01-31.03.2021
<b>I. INCOME/LOSS FOR THE PERIOD</b>	<b>1,595,438</b>	<b>339,129</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>554,607</b>	<b>237,457</b>
<b>2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss</b>	<b>4,773</b>	<b>3,115</b>
2.1.1 Increases/Decreases in Revaluation of Property, Plant and Equipment	-	-
2.1.2 Increases/Decreases in Revaluation of Intangible Assets	-	-
2.1.3 Gains/Losses in Remeasurements of Defined Benefit Plans	5,966	3,894
2.1.4 Other Items of Other Comprehensive Income that will not be Reclassified through Profit or Loss	-	-
2.1.5 Taxes Relating to Items of Other Comprehensive Income that will not be Reclassified through Profit or Loss	(1,193)	(779)
<b>2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss</b>	<b>549,834</b>	<b>234,342</b>
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Valuation and/or Classification Income/Expense of Financial Assets at Fair Value Through Other Comprehensive Income	827,686	(287,220)
2.2.3 Income/Expenses related with Cash Flow Hedges	(112,497)	580,146
2.2.4 Income/Expenses related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Other Profit or Loss	-	-
2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	(165,355)	(58,584)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>2,150,045</b>	<b>576,586</b>

The accompanying notes are an integral part of these financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD FROM 1 JANUARY - 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit/(Loss)	Current Period Profit or Loss	Total Equity
Reviewed	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6				
<b>I. Prior Period– 01.01-31.03.2021</b>														
<b>Prior Period End Balance</b>	2,204,390	2,565	-	387,732	275,516	(1,744)	5,234	-	(88,087)	(226,705)	7,664,139	1,186,811	-	11,409,851
<b>II. Corrections According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The Effects of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	2,204,390	2,565	-	387,732	275,516	(1,744)	5,234	-	(88,087)	(226,705)	7,664,139	1,186,811	-	11,409,851
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	3,115	-	-	(229,776)	464,118	-	-	339,129	576,586
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	(526)	(229,617)	-	-	-	-	-	239,640	(9,497)	-	-
XI. Profit Distribution	-	-	-	-	935	-	-	-	-	-	1,176,379	(1,177,314)	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	935	-	-	-	-	-	1,176,379	(1,177,314)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance 31.03.2021 (III+IV+V+VI+VII+VIII+IX+X+XI)</b>	2,204,390	2,565	-	387,206	46,834	1,371	5,234	-	(317,863)	237,413	9,080,158	-	339,129	11,986,437
<b>Current Period – 01.01-31.03.2022</b>														
<b>Prior Period End Balance</b>	2,204,390	2,565	-	387,204	56,230	(116,875)	7,481	-	(199,636)	292,798	9,070,764	1,912,898	-	13,617,819
<b>II. Corrections According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	2,204,390	2,565	-	387,204	56,230	(116,875)	7,481	-	(199,636)	292,798	9,070,764	1,912,898	-	13,617,819
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	4,773	-	-	634,728	(84,894)	-	-	1,595,438	2,150,045
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	1,912,898	(1,912,898)	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1,912,898	(1,912,898)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance 31.03.2022 (III+IV+V+VI+VII+VIII+IX+X+XI)</b>	2,204,390	2,565	-	387,204	56,230	(112,102)	7,481	-	435,092	207,904	10,983,662	-	1,595,438	15,767,864

1. Increase/decrease from tangible assets accumulated revaluation reserve,

2. Accumulated gains / losses on remeasurements of defined benefit plans,

3. Other (Other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss),

4. Foreign currency translation differences,

5. Accumulated revaluation and / or classification gains / losses of financial assets at fair value through other comprehensive income,

6. Other (Cash flow hedge gains / losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

The accompanying notes are an integral part of these financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD FROM 1 JANUARY - 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 01.01-31.03.2022	Reviewed Prior Period 01.01-31.03.2021
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>5,584,000</b>	<b>(228,630)</b>
1.1.1 Interest Received	4,045,811	3,106,090
1.1.2 Interest Paid	(2,314,038)	(1,828,574)
1.1.3 Dividend Received	516	219
1.1.4 Fees and Commissions Received	719,787	484,478
1.1.5 Other Income	2,369,962	79,379
1.1.6 Collections from Previously Written Off Loans	323,111	281,396
1.1.7 Payments to Personnel and Service Suppliers	(654,436)	(428,607)
1.1.8 Taxes Paid	-	(119,407)
1.1.9 Others	1,093,287	(1,803,604)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>(3,515,654)</b>	<b>(2,975,445)</b>
1.2.1 Net (Increase) in Financial Asset at Fair Value through Profit or Loss	679,308	45,129
1.2.2 Net (Increase) in Due from Banks	(2,336)	(14,305)
1.2.3 Net (Increase) / Decrease in Loans	(19,167,684)	924,468
1.2.4 Net (Increase) / Decrease in Other Assets	(2,167,772)	841,991
1.2.5 Net (Decrease) in Bank Deposits	(2,798,980)	(8,157,414)
1.2.6 Net Increase / (Decrease) in Other Deposits	16,078,794	(916,160)
1.2.7 Net Increase / (Decrease) in Financial Asset at Fair Value through Profit or Loss	-	-
1.2.8 Net Increase in Funds Borrowed	1,630,102	1,382,408
1.2.9 Net Increase / (Decrease) in Matured Payables	-	-
1.2.10 Net Increase in Other Liabilities	2,232,914	2,918,438
<b>I. Net Cash Flow Provided from Banking Operations</b>	<b>2,068,346</b>	<b>(3,204,075)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Flow Provided from Investing Activities</b>	<b>(246,524)</b>	<b>1,980,913</b>
2.1 Cash Paid for Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)	-	-
2.2 Cash Obtained from Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)	-	-
2.3 Cash Paid for Purchase of Tangible Assets	(10,656)	(75,086)
2.4 Cash Obtained from Sale of Tangible Assets	900	591
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(855,969)	(1,744,087)
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	260,901	3,062,642
2.7 Cash Paid for Purchase of Financial Assets Measured at Amortized Cost	-	(338,111)
2.8 Cash Obtained from Sale of Financial Assets Measured at Amortized Cost	374,046	1,079,505
2.9 Others	(15,746)	(4,541)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>97,272</b>	<b>(1,833,325)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	1,786,311	2,305,613
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(1,611,966)	(4,077,006)
3.3 Equity Instruments Issued	-	-
3.4 Dividend Payments	-	-
3.5 Payments for Financial Leases	(77,073)	(61,932)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>609,816</b>	<b>189,696</b>
<b>V. Net Increase in Cash and Cash Equivalents</b>	<b>2,528,910</b>	<b>(2,866,791)</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>31,327,221</b>	<b>22,741,802</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>	<b>33,856,131</b>	<b>19,875,011</b>

The accompanying notes are an integral part of these financial statements.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### SECTION THREE

#### ACCOUNTING PRINCIPLES

##### I. Basis of Presentation

###### a. Financial statements and related explanations and preparation of footnotes in compliance with Turkish Accounting Standards (“TAS”) and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The unconsolidated financial statements are prepared within the scope of the Regulation on Accounting Applications for Banks and Safeguarding of Documents related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to reporting principles on accounting records of Banks published by the Banking Regulation and Supervision Agency (“BRSA”) and Turkish Financial Reporting Standards (TFRS) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) for those matters not regulated by the aforementioned regulations. The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué on Disclosures About Risk Management to Be Announced to Public by Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

A new type of coronavirus (COVID-19), first emerging in China, has been classified as a pandemic affecting countries globally by the World Health Organization on 11 March 2020. COVID-19 has impacts on economic conditions, sectors, businesses, consumers, as well as asset and commodity prices, liquidity, exchange rates, interest rates, money and capital markets and many other issues and it still maintains uncertainty about the future stands. While many countries announce economic and financial programs in order to limit the damage caused by the virus, Turkey also set regulatory fiscal and monetary actions in motion to support the companies and households in such difficult conditions. Additional regulatory measures are continued to be announced to tackle adverse impacts on companies and certain sectors.

The effects of this global pandemic on the Bank's financial statements are regularly monitored by the Risk Management as well as the Bank's Management. While preparing the interim financial statements as of 31 March 2022, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgements used in the preparation of the financial statements. Bank Management takes the necessary precautions in order to keep the negative effects under control and to be affected at the minimum level. The approach preferred for the period of 31 March 2022, will be revised in the following reporting periods, considering the effect of the pandemic and future expectations.

The tension between Russia and Ukraine since January 2022 turned into a crisis and a hot conflict. The Bank does not carry out any activity in the two subject countries. Considering the geographies in which the Bank operates, the crisis is not expected to have a direct impact on the Bank's operations. However, since the course of the crisis is uncertain as of the report date, developments that may occur on a global scale, and the effects of these developments on the global and regional economy, on the Bank's operations are closely monitored and taken into account with the best estimation approach in the preparation of the financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### I. Basis of Presentation (cont'd)

#### b. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements:

The accounting policies and valuation principles used in the preparation of the financial statements are subject to the regulations, communiqués, annotations and circulars issued by BRSA on accounting and financial reporting principles and the TFRS (“BRSA Accounting and Financial Reporting Legislation”) which has been put into force by the POA on issues not regulated by the BRSA determined according to the principles.

The amendments to TAS/TFRS, effective from 1 January 2022, do not have a significant impact on the Bank's accounting policies, financial position and performance. The amendments to TAS and TFRS, which have been published but not yet entered into force as of the finalization date of the financial statements, will not have a significant impact on the Bank's accounting policies, financial position and performance.

In addition, Benchmark Rate Reform – Phase 2, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, was published in December 2020. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The impact of the changes on the Bank's financials has been evaluated and did not have a significant impact. On the other hand, the Benchmark Interest Rate Reform process continues for some indicators and the Bank continues to work within the scope of adaptation to the changes. In this context, a working group was established within the scope of evaluating the impact of the interest rate reform on the financial statements and harmonization with the reform. As a result of the evaluations, it is expected that the effect of the relevant change on the financial statements will be limited.

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, it has been stated that entities that apply Turkish Financial Reporting Standards (“TFRS”) do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 “Financial Reporting in Hyperinflationary Economies”. In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

The accounting policies and valuation principles for the current period are explained in Note II and Note XXV below.

### II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short positions of currency, interest or price movements is performed only by the Asset-Liability Management and Treasury Group using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Bank's foreign currency asset and liability balances are valued with the Bank's exchange buying rate at the reporting date and recognized as “Foreign Exchange Gains / Losses” within statement of income.

The Bank's hedging activities for the currency risk due to foreign currency available for sale equity instruments are described under the Currency Risk section; and the Bank's hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Bank's Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the balance sheet structure.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

In accordance with “TAS 27”, investments in associates, subsidiaries and joint ventures are accounted with cost values and are reflected on the financial statements after deducting the provision for impairment, if any.

The dividends received from investments in associates, subsidiaries and joint ventures are reflected to income statements at the date of the right to receive dividend.

### IV. Explanations on Forward and Option Contracts and Derivative Instruments

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

Pursuant to “IFRS 9 Financial Instruments” (“IFRS 9”), derivative financial instruments of the Bank are classified as “Derivative Financial Assets at Fair Value Through Profit or Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income”.

#### The portion of derivative financial assets at fair value through profit or loss

Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet through their contractual amounts. Derivative transactions are measured at fair value after initial recognition. Derivative financial instruments are initially recognized at fair value and attributable transaction costs are recognized in profit or loss on the date they are incurred. In the periods following the recording of derivative transactions, the part of derivative financial assets at fair value through profit or loss or the part of derivative financial liabilities at fair value through profit or loss are shown in the balance sheet, depending on whether the fair value is positive or negative. Differences in fair value as a result of the valuation are reflected in the profit or loss statement from derivative financial transactions.

Derivative financial instruments are booked under off-balance sheet items. Derivative financial instruments where the underlying asset is money or commodity, are booked based on the amounts to be received/paid at the maturity date. Derivative financial instruments based on interest rate are booked with the principal amount on which the interest rate is calculated.

All derivative financial instruments are measured with fair value method. The fair value of the derivative financial instruments traded in organized markets is the price on the organized market. Within the scope of IFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) has significantly decreased in its volume or level of activity relative to normal market volume, (ii) when a transaction price or quoted price does not reflect fair value and/or (iii) when a material adjustment is required so that the price of a similar asset is comparable to the subject asset, or (iv) when the price is no longer valid, it adjusts the transaction price or the quoted price and reflects this adjustment in the fair value measurement. In this context, the Bank determines the point in the range that best reflects the fair value in the current market conditions.

The cash flows of forward, currency swap, interest rate swap, and cross currency swap, transactions should be determined firstly in order to measure with fair value method. Expected cash flows due to the floating interest rate for these products are defined according to market interest rate at the valuation date. Valuation is calculated by discounting the cash flows with the market interest rate and foreign currencies are converted into Turkish Lira with exchange rates at the valuation date.

Derivative financial instruments based on interest rate are measured not only with fair value method but also with amortized cost. While the fair value of derivatives is reflected in a single valuation account within the balance sheet, the amortized cost and the difference between the fair value and the amortized cost are reflected separately on the income / expense accounts.

Black and Scholes Model is used to measure the fair value of options. Options premiums are accrued on the start date. The valuation amount is composed of premiums valued at each valuation date. Premium to be paid calculated within this model is recorded as income, and the premium to be collected as expense.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### IV. Explanations on Forward and Option Contracts and Derivative Instruments (cont’d)

#### Disclosures on derivatives for hedging purposes

In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply the hedge accounting provisions of TAS 39. Within this context, the Bank continues to apply the hedge accounting provisions of TAS 39.

The Bank has adopted fair value and cash flow hedge accounting. Hedge accounting can be applied in order to prevent short-term fluctuations in the income statement resulting from differences between valuation methods of assets and liabilities exposed to interest rate risk and their hedging derivative instruments.

A part of the Bank's fixed income foreign currency securities and Turkish Lira loans are subject to fair value hedge accounting. The fair value risk of the related financial assets with fixed interest rate is hedged by currency swaps and cross currency swaps. The difference in the fair values of derivative transactions for fair value hedging purposes is followed in the “Profit/Loss from Derivative Financial Transactions” account. For fixed rate loans, the change in the fair value of the hedged item is shown together with the related asset in the statement of financial position as long as the hedge is effective.

#### The portion of derivative financial assets at fair value through other comprehensive income

The Bank is also protected from the cash flow risk arising from its financial debts with interest rate swaps and cross currency swaps. In cash flow hedge accounting, the effective part of the fair value change of the hedging instrument is recognized in the “accumulated other comprehensive income or expense to be reclassified in profit or loss” account under equity, and the ineffective part is recognized in the statement of profit or loss. In periods when the cash flows related to the hedged item affect profit or loss, the profit/loss of the related hedging instrument is also subtracted from equity and reflected in the profit or loss statement.

The hedge effectiveness between the derivative instruments/transactions used for hedging and hedged item are measured regularly, and the results are documented. In case of ineffectiveness of hedge accounting, the hedge accounting is terminated.

While the Bank recognizes the fair value changes of the hedged items in the “Other Interest Income” and “Other Interest Expense” accounts, it recognizes the fair value changes of the hedging instruments related to the same period in the “Gains/ Losses on Derivative Financial Instruments” account.

Additionally, the difference between the fair value and carrying value of the hedged items as of the application date of hedge accounting is amortized based on their maturities and recognized in “Other Interest Income” and “Other Interest Expense” accounts.

### V. Explanations on Interest Income and Expenses

Interest income, when purchased or used according to the effective interest method specified in TFRS 9 (the ratio that equates to the present net value of the future cash flows of the financial asset or liability), credit-impaired financial assets and when purchased or granted, except for financial assets that are not credit-impaired financial assets but later become credit-impaired financial assets, is recognized by applying an effective interest rate to the gross book value of the financial asset. While applying the effective interest rate method, the Bank determines the fees that are an integral part of the effective interest rate of the financial instrument. Fees, which are an integral part of the effective interest rate of the financial instrument, are considered as adjustments to the effective interest rate, unless the financial instrument is measured at fair value through profit or loss. In such cases, these fees are recognized as income or expense during the initial recognition of the financial instrument.

The Bank, when applying the effective interest method, amortizes the fees, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the financial instrument.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### V. Explanations on Interest Income and Expenses (cont’d)

If there is an unpaid interest accrual prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods and only the post-acquisition portion is reflected in the financial statements as interest income. If the expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the change is reflected in the carrying value of the asset and the related income statement item and amortized over the estimated life of the financial instrument.

Interest income and expenses are recorded on accrual basis. As the interest income and expense is accrued, all tax liabilities are fulfilled.

Accrued but not collected interests and discounts of loans, those classified as non-performing (Stage 3) are not reversed and included in interest income.

The interest amount representing the time value of the future collections of the non-performing loans is recognized under interest income and fully provisioned. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

### VI. Explanations on Fees and Commission Income and Expenses

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

Income on banking services which are not related to periodic services are recorded as income when they are collected. In order to classify the fees and commissions collected from customers as income on banking services or as other non-interest income, they shouldn’t be related with a credit transaction.

All type of fees and commissions collected from customers regarding cash loans are deferred in commissions on cash loans account and are recognized as income over the period of the loan by discounting with effective interest rate.

For Bank assurance services provided by the Bank commissions from insurance companies are recorded as income on accrual basis.

The commissions related with non-cash loans or periodic banking services, are deferred and recorded as income over the period according to the cut-off principle. Credit fee and commission expenses which are paid to other companies and institutions regarding financial liabilities and which create operational costs are discounted by effective interest rate and are recorded as expenses in the relevant period according to the cut-off principle.

### VII. Explanations on Financial Assets

The Bank classifies and recognizes its financial assets as “Financial Assets at Fair Value through Profit or Loss”, “Financial Assets Measured at Fair Value through Other Comprehensive Income” or “Financial Assets Measured at Amortized Cost”. The financial assets are recognized or derecognized in accordance with the “Recognition and Derecognition” principles defined in Section 3 related to the classification and measurement of financial instruments of the “TFRS 9 Financial Instruments” standard published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added or deducted to/from their fair value.

The Bank recognizes a financial asset in the financial statement when, and only when, the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the settlement date. When the Bank first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### VII. Explanations on Financial Assets (cont’d)

#### *Financial Assets at Fair Value Through Profit/Loss*

Financial assets at fair value through profit or loss are financial assets that are managed by business model other than the business model that aims to “hold to collect” and “hold & sell” the contractual cash flows; acquired for the purpose of generating profit from short-term fluctuations in price, or regardless of this purpose, the financial assets that are a part of a portfolio with evidence of short-time profit-taking; and the financial assets, whose terms do not give rise to cash flows that are solely payments of principal of interest at certain dates. Financial assets at fair value through profit/loss are initially recognized at fair value and are subsequently measured at fair value. Gain and losses upon their valuation are accounted under the profit/loss accounts.

Equity securities classified as financial assets at fair value through profit or loss are recognized at fair value.

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III. Note IV.

#### *Financial Assets at Fair Value Through Other Comprehensive Income*

Financial assets are classified as financial assets at fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial assets at fair value through other comprehensive income are recognized at acquisition costs that reflect their fair value by adding transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method are reflected in the statement of profit or loss. The difference between the fair value of the financial assets at fair value through other comprehensive income and the amortized cost of the financial assets, i.e. “Unrealized gains and losses”, is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under “Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss” under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

The Bank may elect at initial recognition to irrevocably designate an equity investment at fair value other comprehensive income where those investments are hold for purposes other than to generate investments returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Dividends continue to be recognized in profit or loss in the financial statements.

All equity instruments classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. In case of disposal of the equity investment, the accumulated total gain or loss is followed in the “Other Accumulated Comprehensive Income or Expense that cannot be reclassified to Profit or Loss”.

In addition, the Bank's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price (“CPI”) indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months ago. The bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Republic of Turkey and the Bank's expectations, is updated during the year when deemed necessary. In this context, as of 31 March 2022, the valuation of the said assets was based on an annual inflation forecast of 40.00%. At the end of the year, the actual inflation rate is used.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VII. Explanations on Financial Assets (cont’d)

*Financial Assets Measured at Amortized Cost*

*Financial investments measured at amortized cost:*

A financial asset is classified as a financial asset measured at amortized cost when the Bank’s policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial asset measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at “Amortized cost” by using the “Effective interest (IRR) rate method”. Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

*Loans:*

Loans are financial assets with fixed or determinable payment terms which are not traded on an active market and measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the “Effective interest (IRR) rate method”.

### VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” which came into force starting from 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

- Time value of money
- Reasonable and supportable information on past events, current conditions and forecasts of future economic conditions at the reporting date

The Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage categories” depending on the gradual increase in credit risk observed since their initial recognition:

#### *Stage 1:*

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12 month expected credit losses.

#### *Stage 2:*

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined based on the instrument’s lifetime expected credit losses. Following criterias have been taken into account in classification a financial asset as Stage 2:

- Loans having past due more than 30 days and less than 90 days
- Restructuring loans
- Concordatum events
- Significant deterioration in probability of default

In the case of the occurrence of any of the first three items above, it is classified under Stage 2 loans regardless of the comparison between probability of default.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VIII. Explanations on Impairment of Financial Assets (cont’d)

Significant deterioration in probability of default is considered as significant increase in credit risk and the financial asset is classified under Stage 2 loans. In this regard, it is assumed that the probability of default deteriorates, if the probability of default exceeds the thresholds defined by the Bank’s internal rating based credit rating models.

#### Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized. For the related financial assets, the probability of default is taken into account as 100%.

#### Expected Credit Loss Calculation

Expected credit loss calculation refers to the calculation to estimate the loss of the financial instrument in case of default and it is based on 3-stage impairment model based on the change in credit quality. The Bank uses two different calculations considering 12-month and lifetime probability of default of the financial instruments.

If there is a significant increase in credit risk between the origination date and the reporting date of the loan, the lifetime probability of default is used and if there is no significant increase in credit risk the 12 month probability of default is used.

There are three loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioral scores is used for the retail portfolios. It is determined significant increase in credit risk by comparing the credit ratings/behavioral scores at the origination date and reporting date for both portfolios.

Default Definition: Debts having past due more than 90 days; in addition, the fact that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

The Bank considers different scenarios in the calculation of expected credit losses by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2022				2023				2024				2025			
Period (*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	4.6	3.8	2.8	2.8	3.4	4.1	4.2	4.2	4.1	4.0	4.1	4.0	3.9	3.9	4.1	4.3

(\*)It represents 3-month periods.

The Bank does not have any financial asset as purchased or originated credit-impaired.

Probability of Default (PD): PD represents the likelihood of default over a specified time period. Based on the historical data, 1-year PD of a customer is calculated for each portfolio on the basis of credit ratings and behavioral scores. PDs and LGDs used in the ECL calculation are point in time (“PIT”) based on key portfolios and consider both current conditions and expected cyclical changes. Two types of probability of default are calculated.

- 12-Month PD: as the estimated probability of default occurring within the next 12 months
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument

Internal rating systems are used to measure the risk of both commercial and retail portfolios. The internal rating models used in the commercial portfolio include the customer's financial information and the answers to the qualitative question set. Behavioral score cards used in the retail portfolio include the behavioral data of the customer and the product in the Bank, the demographic information of the customer and the behavioral data of the customer in the sector. The probability of default is calculated based on historical data, current conditions and forward-looking macroeconomic expectations.

Loss Given Default (LGD): If a loan defaults, it represents the economic loss incurred on the loan. It is expressed as a percentage.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### VIII. Explanations on Impairment of Financial Assets (cont’d)

#### Expected Credit Loss Calculation (cont’d)

The Bank calculates the recovery rates for each portfolio in a way that include the collateral types and several risk elements based on historical data, and it is ensured that the time value of money is included into the calculation by discounting of these recoveries to the reporting date. The collaterals in the calculation are taken into account by considering the credit conversion factors. The collaterals included in “Communique on Credit Risk Mitigation Techniques” is taken into account with their rules in the communique. The remaining part is considered as unsecured portfolio and loss given default rate determined for this portfolio is applied.

Exposure at Default (EAD): The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. The expected default amount is calculated by discounting the principal and interest repayments for cash loans and income accruals by effective interest method while it refers to the value calculated through using credit conversion factors for non-cash loans and commitments. It shows the risk of the borrower at the date of default.

Effective interest rate: the discount factor which reflects the time value of money.

Lifetime ECL is calculated by taking into account the period during which the Bank will be exposed to credit risk. The maturity information defined for all cash and non-cash loans is used in the calculation of the expected credit loss along with their maturity and payment plans. The maturity refers to the contractual life of a financial instruments unless there is the legal right to call it earlier. The maturity analysis and credit risk mitigation processes such as cancellation/revision of the limits have been developed for the definition of behavioral maturity for loans that do not have maturity information and revolving loans.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Adverse” and “Favorable” and the weighted average of the results of these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Expected Credit Loss Calculation of Stage 1 Loans: It is calculated by considering 12 month (1 year) PDs for the financial assets measured at amortized cost, which do not reflect a significant increase in credit risk. Therefore, it is a part of the lifetime expected credit losses. Such expected 12 month PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In the case of the current default rate is below a defined threshold without comparison with the origination date, the related loans are classified under Stage 1 loans by considering their credit qualities. Treasury Bills, Government Bonds and CBRT balances are classified under Stage 1 loans. In addition, the institutions related to risk group of the Bank and other banks’ placements are classified under Stage 1 loans.

Expected Credit Loss Calculation of Stage 2 Loans: It is calculated by considering lifetime PDs for the loans which has shown a significant increase in credit risk since origination. Such expected lifetime PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In determining of the significant increase in credit risk, qualitative and quantitative assessments are performed.

Qualitative assessments:

The loans with a delay on repayment more than 30 days are classified under Stage 2 loans. In addition, the restructured loans are classified under this stage. Also, all the customers declaring concordatum are classified under this stage.

The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Quantitative assessments:

“Significant increase in credit risk” is quantitatively based on the comparison the risk of default at the reporting date with the risk of default at the date of initial recognition. Where the change is above the defined threshold it is considered as significant increase in the credit risk, meaning that the credit is classified under Stage 2 loans.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### VIII. Explanations on Impairment of Financial Assets (cont’d)

#### Expected Credit Loss Calculation (cont’d)

In the case of the internal credit rating of the loan is above a defined threshold, “high risk portfolio”, without comparison with the origination date, the related loans are classified under Stage 2 loans.

Expected Credit Loss Calculation of Stage 3 Loans: Lifetime expected credit losses are booked for the loans considered as impaired. When calculating the provisions by discounting the individual cash flow expectations for financial instruments which are above a defined threshold, loss given default rates are taken into account in case of default for financial instruments which are below the defined threshold.

### IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has legally enforceable rights to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

### X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Treasury bills and government bonds within the scope of repurchase agreements are classified in financial statements as financial assets carried at amortized costs, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income according to the classification of marketable securities subject to repurchase agreement and are valued according to the measurement rules of the relevant category. Funds obtained through repurchase agreements are booked in a separate liability account, namely funds provided under repurchase agreements under money market balances. Income and expenses arisen from these transactions are booked in “Interest Income on Marketable Securities Portfolio” and “Interest Expense on Money Market Borrowings” in income statement.

Securities purchased under repurchase agreements (“reverse repo”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 March 2022, the Bank has TL 1,100,394 amount of reverse repo transaction (31 December 2021: None).

As of 31 March 2022, the Bank does not have any marketable securities lending transaction (31 December 2021: None).

### XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with “IFRS 5 Assets Held for Sale and Discontinued Operations”. An asset (or disposal group) classified as held for sale in accordance with IFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 31 March 2022, assets held for sale and discontinued operations of the Bank are TL 74,117 (31 December 2021: TL 65,933 ). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL 5,354 (31 December 2021: TL 2,288) has been reserved as provision for impairment losses.

As of 31 March 2022, the Bank has no discontinued operations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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### XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

As explained in footnote 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844, all rights, receivables, (assets and liabilities) of Fortis Bank A.Ş. would be transferred to the Bank as stated in Istanbul Commerce Trade dated 14 February 2011.

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the Bank has measured the identifiable assets acquired and the identifiable liabilities acquired in the date of the merger of Fortis Bank A.Ş. at fair value and presented in the financial statements as related items. The resulting difference of TL 48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder's equity section. The amount of TL 421,124, which is the difference between TL 2,385,482, the fair value of transferred amount and TL 1,964,358, the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder's equity section.

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Bank comprise mainly software. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Software used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XIII. Explanations on Tangible Fixed Assets

Tangible assets of the Bank are accounted for at their restated cost until 31 December 2004 and afterwards, the acquisition cost and any other cost incurred to prepare the asset ready for use are reflected, less reserve for impairment, if any.

Depreciation rates are defined according to the economic life of the relevant assets.

Depreciation is calculated using the straight line method, without taking residual values into consideration, based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible fixed assets are as follows:

Buildings	50 years
Furniture, Fixtures and Office Equipment and Others	5-15 years

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of the related asset. Other maintenance costs are expensed. Leasehold improvements amount is subject to depreciation during leasing period. This period is taken into consideration maximum five years. For the branches, this period is considered as three years in parallel with the Bank's business plans.

The Bank employs independent appraisers in determining the current fair values of its real estate's when there is any indication of impairment in value of real estates.

### XIV. Explanations on Leasing Transactions

“IFRS 16 Leases” was promulgated in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard specifies the principles for the leasing, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information and faithful representation. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements. The Bank has started to apply the related standard for the first time on 1 January 2019 by reflecting the application effects to the equity accounts.

Lease obligations under the contract in the amount of liabilities on the balance sheet equal to the sum of all cash payments and offset with the form shown gross interest expense arising from the contract. The right of use arising from the leasing transactions, at the date of commencement, the present value of the lease payments which have not been paid at that date is measured. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio is not easily determined, the Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

Public Oversight Authority (POA) made amendments in IFRS 16 “Leases” standard by publishing the Concessions Granted in Lease Payments Regarding COVID-19 – “amendments regarding IFRS 16 Leases” on 5 June 2020. With this amendment, exception is granted to lessee on the subject of not evaluating whether the privileges granted on lessees' lease payments due to COVID-19 are changes on leasing or not. The subjected changes did not have a significant impact on the Bank's financial position or performance.

With the “IFRS 16 Leases” standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Assets” as an asset (tenure) and under “Lease Payables” as a liability.

### XV. Explanations on Provisions and Contingent Liabilities

Provisions are provided for liabilities of uncertain timing or amount arising from past events have the probability to result in an expense or loss in the future and when it can be measured reliably.

Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation as of the balance sheet date and discounted to present value if material. Provisions and contingent liabilities, excluding specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (TAS 37) regarding Provisions, Contingent Liabilities and Contingent Assets.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### **XVI. Explanations on Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

Contingent assets are disclosed in the financial statements’ notes where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. In case it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

### **XVII. Explanations on Liabilities Regarding Employee Benefits**

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

Employees transferred to the Bank following the business combination defined in the Section One “General Information” of the Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 March 2022, the Pension Fund has 1,390 employees and 1,259 pensioners (31 December 2021: 1,414 employees and 1,238 pensioners).

Provisional Article 23 (1) of Banking Law No: 5411 (the “Banking Law”) published in the Official Gazette repeated no: 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court’s ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on 15 December 2007.

Following the publication of the said decree of the Constitutional Court, the Turkish Grand National Assembly (the “TGNA”) initiated its studies on the development of new regulations in regards to the transfer of bank pension participations to the SSI and the related articles of the Social Security Law that are set out to determine the basis of fund transfers and new regulations became effective with its publication in the Official Gazette No: 26870 on 8 May 2008 and the completion of the transfer within 3 years starting from 1 January 2008. Upon the Council of Ministers’ resolution issued in the Official Gazette, the transfer period has been extended for 2 years as of 14 March 2011. According to amendment on the social security and general health insurance law published in the Official Gazette dated 8 March 2012 numbered 6283, mentioned 2-year transfer period has been increased to 4 years. Upon the Council of Ministers’ resolution dated 24 February 2014 issued in the Official Gazette No:28987 on 30 April 2014, mentioned transfer period has been extended for one more year while it has been extended for one year upon the Council of Ministers’ resolution dated 8 April 2013 issued in the Official Gazette No:28636 on 3 May 2013. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published on the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, “Council of Ministers” is authorized to determine the date of transfer to the Social Security Institution has been replaced with “president”.

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 March 2022. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable by the assets of the Pension Fund, they believe such liabilities will not bring any additional liability to the Bank.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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### XVIII. Explanations on Taxation

#### *Corporate Tax*

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated 21 September 2006, the corporate tax rate is 20% in Turkey. However, the corporate income tax rate will be applied as 22% for the years between 2018-2020 regarding to the "Law on Amendment of Certain Tax Laws and Some Other Laws" numbered 7061 and published in the Official Gazette on 5 December 2017. The Corporate Tax rate will be applied as 25% for 2021 taxation period income and 23% for 2022 taxation period income as per the 11th article of the Law on the Procedure for the Collection of Public Claims and the Law on the Amendment of Certain Laws, which has been published in the Official Gazette dated 22 April 2021 and numbered 31462, and the Provisional Article 13 added to the Corporate Tax Law No.5520.

The tax legislation requires advance tax to be calculated and paid based on earnings generated for each quarter, the amounts thus calculated and paid are offset from the final tax computed over the earnings of the year. With the Tax Procedure Law No. 7338 published in the Official Gazette dated 26 October 2021 and numbered 31640, the 4th period provisional tax return to be implemented in 2022 was abolished. In the new application, a total of 3 temporary tax returns will be submitted in quarterly periods for the first 9 months of the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are taken into account in the Tax Statement according to Article 22 of the Prevention of Double Taxation Treaty signed between Northern Cyprus and the Turkish Republic.

50% portion of the gains derived from the sale of immovable (from 5 December 2017) which have been acquired due to loans under follow-up from the Bank and 75% portion of participation shares, founder's shares, dividend shares and preemption rights is tax exempt. A 75% portion of the capital gains derived from the sale of equity investments and 50% portion of the immovable properties held for at least two years are exempt from corporate taxation, providing that such gains are added to paid-in capital or held in a special fund account under liability for 5 years.

Corporate tax is declared from the first of the fourth month following the end of the relevant accounting period until the evening of the last day and is paid within the reporting period.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Within the scope of repetitive article 298 of the Tax Procedure Law, it has been decided that the financial statements will be subject to inflation adjustment if the increase in the producer price index is more than 100% in the last 3 accounting periods, including the current period, and more than 10% in the current accounting period. As of December 2021, these conditions have been fulfilled. However, with the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" numbered 7352 published in the Official Gazette dated 29 January 2022 and numbered 31734, temporary article 33 was added to the Tax Procedure Law numbered 213 and regardless of whether the conditions for the inflation adjustment within the scope of article 298 are met in the 2021 and 2022 accounting periods (for those designated as special accounting periods, as of the accounting periods ending in 2022 and 2023), including the provisional tax periods, and in the provisional tax periods of the 2023 accounting period, that, financial statements will not be adjusted for inflation, it is stated that the financial statements as of 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, that the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years' profit/loss account, the previous year's profit determined in this way will not be subject to tax, and the previous year's loss will not be considered as a loss.

As of 31 March 2021, the Corporate Tax applicable in Turkey within the scope of the Provisional Article 13 of the Corporate Tax Law is 23%. However, with the Law No. 7394 on Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated 15 April 2022 and numbered 31810 and the sentence added to the first paragraph of the Provisional Article 13 added to the Corporate Tax Law No. 5520 with Article 26 of the Law on Amending Certain Laws and Decrees, corporate tax will be charged at the rate of 25% for the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the 2022 taxation period. Starting from the declarations that the tax rate change has to be submitted as of 1 July 2022 and to be valid for the corporate earnings for the taxation period starting from 1 January 2022, due to its effective date as of 15 April 2022, the date of its publication, 23% and 20% are used as tax rates in the current tax and deferred tax calculations in the financial statements dated 31 March 2022.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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### **XVIII. Explanations on Taxation (cont’d)**

#### *Deferred Tax Asset/Liability*

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods

As stated in the explanations regarding the Corporate Tax, the rates to be applied to the corporate earnings of the 2021 and 2022 taxation periods are determined as 23% and 20%, respectively. In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax asset is calculated over temporary differences arisen from expected credit loss provision in line with TFRS 9 principles from 1 January 2018.

Deferred tax income balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

### **XIX. Additional Explanations on Borrowings**

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

### **XX. Explanations on Issued Equity Securities**

There are no shares issued in 2022.

### **XXI. Explanations on Bill Guarantees and Acceptances**

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

### **XXII. Explanations on Government Incentives**

There is no government incentive utilized by the Bank.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### XXIII. Explanations on Reporting According to Segmentation

The operating segments of the Bank include retail and private banking, SME banking, corporate banking, treasury and asset-liability management.

Retail and private banking lines of the Bank provide consumer loans, personal financing, housing, workplace and vehicle loans for customer needs related to general consumption, purchase of durable goods, and real estate. The Bank also provides account products like Marifetli, Fırsat and CEPTETEB along with the standard time deposit products to enable advantageous savings in different currencies and maturities. In regard to investment needs for customers, retail and private banking offers brokerage services for treasury bill transactions, government bonds, Eurobonds, foreign exchange purchases/sales, a wide-range of investment funds, private pension funds and equity securities transactions. It also provides practical account, credit deposit account, automatic bill/regular payment options, safe-deposit boxes and insurance services beside credit and debit cards offering advantages in shopping and banking transactions. These products and services are provided to customers through widespread physical branches and ATM network and also via a 24/7 call center, internet and mobile banking.

Corporate banking provides financial solutions and banking services to large-scale local firms, holdings and their group companies, and multinational companies operating in Turkey. In addition to the bank deposit services provided to corporate customers, corporate banking also develops tailored solutions and products for standard cash and non-cash loans, investment loans, cash management services in line with customer needs and demands and foreign trade financing. Foreign exchange purchase and sale transactions, corporate financing services, derivative products and solutions to manage foreign exchange and interest rate risk and commodity financing are other services provided by the Bank. The Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialized in foreign trade, cash management, structured finance and multinational companies. It also benefits from the global business network and expertise of BNP Paribas Group.

SME banking provides small and medium-sized enterprises with financial solutions and exclusive services for non-financial matters. The Bank, which specifically designed its services for different segments in the field of SME Banking, has developed solutions that are tailored to the needs of these segments. In addition to solutions developed for small and medium-sized enterprises, solutions were developed for agricultural producers, jewelers, female leaders and entrepreneurship segments and for SME banking, enterprise banking, agriculture banking, gold banking, women’s banking and entrepreneurship banking. These solutions are provided on a larger scale based on the types of financial problems encountered by customers, and they are supported in non-financial matters via offering access to information, training and networks. At this point, the Bank does not only provide financial support to the SMEs but also provides the training and expertise they need to grow their business, strengthen their competitiveness and use their financing properly.

When determining the short, medium and long-term pricing strategy, Asset-Liability Management and the Treasury Group also manage the maturity mismatch, by adopting a principle foreseeing to work with a positive balance sheet margin. Spot and forward TL and foreign exchange purchase-sale transactions, treasury bill, government bond, and Eurobond purchase-sale transactions, and derivative product purchase/sale transactions are carried out under defined authorizations. The Bank also carries out activities related to providing medium and long-term funding, enabling funding at a price below the price reflecting the country risk price, diversifying funding resources, and creating an international investor base in this field.

The Financial Markets Group provides structured financial solutions to hedge foreign exchange/interest rate risks of customers and provides the most appropriate price for the market instruments offered to customers by monitoring market conditions.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XXIII. Explanations on Reporting According to Segmentation (cont'd)

The details of the income statement and the balance sheet which the Bank operates as a business line:

<b>Current Period</b>	<b>Retail and Private Banking</b>	<b>Corporate Banking</b>	<b>SME Banking</b>	<b>Other</b>	<b>Total</b>
Dividend Income	-	-	-	9,399	9,399
Profit Before Tax	221,353	299,813	165,797	1,561,443	2,248,406
Tax Provision (-)	-	-	-	652,968	652,968
<b>Net Profit for the Period</b>	<b>221,353</b>	<b>299,813</b>	<b>165,797</b>	<b>908,475</b>	<b>1,595,438</b>

<b>Current Period</b>	<b>Retail and Private Banking</b>	<b>Corporate Banking</b>	<b>SME Banking</b>	<b>Other</b>	<b>Total</b>
Segment Assets	38,686,129	59,424,039	26,667,834	96,078,267	220,856,269
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	116,041	116,041
<b>Total Assets</b>	<b>38,686,129</b>	<b>59,424,039</b>	<b>26,667,834</b>	<b>96,194,308</b>	<b>220,972,310</b>

Segment Liabilities	96,549,371	40,485,449	16,098,102	52,071,524	205,204,446
Shareholders' Equity	-	-	-	15,767,864	15,767,864
<b>Total Liabilities</b>	<b>96,549,371</b>	<b>40,485,449</b>	<b>16,098,102</b>	<b>67,839,388</b>	<b>220,972,310</b>

<b>Prior Period (31.03.2021)</b>	<b>Retail and Private Banking</b>	<b>Corporate Banking</b>	<b>SME Banking</b>	<b>Other</b>	<b>Total</b>
Dividend Income	-	-	-	5,341	5,341
Profit / (Loss) Before Tax	(44,923)	116,696	14,693	343,063	429,529
Tax Provision (-)	-	-	-	90,400	90,400
<b>Net Profit for the Period</b>	<b>(44,923)</b>	<b>116,696</b>	<b>14,693</b>	<b>252,663</b>	<b>339,129</b>

<b>Prior Period (31.12.2021)</b>	<b>Retail and Private Banking</b>	<b>Corporate Banking</b>	<b>SME Banking</b>	<b>Other</b>	<b>Total</b>
Segment Assets	36,799,694	42,523,918	23,996,403	90,620,966	193,940,981
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	116,041	116,041
<b>Total Assets</b>	<b>36,799,694</b>	<b>42,523,918</b>	<b>23,996,403</b>	<b>90,737,007</b>	<b>194,057,022</b>

Segment Liabilities	84,801,710	32,564,690	14,272,783	48,800,020	180,439,203
Shareholders' Equity	-	-	-	13,617,819	13,617,819
<b>Total Liabilities</b>	<b>84,801,710</b>	<b>32,564,690</b>	<b>14,272,783</b>	<b>62,417,839</b>	<b>194,057,022</b>

### XXIV. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 28 March 2022 of the Bank, TL 1,912,898 that constitutes the 2021 net balance sheet profit shall be transferred to the Extraordinary Reserves after setting aside, in accordance with the proposal in the resolution of the Board of Directors, TL 95,645 as Legal Reserves, TL 1.56 (full TL) as profit distributed to the holders of the founder jouissance certificates.

### XXV. Reclassifications

In order to comply with the presentation of the financial statements dated 31 March 2022, some classifications were made on the statement of income and statement of cash flows dated 31 March 2021. The relevant classification has no effect on the Bank's performance.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### SECTION FOUR

#### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

##### I. Explanations Related to Components of Shareholders’ Equity

Total capital and capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks” and in addition to these, it has been calculated according to the BRSA’s regulations dated 8 December 2020 and numbered 9312 and 16 April 2020 dated and 3984 numbered, 17 June 2021 dated and 9624 numbered and 21 December 2021 dated and 9996 numbered regulations. According to the latest regulation changes;

In the calculation of the amount subject to credit risk, the simple arithmetic average of the Central Bank’s foreign currency buying rates for the last 252 business days as of 31 December 2021, in accordance with the Board decision dated 21 December 2021 and numbered 9996, was used while calculating the valued amounts in foreign currency.

In accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FX receivables of Banks which are from Republic of Turkey Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511.

In accordance with the Board Decision dated 1 July 2021 and numbered 9645, the risk weights of individual credit cards and consumer loans were changed. In consumer loans extended after the decision was taken, the risk weight was applied 100% instead of 75% for those with a remaining maturity of 1-12 months, and 150% instead of 75% for those with more than 1 year. Likewise, after the date of the decision, in individual credit cards; the risk weight was applied to 100% instead of 75% for those with 1-6 months to maturity, and 150% instead of 75% for those with 6 months or more.

In accordance with the Board decision dated 21 December 2021 and numbered 9996, in case the net valuation differences of the financial assets in the portfolio of “Securities at Fair Value through Other Comprehensive Income” as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and have not been taken into account in the amount of equity to be used for the capital adequacy ratio.

As of 31 March 2022, Bank’s total capital has been calculated as TL 24,233,089 (31 December 2021: TL 21,405,622) and Capital Adequacy Ratio is 17.46% (31 December 2021: 18.05%). This ratio is well above the minimum ratio required by the legislation. The credit risk of banking accounts has been calculated by using the “standard approach”, the market risk of purchase and sale accounts by using the “standard method”, counterparty credit risk of derivative and repo transactions by using the “fair value method”, credit valuation adjustments of over the counter derivative transactions by using the “standard model” and operational risk by using the “basic indicator approach”.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations Related to Components of Shareholders’ Equity (cont’d)

#### Information related to the Components of Shareholders’ Equity:

	Current Period 31.03.2022	Prior Period 31.12.2021
<b>Common Equity Tier 1 Capital</b>		
Paid-in capital to be entitled for compensation after all creditors	2,404,652	2,404,652
Share premium	2,565	2,565
Reserves	11,107,070	9,277,740
Gains recognized in equity as per TAS	581,034	4,611
Profit	1,595,438	1,912,898
Current Period Profit	1,595,438	1,912,898
Prior Period Profit	-	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period’s profit	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>15,690,759</b>	<b>13,602,466</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	-
Current and prior periods’ losses not covered by reserves, and losses accounted under equity according to TAS	3,573	-
Leasehold Improvements on Operational Leases	33,232	35,683
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	161,703	166,241
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair value of Bank’s liabilities	-	-
Net amount of defined-benefit plan assets	-	-
Direct and indirect investments of the Bank in its own Tier 1 Capital	-	-
Excess amount expressed in the law (Article 56 4th paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	48,779	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>668,411</b>	<b>623,048</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>15,022,348</b>	<b>12,979,418</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations Related to Components of Shareholders' Equity (cont'd)

#### Information related to the Components of Shareholders' Equity: (cont'd)

	Current Period 31.03.2022	Prior Period 31.12.2021
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier 1 Capital before deductions</b>	-	-
<b>Deductions from Additional Tier 1 Capital</b>		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-
<b>Items to be deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
<b>Total Deductions from Additional Tier 1 Capital</b>	-	-
<b>Total Additional Tier 1 Capital</b>	-	-
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>	<b>15,022,348</b>	<b>12,979,418</b>
<b>TIER 2 CAPITAL</b>		
Debt instruments and premiums approved by BRSA	7,684,305	7,140,542
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	1,548,423	1,313,195
<b>Tier 2 Capital Before Deductions</b>	<b>9,232,728</b>	<b>8,453,737</b>
<b>Deductions from Tier 2 Capital</b>		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-
Other Items Determined by BRSA (-)	-	-
<b>Total Deductions from Tier 2 Capital</b>	-	-
<b>Total Tier 2 Capital</b>	<b>9,232,728</b>	<b>8,453,737</b>
<b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>	<b>24,255,076</b>	<b>21,433,155</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### I. Explanations Related to Components of Shareholders' Equity (cont'd)

#### Information related to the Components of Shareholders' Equity: (cont'd)

	Current Period 31.03.2022	Prior Period 31.12.2021
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)</b>		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	492	3,823
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue		
Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	-	-
Other items to be defined by the BRSA	21,495	23,710
<b>Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period</b>		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
<b>TOTAL CAPITAL</b>		
Total Capital	24,233,089	21,405,622
Total Risk Weighted Assets	138,812,729	118,566,659
<b>CAPITAL ADEQUACY RATIOS</b>		
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.82	10.95
Tier 1 Capital Adequacy Ratio (%)	10.82	10.95
Capital Adequacy Ratio (%)	17.46	18.05
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2.50	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets(%)	2.32	2.44
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	330,260	301,971
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	1,555,892	133,323
<b>Limits related to provisions considered in Tier 2 Calculation</b>		
General provisions for standard based receivables (before ten thousand twenty five limitation)	2,352,407	2,117,698
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used(**)	1,548,423	1,313,195
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-
The positive difference between the expected credit loss provision amount in accordance with TFRS 9 and the total provision amount before the application of TFRS 9	-	88,574

(\*) The positive difference between the expected credit loss provision amount in accordance with TFRS 9 and the total provision amount before the application of TFRS 9 has been deducted.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### I. Explanations Related to Components of Shareholders' Equity (cont'd)

#### Information related to the Components of Shareholders' Equity: (cont'd)

	T	T-1	T-2	T-3	T-4
<b>CAPITAL ITEMS</b>					
Common Equity Tier 1 Capital	15,022,348	12,979,418	12,142,151	11,656,238	11,131,604
Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)	15,022,348	12,890,844	12,053,577	11,567,664	11,043,030
Tier 1 Capital	15,022,348	12,979,418	12,142,151	11,656,238	11,131,604
Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)	15,022,348	12,890,844	12,053,577	11,567,664	11,043,030
Capital	24,233,089	21,405,622	18,058,545	17,430,245	16,602,890
Capital where the transition impact of TFRS 9 has not been applied (c)	24,233,089	21,317,048	17,969,971	17,341,671	16,514,316
<b>TOTAL RISK WEIGHTED ASSETS</b>					
Total Risk Weighted Assets	138,812,729	118,566,659	106,164,148	96,152,637	92,314,341
<b>CAPITAL ADEQUACY RATIOS</b>					
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.82	10.95	11.44	12.12	12.06
Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	10.82	10.87	11.35	12.03	11.96
Tier 1 Capital Adequacy Ratio (%)	10.82	10.95	11.44	12.12	12.06
Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	10.82	10.87	11.35	12.03	11.96
Capital Adequacy Ratio (%)	17.46	18.05	17.01	18.13	17.99
Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	17.46	17.98	16.93	18.04	17.89
<b>LEVERAGE RATIO</b>					
Leverage Ratio Total Risk Amount	298,779,869	263,108,120	204,766,755	190,468,375	183,350,920
Leverage Ratio	4.98%	4.86%	5.93%	6.12%	5.97%
FTA not Applied Leverage Ratio (e)	4.98%	4.82%	5.89%	6.07%	5.92%

(\* As of 31.03.2022, the implementation of the temporary article 5 has ended and the effects of the prior periods are shown in the table above.

#### Basic information for the TFRS 9 transition process

- a: Common equity Tier 1 capital if Temporary Article 5 of the Regulation on equities of banks has not applied.
- b: Tier 1 capital if Temporary Article 5 of the Regulation on equities of banks has not applied.
- c: Total capital if Temporary Article 5 of the Regulation on equities of banks has not applied.
- d: Capital adequacy ratios calculated with capital items if Temporary Article 5 of the Regulation on banks has not applied.
- e: The leverage ratio calculated with capital items if Temporary Article 5 of the Regulation on banks has not applied.

#### Explanations on reconciliation of capital items to balance sheet:

	Current Period	Prior Period
<b>Total Capital per Balance Sheet</b>	<b>15,767,864</b>	<b>13,617,819</b>
Hedging Funds (effective portion)	(207,904)	(292,798)
Deductions Made Under Regulation	(675,371)	(633,813)
Transition Impact of TFRS 9 (Temporary 5 <sup>th</sup> Article)	-	88,574
Accumulated revaluation and/or classification on gains/losses of financial assets at fair value through other comprehensive income	137,759	199,636
<b>Common Equity Tier 1 Capital</b>	<b>15,022,348</b>	<b>12,979,418</b>
Additional Tier 1 Capital	-	-
<b>Tier 1 Capital</b>	<b>15,022,348</b>	<b>12,979,418</b>
General Provisions (Stage 1 and 2)	1,548,423	1,313,195
Bank's Borrowing Instruments	7,684,305	7,140,542
Deductions Made Under Regulation	(21,987)	(27,533)
<b>Total Equity</b>	<b>24,233,089</b>	<b>21,405,622</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations Related to Components of Shareholders’ Equity (cont’d)

#### Information related to debt instruments included in equity calculation:

All of the debt instruments included in equity calculation are issued by the Bank.

Issuer	TEB	TEB	TEB	TEB
Unique identifier of the debt instrument (e.g. CUSIP, ISIN)	XS0700889081	XS0808626013	XS0780562665	XS0947781315
Governing law(s) of the debt instrument	Turkey	Turkey	Turkey	Turkey
<b>Regulatory treatment</b>				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible at unconsolidated/consolidated/consolidated and unconsolidated	Available	Available	Available	Available
Type of the debt instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	3,068.33	1,619.64	971.78	2,024.55
Par value of debt instrument (TL Currency in mil)	3,068.33	1,619.64	971.78	2,024.55
Accounting classification of the debt instrument	34701100	34701100	34701100	34701100
Original date of issuance	5.11.2018	22.07.2019	14.05.2019	27.06.2018
Perpetual or dated(Demand/Time)	Time	Time	Time	Time
Original maturity date	5.11.2028	22.07.2029	14.05.2029	27.06.2028
Issuer call subject to prior supervisory approval	Available	Available	Available	Available
Optional call date, contingent call dates and redemption amount	5.11.2023	22.07.2024	14.05.2024	27.06.2023
Subsequent call dates, if applicable	-	-	-	-
<b>Coupons / dividends</b>				
Fixed or floating dividend/coupon	Fixed	Floating	Floating	Floating
Coupon rate and any related index	10.40%	6mEuribor+7.10%	6mEuribor+7.10%	6mEuribor+5.10%
Existence of a dividend stopper	None	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
<b>Convertible or non-convertible</b>				
If convertible, conversion trigger(s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
<b>Write-down feature</b>				
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks’ shareholder equity law are possessed or not	Possess	Possess	Possess	Possess
According to Article 7 and 8 of Banks’ shareholders equity law that are not possessed(*)	-	-	-	-

(\*) Under Article 8/2 in subsection (ğ) mechanism of write-down or conversion to common shares are stated.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that the Bank is subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and risk is calculated by using the standard method.

The Board of Directors of the Bank sets limits for the positions, which are followed up daily. Any possible changes in the foreign currency transactions in the Bank’s positions are also monitored.

As an element of the Bank’s risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

Asset Liability Management and Treasury Department of the Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank’s Asset-Liability Committee on a weekly basis.

As of 31 March 2022, the Bank’s balance sheet short position is TL 19,431,131 (31 December 2021: TL 24,020,137 short position) off-balance sheet long position is TL 18,377,898 (31 December 2021: TL 23,747,791 long position) and as a result net foreign currency short position is TL 1,053,233 (31 December 2021: net TL 272,346 short position).

The announced current foreign exchange buying rates of the Bank at 31 March 2022 and the previous five working days in full TL are as follows:

	24.03.2022	25.03.2022	28.03.2022	29.03.2022	30.03.2022	31.03.2022
USD	14.7744	14.7619	14.7640	14.4779	14.5666	14.6111
EUR	16.2164	16.2544	16.1975	16.0922	16.2432	16.1964

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 March 2022 are as follows:

	Monthly Average Foreign Buying Rate
USD	14.5443
EUR	16.0175



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations Related to Currency Risk (cont'd)

#### Information on the foreign currency risk of the Bank:

The table below shows the Bank’s distribution of balance sheet and derivative foreign exchange transactions taking into account the options transactions with nominal values as indicated in the BRSR regulation on foreign currency position. Besides taking into account this position by monitoring legal limits, the Bank also monitors the delta-adjusted position of the option transactions. As of 31 March 2022, there is a net long position of TL 1,425,852 in USD and a net short position of TL 185,212 in EUR.

Current Period	EUR	USD	Other FC	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(1)</sup>	11,818,821	16,302,705	3,890,079	32,011,605
Banks <sup>(2)</sup>	2,045,719	6,141,257	4,086,052	12,273,028
Financial Assets at Fair Value Through Profit or Loss	25,257	696,846	-	722,103
Receivables from Money Markets	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,482,394	3,021,019	41,639	4,545,052
Loans <sup>(3)</sup>	27,713,790	9,619,388	1,726,556	39,059,734
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortized Cost <sup>(4)</sup>	2,935,021	5,553,396	-	8,488,417
Derivative Financial Assets for Hedging Purposes <sup>(5)</sup>	51,667	-	-	51,667
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets <sup>(6)</sup>	573,170	86,180	7,991	667,341
<b>Total Assets</b>	<b>46,645,839</b>	<b>41,420,791</b>	<b>9,752,317</b>	<b>97,818,947</b>
<b>Liabilities</b>				
Bank Deposits	79,055	163,678	19,640	262,373
Foreign Currency Deposits <sup>(7)</sup>	22,469,503	47,283,346	12,788,995	82,541,844
Money Market Borrowings	5,297,311	-	-	5,297,311
Funds Provided from Other Financial Institutions	15,157,248	9,209,658	-	24,366,906
Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	2,350	-	-	2,350
Other Liabilities <sup>(8)</sup>	2,931,782	1,780,546	66,966	4,779,294
<b>Total Liabilities</b>	<b>45,937,249</b>	<b>58,437,228</b>	<b>12,875,601</b>	<b>117,250,078</b>
<b>Net Balance Sheet Position</b>	<b>708,590</b>	<b>(17,016,437)</b>	<b>(3,123,284)</b>	<b>(19,431,131)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(1,202,311)</b>	<b>16,233,796</b>	<b>3,346,413</b>	<b>18,377,898</b>
Financial Derivative Assets <sup>(9)</sup>	21,214,144	44,377,475	6,852,629	72,444,248
Financial Derivative Liabilities <sup>(9)</sup>	22,416,455	28,143,679	3,506,216	54,066,350
Non-Cash Loans <sup>(10)</sup>	14,982,058	17,626,979	2,585,331	35,194,368
<b>Prior Period</b>				
Total Assets	37,859,481	36,608,764	8,267,299	82,735,544
Total Liabilities	45,945,145	49,401,428	11,409,108	106,755,681
Net Balance Sheet Position	(8,085,664)	(12,792,664)	(3,141,809)	(24,020,137)
Net Off-Balance Sheet Position	7,665,448	13,045,910	3,036,433	23,747,791
Financial Derivative Assets <sup>(9)</sup>	30,271,685	44,317,120	4,830,894	79,419,699
Financial Derivative Liabilities <sup>(9)</sup>	22,606,237	31,271,210	1,794,461	55,671,908
Non-Cash Loans <sup>(10)</sup>	13,567,563	13,803,567	2,691,051	30,062,181

(1) Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey includes the balances of expected credit losses amounting to TL 5,596 (31 December 2021: TL 4,982).

(2) The banks include TL 23,702 of expected credit loss provisions (31 December 2021: TL 22,153).

(3) Foreign currency indexed loans amounting to TL 162,662 (31 December 2021: TL 173,195) are included in the loan portfolio. Also, it includes TL 842,589 (31 December 2021: TL 814,077) amounting to expected credit loss.

(4) Financial assets at amortized cost includes expected credit loss amounting to TL 1,910 (31 December 2021: TL 1,839).

(5) There is no (31 December 2021: None) income accruals from derivative financial instruments are deducted from derivative financial assets held for risk management.

(6) TL 337,189 (31 December 2021: TL 312,610) income accruals from derivative financial instruments are deducted from other assets.

(7) Precious metal accounts amounting to TL 8,828,413 (31 December 2021: TL 7,954,654) are included in the foreign currency deposits.

(8) TL 214,234 (31 December 2021: TL 155,500) expense accruals from derivative financial instruments are deducted from other liabilities.

(9) Forward asset and marketable securities purchase-sale commitments of TL 4,250,239 (31 December 2021: TL 3,118,150) are added to derivative financial assets and TL 4,016,624 (31 December 2021: TL 4,589,261) has been added to derivative financial assets.

(10) There is no effect on the net off-balance sheet position.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### III. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank’s position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Liquidity Risk and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted macroeconomic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

The Bank carries interest rate risk within the legal and internal limits and manages the interest rate risk in accordance with the bank's risk appetite.

#### Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing <sup>(1)</sup>	Total
<b>Current Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	24,960,694	-	-	-	-	11,734,311	36,695,005
Banks <sup>(3)</sup>	7,053,531	-	-	-	-	5,335,728	12,389,259
Financial Assets at Fair Value Through Profit or Loss	70,681	812,626	188,400	434,317	293,152	330,674	2,129,850
Receivables from Money Markets <sup>(4)</sup>	1,800,637	-	-	-	-	(42)	1,800,595
Financial Assets at Fair Value Through Other Comprehensive Income	512,985	897,735	3,408,179	4,172,945	-	13,250	9,005,094
Loans <sup>(5)</sup>	34,338,372	13,728,145	46,074,965	30,857,602	1,210,955	(917,329)	125,292,710
Financial Assets Measured at Amortized Cost <sup>(6)</sup>	1,303,946	9,350,904	2,033,159	7,680,703	40,133	(4,592)	20,404,253
Other Assets	1,691,908	4,478	505,363	1,626,658	344,391	9,082,746	13,255,544
<b>Total Assets</b>	<b>71,732,754</b>	<b>24,793,888</b>	<b>52,210,066</b>	<b>44,772,225</b>	<b>1,888,631</b>	<b>25,574,746</b>	<b>220,972,310</b>
<b>Liabilities</b>							
Bank Deposits	1,651,301	-	-	-	-	433,384	2,084,685
Other Deposits	71,424,848	15,801,409	3,685,232	-	-	60,552,058	151,463,547
Money Market Borrowings	1,793,779	2,575,838	1,586,822	-	-	-	5,956,439
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	1,356,121	-	-	-	-	1,356,121
Funds Provided from Other Financial	2,213,187	12,156,361	2,174,890	686,579	7,882,066	-	25,113,083
Other Liabilities	295,162	68,886	418,313	1,117,226	56,700	33,042,148	34,998,435
<b>Total Liabilities</b>	<b>77,378,277</b>	<b>31,958,615</b>	<b>7,865,257</b>	<b>1,803,805</b>	<b>7,938,766</b>	<b>94,027,590</b>	<b>220,972,310</b>
Balance Sheet Long Position	-	-	44,344,809	42,968,420	-	-	87,313,229
Balance Sheet Short Position	(5,645,523)	(7,164,727)	-	-	(6,050,135)	(68,452,844)	(87,313,229)
Off-Balance Sheet Long Position	3,547,283	9,664,412	-	-	7,694	-	13,219,389
Off-Balance Sheet Short Position	-	-	(10,130,988)	(794,025)	-	-	(10,925,013)
<b>Total Position</b>	<b>(2,098,240)</b>	<b>2,499,685</b>	<b>34,213,821</b>	<b>42,174,395</b>	<b>(6,042,441)</b>	<b>(68,452,844)</b>	<b>2,294,376</b>

<sup>(1)</sup> The expected loss provisions are presented under the “Non-Interest Bearing” column.

<sup>(2)</sup> Cash and cash equivalents include cash balances (cash in hand, cash in the safe deposit box, purchased checks) and the Central Bank of Turkey's outstanding loss provisions in the amount of TL 6,553.

<sup>(3)</sup> Banks include balance of expected loss provisions amounting to TL 24,969.

<sup>(4)</sup> Receivables from Money Markets include balance of expected loss provisions amounting to TL 42.

<sup>(5)</sup> The revolving loans amounting to TL 15,719,952 TL are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,005,369.

<sup>(6)</sup> Financial assets at amortized cost include losses amounting to TL 4,592.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 893,578 intangible assets amounting to TL 595,261, subsidiaries amounting to TL 116,036 and entities under common control (joint vent.) amounting to TL 5, assets held for sale amounting to TL 74,117 while other liabilities line includes the shareholders’ equity of TL 15,767,864.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### III. Explanations Related to Interest Rate Risk (cont’d)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates): (cont’d)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing <sup>(1)</sup>	Total
<b>Prior Period</b>							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	22,959,105	-	-	-	-	12,826,030	35,785,135
Banks <sup>(3)</sup>	6,570,302	-	-	-	-	4,986,490	11,556,792
Financial Assets at Fair Value Through Profit or Loss	252,946	718,169	619,019	805,158	96,136	302,359	2,793,787
Receivables from Money Markets	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	502,497	476,140	1,672,084	4,511,113	-	13,250	7,175,084
Loans <sup>(4)</sup>	30,270,588	12,019,328	35,157,117	25,756,608	1,293,973	(714,613)	103,783,001
Financial Assets Measured at Amortized Cost <sup>(5)</sup>	663,358	576,192	10,699,178	7,571,596	41,376	(4,399)	19,547,301
Other Assets	6,052	45,500	1,663,129	1,698,491	285,616	9,717,134	13,415,922
<b>Total Assets</b>	<b>61,224,848</b>	<b>13,835,329</b>	<b>49,810,527</b>	<b>40,342,966</b>	<b>1,717,101</b>	<b>27,126,251</b>	<b>194,057,022</b>
Liabilities							
Bank Deposits	1,962,166	-	-	-	-	37,570	1,999,736
Other Deposits	60,696,336	10,374,268	287,263	1,378	-	58,480,268	129,839,513
Money Market Borrowings	4,679,049	2,575,838	1,586,822	-	-	-	8,841,709
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	1,049,232	145,293	-	-	-	-	1,194,525
Funds Provided from Other Financial	3,546,147	11,544,778	4,888,330	-	2,857,546	-	22,836,801
Other Liabilities	147,226	538,774	177,900	1,318,413	51,968	27,110,457	29,344,738
<b>Total Liabilities</b>	<b>72,080,156</b>	<b>25,178,951</b>	<b>6,940,315</b>	<b>1,319,791</b>	<b>2,909,514</b>	<b>85,628,295</b>	<b>194,057,022</b>
Balance Sheet Long Position	-	-	42,870,212	39,023,175	-	-	81,893,387
Balance Sheet Short Position	(10,855,308)	(11,343,622)	-	-	(1,192,413)	(58,502,044)	(81,893,387)
Off-Balance Sheet Long Position	5,039,168	11,003,202	-	-	-	-	16,042,370
Off-Balance Sheet Short Position	-	-	(12,243,494)	(2,104,686)	(233,696)	-	(14,581,876)
<b>Total Position</b>	<b>(5,816,140)</b>	<b>(340,420)</b>	<b>30,626,718</b>	<b>36,918,489</b>	<b>(1,426,109)</b>	<b>(58,502,044)</b>	<b>1,460,494</b>

<sup>(1)</sup> The expected loss provisions are presented under the “Non-Interest Bearing” column.

<sup>(2)</sup> Cash balances (Cash, Effective Deposit, Money in transit, Notes Payable) and the Central Bank of the Republic of Turkey include balances of expected losses amounting to TL 6,160

<sup>(3)</sup> Banks include balance of expected loss provisions amounting to TL 23,547.

<sup>(4)</sup> Money market placements include balance of expected loss provisions amounting to TL 439.

<sup>(5)</sup> The revolving loans amounting to TL 13,983,435 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,039,995.

<sup>(6)</sup> Financial assets at amortized cost include balance of expected loss provisions of TL 4,399.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 915,504 intangible assets amounting to TL 601,609, subsidiaries amounting to TL 116,036 and entities under common control (joint vent.) amounting to TL 5, assets held for sale amounting to TL 65,933 while other liabilities line includes the shareholders’ equity of TL 13,617,819.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### III. Explanations Related to Interest Rate Risk (cont’d)

#### Average interest rates applied to monetary financial instruments:

	EUR	USD	YEN	TL
	%	%	%	%
<b>End of Current Period</b>				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	8.50
Banks	(0.58)	0.33	-	13.00
Financial Assets at Fair Value Through Profit and Loss	2.95	5.72	-	20.29
Money Market Placements	-	-	-	13.09
Financial Assets at Fair Value Through Other Comprehensive Income	2.67	3.78	-	22.33
Loans	3.30	3.51	5.48	20.42
Financial Assets Measured at Amortized Cost	3.11	5.31	-	31.97
Liabilities				
Bank Deposits	-	-	-	7.82
Other Deposits	0.10	1.04	-	16.54
Money Market Borrowings	1.16	-	-	14.00
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	18.05
Funds Provided from Other Financial Institutions	2.01	5.02	-	16.22
<b>End of Prior Period</b>				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	8.50
Banks	(0.70)	0.05	-	14.06
Financial Assets at Fair Value Through Profit and Loss	3.36	5.24	-	20.14
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.70	3.84	-	17.48
Loans	2.82	3.36	5.45	20.00
Financial Assets Measured at Amortized Cost	3.16	5.46	-	27.53
Liabilities				
Bank Deposits	-	-	-	10.37
Other Deposits	0.11	0.32	-	17.41
Money Market Borrowings	1.04	-	-	14.00
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	16.59
Funds Provided from Other Financial Institutions	1.98	4.89	-	15.82

### IV. Explanations Related to Equity Share Position Risk in Banking Accounts

Equity securities which are not publicly traded in the Bank’s financial statements are booked as their fair value, or otherwise booked as their cost value if calculation of fair value is not determined properly.

The Bank does not have any shares traded on Borsa Istanbul.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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**V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio**

- a) Information on liquidity risk management, such as the Bank's risk capacity, responsibilities and the structure of liquidity risk management, Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application:

The Asset-Liability Management and Treasury Group is responsible for following up the Bank's current liquidity position and for complying with liquidity limits approved by the Board of Directors. After evaluating the liquidity position, the Asset-Liability Management and Treasury Group use authorized products to provide sufficient liquidity based on liquidity position.

Responsibilities for liquidity management are described in the Liquidity Risk Policy which is reviewed and approved by the Board of Directors annually. The various responsibilities have been shared among the appropriate departments and committees as outlined in duty descriptions. While the Asset-Liability Management and Treasury Group alone is responsible for managing liquidity and for developing short-term liquidity estimates, the Asset-Liability Management and Treasury Group works with the Asset-Liability Management Committee to jointly developing/setting short-term liquidity strategies and middle and long term liquidity estimates. The Asset-Liability Management Committee is responsible for preparing middle and long term liquidity strategies.

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee, Audit Committee and Board of Directors, in addition to providing daily reports to senior management. Information about the Bank's liquidity structure and policies is provided to the relevant business lines at an Assets-Liabilities Committee meeting which is held every couple of weeks and at a Market and at a Liquidity Risk Committee meeting which is held monthly.

- b) Information on the centralization degree of liquidity management and funding strategy, and on operations between Bank and its partnerships:

The Asset-Liability Management and the Treasury Group manage the Bank's liquidity risk and performs this role only for the bank. Liquidity gap values are monitored within the limits set by the Board of Directors, and for compliance with these limits, the necessary debt instruments are used, while considering price and maturity structure. Our subsidiaries manage their own liquidity and we provide them borrowing facilities within market conditions and legal limits.

- c) Information about the Bank's funding strategy including policies on funding types and variety of maturities:

While the Bank tries to diversify its funding resources, it also tries to extend its payment terms. Customer deposits are the bank's main funding resource. Our main strategy for deposit management is to be inclusive while extending the average maturity. In addition to borrowings from money markets and collecting deposit, the Bank uses instruments such as long-term syndicated loans, securities issued in TL and foreign currency to diversify funding resources.

- d) Information on liquidity management based on currency which consists of a minimum of 5% of the Bank's total liabilities:

Excluding TL, USD and EUR, there is no foreign currency which exceeds 5% of total liabilities. For these currencies, liquidity gaps are reported on a monthly basis and the liquidity coverage ratio is calculated daily for total TL and foreign currency. The Asset-Liability Management and Treasury Group is responsible for taking the necessary steps to keep ratios within the limits determined by the Board of Directors. Trend of these ratios are monitored on a monthly basis by the Market and Liquidity Risk Committee which includes the General Manager, Assistant General Manager responsible from Financial Affairs Group, Group Risk Chief Officer, and the Assistant General Manager in charge of the Asset-Liability Management and Treasury Group. Furthermore, senior management is periodically informed about the relevant ratios.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (cont'd)

e) Information on liquidity risk mitigation techniques used:

The Bank's main liquidity management strategy is to diversify funding resources and extend the maturity structure. The Bank's balance sheet liquidity risk is periodically measured by Assets-Liabilities management and closely monitored with the Treasury. In accordance with market expectations, the Assets-Liabilities Management and Treasury Group carries out the actions necessary to minimize risk.

Within this framework, the Bank's liquidity risk is attempted to manage efficiently by long-term structural changes (such as diversifying funding sources, extending maturity structure etc.) and short and mid-term money market and derivative transactions.

In the short-term, liquidity risk is minimized with FX swaps, interbank borrowings and repurchase agreements, while cross currency swap transactions are used to minimize these risks in the long-term.

f) Explanation on the usage of the stress test:

The aim of the liquidity stress test is to analyze how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analyzed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Bank and in the whole banking system, in cases of stress event are analyzed. Also, situations where the two scenarios might coincide are considered. The analysis addresses how much of the net cash outflows of different maturities would be covered by the current liquid stock during all relevant stress events.

g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine;

- Whether the liquidity problem is specific to the bank or applies to the whole banking system and
- Whether there is a permanent or temporary problem.

Profitability has second degree importance in extraordinary liquidity conditions. In cases of cash shortage or cash withdrawal, the branches are responsible for informing the Asset-Liability Management and Treasury Group about withdrawn liabilities. The Asset-Liability Management and Treasury Group takes the necessary actions to cover the cash outflow which may occur in the accounts and informs the Asset-Liability Committee of any related delays.

In a liquidity crisis, the Asset-Liability Management and Treasury Group, the Asset-Liability Committee, the Liquidity Risk Committee, senior management, and the Board of Directors are responsible for solving the liquidity problem. It is predicted that, in a liquidity crisis, in order to create additional liquidity, written actions (considering the cost) must be taken within current market conditions.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (cont'd)

#### Liquidity Coverage Ratio:

	Rate of Percentage to Be Taken into Account not Implemented		Rate of Percentage to Be Taken into Account	
	Total Value (*)		Implemented Total Value (*)	
	TL+FC	FC	TL+FC	FC
<b>Current period – 31 March 2022</b>				
<b>High Quality Liquid Assets</b>				
1 High quality liquid assets			58,566,363	36,801,332
<b>Cash Outflows</b>				
2 Real person deposit and retail deposits	93,109,825	52,877,852	8,432,139	5,287,785
3 Stable deposits	17,576,874	-	878,844	-
4 Less stable deposits	75,532,951	52,877,852	7,553,295	5,287,785
5 Unsecured debts other than real person deposits and retail deposits	47,727,338	25,362,994	26,665,386	12,092,294
6 Operational deposits	289,982	-	72,496	-
7 Non-operational deposits	42,156,907	22,395,289	21,445,374	9,208,912
8 Other unsecured funding	5,280,449	2,967,705	5,147,516	2,883,382
9 Secured funding	-	-	-	-
10 Other cash outflows	812,268	5,475,868	812,268	5,475,868
11 Derivative and collateral obligations	812,268	5,475,868	812,268	5,475,868
12 Payables from structured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	59,153,562	27,191,374	5,093,072	2,911,918
<b>16 Total Cash Outflows</b>			<b>41,002,865</b>	<b>25,767,865</b>
<b>Cash Inflows</b>				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	17,529,402	9,895,154	13,330,808	8,937,793
19 Other cash inflows	362,019	12,637,750	362,019	12,637,750
<b>20 Total Cash Inflows</b>	<b>17,891,421</b>	<b>22,532,904</b>	<b>13,692,827</b>	<b>21,575,543</b>
			<b>Values to Which the Upper Limit is Applied</b>	
<b>21 Total High Quality Liquid Assets Inventory</b>			<b>58,566,363</b>	<b>36,801,332</b>
<b>22 Total Net Cash Outflows</b>			<b>27,310,038</b>	<b>6,441,966</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>214.45</b>	<b>571.27</b>

(\*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

	Rate of Percentage to Be Taken into Account not Implemented		Rate of Percentage to Be Taken into Account	
	Total Value (*)		Implemented Total Value (*)	
	TL+FC	FC	TL+FC	FC
<b>Prior period – 31 December 2021</b>				
<b>High Quality Liquid Assets</b>				
1 High quality liquid assets			47,286,292	29,716,957
<b>Cash Outflows</b>				
2 Real person deposit and retail deposits	81,720,904	42,598,230	7,319,602	4,259,823
3 Stable deposits	17,049,779	-	852,489	-
4 Less stable deposits	64,671,125	42,598,230	6,467,113	4,259,823
5 Unsecured debts other than real person deposits and retail deposits	44,581,451	22,525,874	25,823,594	12,484,715
6 Operational deposits	217,442	-	54,360	-
7 Non-operational deposits	35,096,625	16,813,316	16,547,063	6,772,318
8 Other unsecured funding	9,267,384	5,712,558	9,222,171	5,712,397
9 Secured funding	-	-	-	-
10 Other cash outflows	1,286,330	4,867,615	1,286,330	4,867,615
11 Derivative and collateral obligations	1,286,330	4,867,615	1,286,330	4,867,615
12 Payables from structured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	44,271,920	17,702,242	3,521,975	1,773,047
<b>16 Total Cash Outflows</b>			<b>37,951,501</b>	<b>23,385,200</b>
<b>Cash Inflows</b>				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	16,559,885	9,715,410	12,819,913	8,976,337
19 Other cash inflows	561,220	12,279,927	561,220	12,279,927
<b>20 Total Cash Inflows</b>	<b>17,121,105</b>	<b>21,995,337</b>	<b>13,381,133</b>	<b>21,256,264</b>
			<b>Values to Which the Upper Limit is Applied</b>	
<b>21 Total High Quality Liquid Assets Inventory</b>			<b>47,286,292</b>	<b>29,716,957</b>
<b>22 Total Net Cash Outflows</b>			<b>24,570,368</b>	<b>5,846,300</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>192.45</b>	<b>508.30</b>

(\*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

### V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (cont’d)

#### Liquidity Coverage Ratio: (cont’d)

The amount of High Quality Liquid Assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting liquidity coverage ratio.

High quality liquid assets in order of their priority consist of the time accounts, bond portfolio, reserve deposit and cash. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effect more FC Liquidity Coverage Ratio rather than the total. Besides, cash outflows due to withdrawal of the collaterals securing derivatives and market valuation changes on derivative transactions are considered in calculations.

There are concentration limits on funding sources approved by Board of Directors. Proportional limits on product type are reported in relation to how much of the funding can be obtained from deposits, group funding, borrowings from banks and repo and other long-term sources.

Liquidity management of the subsidiaries subject to consolidation is carried out by the companies themselves. Although there is a consolidated reporting for the Liquidity Coverage Ratio, there is no centralized liquidity management. Finally, there is no significant cash inflow and cash outflow related to the liquidity profile of the Bank, which is included in the calculation of liquidity coverage ratio, but which is not included in the public disclosure template in the second paragraph of the related communiqué.

The weeks with lowest and highest liquidity coverage ratio for the last three months calculated by using weekly simple arithmetic averages are presented below.

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
Lowest	186.85%	414.73%	153.36%	400.72%
Week	25.02.2022	14.01.2022	15.10.2021	15.10.2021
Highest	240.59%	703.53%	236.00%	564.43%
Week	21.01.2022	28.01.2022	17.12.2021	01.10.2021



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (cont'd)

#### Presentation of assets and liabilities according to their remaining maturities:

Current period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed <sup>(1)</sup>	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	11,740,864	24,960,694	-	-	-	-	(6,553)	36,695,005
Banks <sup>(3)</sup>	6,680,208	5,734,020	-	-	-	-	(24,969)	12,389,259
Securities at Fair Value Through Profit and Loss	-	1,245	86	156,927	1,347,766	293,152	330,674	2,129,850
Money Market Placements <sup>(4)</sup>	-	1,800,637	-	-	-	-	(42)	1,800,595
Financial Assets at Fair Value Through Other Comprehensive Income	13,250	41,560	5,158	1,955,927	5,428,994	1,560,205	-	9,005,094
Loans Given <sup>(5)</sup>	-	32,757,472	13,728,145	47,117,949	31,395,518	1,210,955	(917,329)	125,292,710
Financial Assets Measured at Amortized Cost <sup>(6)</sup>	-	729,433	-	1,845,144	17,684,113	150,155	(4,592)	20,404,253
Other Assets	-	2,921,593	303,544	1,081,785	1,703,694	418,941	6,825,987	13,255,544
<b>Total Assets</b>	<b>18,434,322</b>	<b>68,946,654</b>	<b>14,036,933</b>	<b>52,157,732</b>	<b>57,560,085</b>	<b>3,633,408</b>	<b>6,203,176</b>	<b>220,972,310</b>
<b>Liabilities</b>								
Bank Deposits	433,384	1,651,301	-	-	-	-	-	2,084,685
Other Deposits	60,552,058	71,424,848	15,801,409	3,685,232	-	-	-	151,463,547
Funds Provided from Other Financial Institutions	-	888,237	5,736,041	9,827,099	779,640	7,882,066	-	25,113,083
Money Market Placements	-	1,793,779	2,575,838	1,586,822	-	-	-	5,956,439
Securities Issued	-	-	1,356,121	-	-	-	-	1,356,121
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	-	12,236,482	2,734,459	1,049,620	1,529,436	308,681	17,139,757	34,998,435
<b>Total Liabilities</b>	<b>60,985,442</b>	<b>87,994,647</b>	<b>28,203,868</b>	<b>16,148,773</b>	<b>2,309,076</b>	<b>8,190,747</b>	<b>17,139,757</b>	<b>220,972,310</b>
<b>Liquidity Gap</b>	<b>(42,551,120)</b>	<b>(19,047,993)</b>	<b>(14,166,935)</b>	<b>36,008,959</b>	<b>55,251,009</b>	<b>4,557,339)</b>	<b>(10,936,581)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>2,003,814</b>	<b>(810,332)</b>	<b>399,676</b>	<b>354,423</b>	<b>210,211</b>	<b>-</b>	<b>2,157,792</b>
Financial Derivative Assets	-	23,919,223	41,248,813	25,135,831	19,130,706	3,268,343	-	112,702,916
Financial Derivative Liabilities	-	21,915,409	42,059,145	24,736,155	18,776,283	3,058,132	-	110,545,124
Non-Cash Loans	10,713,384	3,555,576	8,302,486	13,595,358	8,578,713	-	-	44,745,517
<b>Prior Period</b>								
Total Assets	19,090,091	59,853,565	14,999,165	42,109,876	51,721,019	2,353,091	3,930,215	194,057,022
Total Liabilities	58,517,838	79,549,459	21,051,575	10,732,666	1,842,697	7,520,200	14,842,587	194,057,022
<b>Liquidity Gap</b>	<b>(39,427,747)</b>	<b>(19,695,894)</b>	<b>(6,052,410)</b>	<b>31,377,210</b>	<b>49,878,322</b>	<b>(5,167,109)</b>	<b>(10,912,372)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>1,157,348</b>	<b>180,560</b>	<b>1,768,166</b>	<b>231,463</b>	<b>180,567</b>	<b>-</b>	<b>3,518,104</b>
Financial Derivative Assets	-	29,886,074	29,745,541	26,100,385	18,145,761	2,968,553	-	106,846,314
Financial Derivative Liabilities	-	28,728,726	29,564,981	24,332,219	17,914,298	2,787,986	-	103,328,210
Non-Cash Loans	10,182,618	2,203,512	5,450,781	13,364,312	7,332,490	-	-	38,533,713

<sup>(1)</sup> Active accounts that are required for the continuation of banking activities such as fixed assets, subsidiaries and subsidiaries, stocks, prepaid expenses and non-performing loans are recorded here.

Expected loss provisions are also shown here.

<sup>(2)</sup> Cash Values include cash balances (cash in hand, cash in the safe deposit box, purchased checks) and the Central Bank of Turkey's outstanding loss provisions amounting to TL6,553.

<sup>(3)</sup> The banks include TL 24,969 of expected loss provisions.

<sup>(4)</sup> Receivables from Money Markets include balance of expected loss provisions amounting to TL 42.

<sup>(5)</sup> The revolving loans amounting to TL 15,719,952 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,005,369.

<sup>(6)</sup> Financial Assets at Amortized Cost include provision for expected losses amounting to TL 4,592.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VI. Explanations Related to Leverage Ratio

a) Information on issues that cause differences between current period and previous period leverage ratios:

There is a decrease in the leverage ratio in line with the increase on-balance sheet risks.

b) Leverage ratio:

		<b>Current Period (*)</b>	<b>Prior Period (*)</b>
<b>Assets on the balance sheet</b>			
1	Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals)	201,560,678	175,665,512
2	(Assets deducted from core capital)	(614,997)	(598,378)
3	Total risk amount for assets on the balance sheet	200,945,681	175,067,134
<b>Derivative financial instruments and credit derivatives</b>			
4	Renewal cost of derivative financial instruments and loan derivatives	2,311,177	2,456,964
5	Potential credit risk amount of derivative financial instruments and loan derivatives	777,963	612,168
6	Total risk amount of derivative financial instruments and loan derivatives	3,089,140	3,069,132
<b>Financing transactions with securities or goods warranties</b>			
7	Risk amount of financial transactions with securities or goods warranties (Excluding those in the balance sheet)	1,224,882	854,257
8	Risk amount arising from intermediated transactions	-	-
9	Total risk amount of financing transactions with securities or goods warranties	1,224,882	854,257
<b>Off-the-balance sheet transactions</b>			
10	Gross nominal amount of the off-balance sheet transactions	74,031,288	66,385,645
11	(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
12	Total risk amount for off-balance sheet transactions	74,031,288	66,385,645
<b>Capital and total risk</b>			
13	Tier 1 capital	14,028,849	12,506,263
14	Total risk amount	279,290,991	245,376,168
<b>Leverage ratio</b>			
15	Leverage ratio	5.02%	5.10%

(\*) The amounts in the table are calculated by using the 3 Months average amounts.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VII. Explanations Related to Risk Management

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. The notes to be presented within the scope of Internal Rating Based Approach (“IRB”) have not been presented due to use of standard approach for the calculation of capital adequacy ratio by the Bank.

#### Overview of risk weighted amounts

	Risk Weighted Amounts		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (ccr)	120,366,953	102,173,138	9,629,356
2 Of which standardized approach (sa)	120,366,953	102,173,138	9,629,356
3 Of which internal rating-based (irb) approach	-	-	-
4 Counterparty credit risk	3,506,923	2,882,445	280,554
5 Of which standardized approach for counterparty credit risk (sa-ccr)	3,506,923	2,882,445	280,554
6 Of which internal model method (imm)	-	-	-
7 Equity positions in banking book under market-based approach	-	-	-
8 Equity investment in funds - look-through approach	-	-	-
9 Equity investment in funds - mandate-based approach	-	-	-
10 Equity investment in funds - 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 Of which irb ratings-based approach (rba)	-	-	-
14 Of which irb supervisory formula approach (sfa)	-	-	-
15 Of which sa/simplified supervisory formula approach (ssfa)	-	-	-
16 Market risk	3,707,210	3,002,158	296,577
17 Of which standardized approach (sa)	3,707,210	3,002,158	296,577
18 Of which internal model approaches (imm)	-	-	-
19 Operational risk	11,231,643	10,508,918	898,531
20 Of which basic indicator approach	11,231,643	10,508,918	898,531
21 Of which standard approach	-	-	-
22 Of which advanced measurement approach	-	-	-
23 Amounts below the thresholds for deduction (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>138,812,729</b>	<b>118,566,659</b>	<b>11,105,018</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### SECTION FIVE

#### EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

##### I. Explanations and Disclosures Related to the Assets

###### 1.a) Information on cash and balances with the Central Bank of the Republic of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	452,771	6,680,816	480,825	6,992,493
Balances with the Central Bank of Turkey	4,231,586	24,873,202	5,237,670	22,851,875
Other	-	463,183	-	228,432
<b>Total</b>	<b>4,684,357</b>	<b>32,017,201</b>	<b>5,718,495</b>	<b>30,072,800</b>

###### b) Information related to the account of the Central Bank of the Republic of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	4,144,094	-	5,130,440	-
Unrestricted Time Deposit	-	8,060,560	-	7,072,426
Restricted Time Deposit	87,492	16,812,642	107,230	15,779,449
<b>Total</b>	<b>4,231,586</b>	<b>24,873,202</b>	<b>5,237,670</b>	<b>22,851,875</b>

Foreign currency unrestricted deposit amounting to TL 8,060,560 (31 December 2021: TL 7,072,426), foreign currency restricted deposit amounting to TL 16,812,642 (31 December 2021: TL 15,779,449), unrestricted deposit balance amounting to TL 4,144,094 (31 December 2021: TL 5,130,440) and restricted deposit amounting to TL 87,492 (31 December 2021: TL 107,230) comprises of reserve deposits.

As of 31 March 2022, the Turkish lira required reserve ratios are determined to be within the range of 3% - 8% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2021: 3% - 8%), and the required reserve ratios for foreign currency deposits and other liabilities within the range of 5% - 26% (31 December 2021: 5% - 26%).

Within the scope of the “Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts” numbered 2021/14, to the banks whose conversion rate from USD, EUR and GBP denominated FX deposit accounts and FX denominated participation fund accounts to TL time deposits and participation accounts has reached the level of 10% as of the obligation date of 15 April 2022 and to 20% as of the obligation date of 2 September 2022, it has been decided not to apply an annual commission of 1.5% over the amount up to the amount to be kept for its liabilities until the end of 2022. As of 2 September 2022, the rate of commission to be collected from banks whose conversion rate cannot reach 10% separately for real and legal persons, will be 3%.

With the press release of the CBRT dated 23 April 2022, commercial cash loans of banks and financing companies in Turkish lira are subject to required reserves starting from the establishment date of 10 June 2022.

##### 2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit or loss given as collateral or blocked: None (31 December 2021: None).

a.2) Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2021: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 1,797,798 (31 December 2021: TL 2,491,428).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	1,348,360	449,438	1,942,260	549,168
Securities Representing Share in Capital	59,387	151,088	59,387	135,326
Other Financial Assets	-	121,577	-	107,646
<b>Total</b>	<b>1,407,747</b>	<b>722,103</b>	<b>2,001,647</b>	<b>792,140</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 3. Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	580,230	37,398	739,292	23,542
Swap Transactions	2,442,976	174,015	5,160,990	258,119
Futures Transactions	-	-	-	-
Options	135,653	139,310	106,295	43,738
Other	-	-	-	-
<b>Total</b>	<b>3,158,859</b>	<b>350,723</b>	<b>6,006,577</b>	<b>325,399</b>

#### 4. Information on banks:

##### a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	41,314	397	1,531,570	1,248,381
Foreign	76,184	12,296,333	86,455	8,713,933
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>117,498</b>	<b>12,296,730</b>	<b>1,618,025</b>	<b>9,962,314</b>

A provision for expected loss of TL 24,969 (31 December 2021: TL 23,547) has been reserved for receivables from banks.

#### 5. Information on financial assets at fair value through other comprehensive income:

##### a.1) Information on financial assets at fair value through other comprehensive income given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill and Similar Securities	1,048,425	-	1,448,659	1,739,641
Other	-	-	-	-
<b>Total</b>	<b>1,048,425</b>	<b>-</b>	<b>1,448,659</b>	<b>1,739,641</b>

##### a.2) Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	-	871,336	1,045,152	1,658,916
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>871,336</b>	<b>1,045,152</b>	<b>1,658,916</b>

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 7,085,333 (31 December 2021: TL 1,282,716).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 5. Information on financial assets at fair value through other comprehensive income (cont’d):

b.1) Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	8,991,844	7,161,834
Quoted at Stock Exchange	8,950,205	7,122,573
Unquoted at Stock Exchange	41,639	39,261
Share Certificates	13,250	13,250
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	13,250	13,250
Impairment Provision (-)	-	-
<b>Total</b>	<b>9,005,094</b>	<b>7,175,084</b>

An expected loss provision of TL 1,894 (31 December 2021: TL 1,668) is reserved for financial assets at fair value through other comprehensive income.

#### 6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	1,199,148	-	389,230
Corporate Shareholders	-	1,199,148	-	389,230
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	123,106	-	116,057	-
<b>Total</b>	<b>123,106</b>	<b>1,199,148</b>	<b>116,057</b>	<b>389,230</b>

b) Information on the Standard Loans and loans under Close Monitoring and restructured loans under close monitoring:

**Current period:**

Cash Loans	Loans under Close Monitoring			
	Standard Loans	Loans Not Subject to Restructuring	Restructured	
			Loans with Revised Contract Terms	Refinance
Non-specialized Loans	115,285,253	9,189,899	121,346	1,613,541
Working Capital Loans	12,560,654	1,560,198	73,784	1,111,168
Export Loans	20,704,916	250,134	-	4,444
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,498,312	-	-	-
Consumer Loans	20,199,154	4,161,568	10,970	158,461
Credit Cards	7,916,014	1,209,856	26,242	-
Other	48,406,203	2,008,143	10,350	339,468
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>115,285,253</b>	<b>9,189,899</b>	<b>121,346</b>	<b>1,613,541</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont'd)

#### 6. Information on loans: (cont'd)

b) Information on the Standard Loans and loans under Close Monitoring and restructured loans under close monitoring: (cont'd)

##### Prior Period:

Cash Loans	Loans under Close Monitoring			
	Standard Loans	Loans Not Subject to Restructuring	Restructured	
			Loans with Revised Contract Terms	Refinance
Non-specialized Loans	94,813,675	7,851,522	106,238	1,726,179
Working Capital Loans	8,292,445	938,278	68,954	1,191,876
Export Loans	15,734,234	150,052	-	4,939
Import Loans	-	-	-	-
Loans Given to Financial Sector	4,592,585	-	-	-
Consumer Loans	19,586,048	4,218,653	12,207	158,941
Credit Cards	7,079,515	1,069,945	17,629	-
Other	39,528,848	1,474,594	7,448	370,423
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>94,813,675</b>	<b>7,851,522</b>	<b>106,238</b>	<b>1,726,179</b>

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month Expected Credit Losses	485,534	-	428,726	-
Significant Increase in Credit Risk	-	1,495,923	-	1,351,897
<b>Total</b>	<b>485,534</b>	<b>1,495,923</b>	<b>428,726</b>	<b>1,351,897</b>

Aging analysis for closely monitored loans

31 March 2022	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Trade Loans	85,954	84,739	298,748	469,441
Consumer Loans	758,413	295,171	304,431	1,358,015
Credit Cards	170,577	104,813	59,415	334,805
<b>Total</b>	<b>1,014,944</b>	<b>484,723</b>	<b>662,594</b>	<b>2,162,261</b>

31 December 2021	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Trade Loans	107,880	146,438	365,250	619,568
Consumer Loans	724,640	271,266	356,435	1,352,341
Credit Cards	157,470	94,918	63,437	315,825
<b>Total</b>	<b>989,990</b>	<b>512,622</b>	<b>785,122</b>	<b>2,287,734</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 6. Information on loans: (cont’d)

c) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>756,286</b>	<b>22,343,658</b>	<b>23,099,944</b>
Housing Loans	4,208	3,988,495	3,992,703
Vehicle Loans	6,520	360,190	366,710
General Purpose Loans	745,558	17,994,973	18,740,531
Other	-	-	-
<b>Consumer Loans –Indexed to FC</b>	<b>-</b>	<b>12,788</b>	<b>12,788</b>
Housing Loans	-	12,788	12,788
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>-</b>	<b>17,481</b>	<b>17,481</b>
Housing Loans	-	5,671	5,671
Vehicle Loans	-	588	588
General Purpose Loans	-	11,222	11,222
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>6,092,439</b>	<b>24,041</b>	<b>6,116,480</b>
With Instalments	2,026,537	24,041	2,050,578
Without Instalments	4,065,902	-	4,065,902
<b>Individual Credit Cards-FC</b>	<b>15,881</b>	<b>-</b>	<b>15,881</b>
With Instalments	-	-	-
Without Instalments	15,881	-	15,881
<b>Personnel Loans-TL</b>	<b>11,528</b>	<b>64,866</b>	<b>76,394</b>
Housing Loans	-	260	260
Vehicle Loans	-	-	-
General Purpose Loans	11,528	64,606	76,134
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>42,374</b>	<b>44</b>	<b>42,418</b>
With Instalments	15,437	44	15,481
Without Instalments	26,937	-	26,937
<b>Personnel Credit Cards-FC</b>	<b>209</b>	<b>-</b>	<b>209</b>
With Instalments	-	-	-
Without Instalments	209	-	209
<b>Overdraft Accounts-TL (Real Persons) (*)</b>	<b>1,323,538</b>	<b>-</b>	<b>1,323,538</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>8</b>	<b>-</b>	<b>8</b>
<b>Total</b>	<b>8,242,263</b>	<b>22,462,878</b>	<b>30,705,141</b>

(\*) Overdraft accounts include personnel loans amounting to TL 4,085.

(\*\*) Loans granted via branches abroad.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 6. Information on loans: (cont’d)

c) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Prior Period	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>677,026</b>	<b>22,060,956</b>	<b>22,737,982</b>
Housing Loans	1,018	4,162,567	4,163,585
Vehicle Loans	4,816	370,634	375,450
General Purpose Loans	671,192	17,527,755	18,198,947
Other	-	-	-
<b>Consumer Loans –Indexed to FC</b>	<b>-</b>	<b>12,845</b>	<b>12,845</b>
Housing Loans	-	12,845	12,845
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>-</b>	<b>21,592</b>	<b>21,592</b>
Housing Loans	-	6,189	6,189
Vehicle Loans	-	830	830
General Purpose Loans	-	14,573	14,573
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>5,422,837</b>	<b>16,109</b>	<b>5,438,946</b>
With Instalments	1,901,078	16,109	1,917,187
Without Instalments	3,521,759	-	3,521,759
<b>Individual Credit Cards-FC</b>	<b>13,015</b>	<b>-</b>	<b>13,015</b>
With Instalments	154	-	154
Without Instalments	12,861	-	12,861
<b>Personnel Loans-TL</b>	<b>10,476</b>	<b>59,826</b>	<b>70,302</b>
Housing Loans	-	249	249
Vehicle Loans	-	-	-
General Purpose Loans	10,476	59,577	70,053
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>40,726</b>	<b>52</b>	<b>40,778</b>
With Instalments	14,548	52	14,600
Without Instalments	26,178	-	26,178
<b>Personnel Credit Cards-FC</b>	<b>145</b>	<b>-</b>	<b>145</b>
With Instalments	-	-	-
Without Instalments	145	-	145
<b>Overdraft Accounts-TL (Real Persons) (*)</b>	<b>1,133,120</b>	<b>-</b>	<b>1,133,120</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>8</b>	<b>-</b>	<b>8</b>
<b>Total</b>	<b>7,297,353</b>	<b>22,171,380</b>	<b>29,468,733</b>

(\*) Overdraft accounts include personnel loans amounting to TL 4,832.

(\*\*) Loans granted via branches abroad.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 6. Information on loans: (cont’d)

d) Information on commercial loans with instalments and corporate credit cards:

Current Period	Short-term	Medium and Long-term	Total
<b>Commercial loans with instalment – TL</b>	<b>1,356,782</b>	<b>11,724,637</b>	<b>13,081,419</b>
Business Loans	75	181,844	181,919
Vehicle Loans	171,135	2,971,625	3,142,760
General Purpose Loans	1,185,572	8,571,168	9,756,740
Other	-	-	-
<b>Commercial loans with instalment - Indexed to FC</b>	<b>-</b>	<b>100,032</b>	<b>100,032</b>
Business Loans	-	8,174	8,174
Vehicle Loans	-	-	-
General Purpose Loans	-	91,858	91,858
Other	-	-	-
<b>Commercial loans with instalment – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>2,972,112</b>	<b>180</b>	<b>2,972,292</b>
With Instalments	1,186,130	180	1,186,310
Without Instalments	1,785,982	-	1,785,982
<b>Corporate Credit Cards-FC</b>	<b>4,832</b>	<b>-</b>	<b>4,832</b>
With Instalments	-	-	-
Without Instalments	4,832	-	4,832
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>929,641</b>	<b>-</b>	<b>929,641</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5,263,367</b>	<b>11,824,849</b>	<b>17,088,216</b>

  

Prior Period	Short-term	Medium and Long-term	Total
<b>Commercial loans with instalment – TL</b>	<b>1,147,802</b>	<b>10,429,698</b>	<b>11,577,500</b>
Business Loans	1,170	176,736	177,906
Vehicle Loans	95,163	2,256,981	2,352,144
General Purpose Loans	1,051,469	7,995,981	9,047,450
Other	-	-	-
<b>Commercial loans with instalment - Indexed to FC</b>	<b>-</b>	<b>109,730</b>	<b>109,730</b>
Business Loans	-	7,579	7,579
Vehicle Loans	-	-	-
General Purpose Loans	-	102,151	102,151
Other	-	-	-
<b>Commercial loans with instalment – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>2,670,477</b>	<b>191</b>	<b>2,670,668</b>
With Instalments	1,101,764	191	1,101,955
Without Instalments	1,568,713	-	1,568,713
<b>Corporate Credit Cards-FC</b>	<b>3,537</b>	<b>-</b>	<b>3,537</b>
With Instalments	-	-	-
Without Instalments	3,537	-	3,537
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>836,380</b>	<b>-</b>	<b>836,380</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,658,196</b>	<b>10,539,619</b>	<b>15,197,815</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 6. Information on loans: (cont’d)

e) Distribution of domestic and international loans:

	Current Period	Prior Period
Domestic Loans	125,414,190	103,816,710
Foreign Loans	795,849	680,904
<b>Total</b>	<b>126,210,039</b>	<b>104,497,614</b>

f) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	740,577	366,942
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>740,577</b>	<b>366,942</b>

g) Specific or non-performing loan (Stage 3) provisions for loans:

	Current Period	Prior Period
Loans with Limited Collectability	186,343	275,137
Loans with Doubtful Collectability	399,013	250,384
Uncollectible Loans	1,438,556	1,733,851
<b>Total</b>	<b>2,023,912</b>	<b>2,259,372</b>

h) Information on non-performing loans (Net):

h.1) Information on non-performing loans and restructured loans:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
<b>Current Period</b>			
Gross Amounts before Provisions	57,958	48,700	32,507
Restructured Loans	57,958	48,700	32,507
<b>Prior Period</b>			
Gross Amounts before Provisions	72,529	14,239	42,007
Restructured Loans	72,529	14,239	42,007

h.2) Information on total non-performing credit transactions:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
<b>Prior Period End Balance</b>	<b>448,493</b>	<b>390,670</b>	<b>2,486,219</b>
Additions (+)	347,400	-	-
Additions from Other Non-Performing Accounts Receivable (+)	-	424,366	145,088
Disposals to Other Non-Performing Accounts Receivable (-)	424,366	145,088	-
Collections during the Period (-)	73,525	47,182	192,849
Write-Offs (-)	-	-	229,877
Sold (-) (*)	5	7	53,415
Corporate and Commercial Loans	-	-	12,231
Retail Loans	-	2	27,077
Credit Cards	5	5	14,107
Other	-	-	-
Other	5,473	9,016	(2,371)
<b>Current Period End Balance</b>	<b>303,470</b>	<b>631,775</b>	<b>2,152,795</b>
Provision (-)	186,343	399,013	1,438,556
<b>Net Balances on Balance Sheet</b>	<b>117,127</b>	<b>232,762</b>	<b>714,239</b>

(\*) The portion of the Bank's non-performing loan portfolio amounting to TL 53,427 and a provision for TL 52,328 was sold for TL 9,555 in 2022. After the completion of the necessary procedures, the sales prices were collected and the related non-performing receivables were removed from the records.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 6. Information on loans: (cont’d)

h) Information on non-performing loans (Net) (cont’d) :

h.3) Information on non-performing loans arising from foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
<b>31 March 2022</b>			
Current Period End Balance	94,637	11,280	175,504
Provision (-)	53,034	6,202	126,884
<b>Net Balance on Balance Sheet</b>	<b>41,603</b>	<b>5,078</b>	<b>48,620</b>
<b>31 December 2021</b>			
Prior Period End Balance	90,621	19,011	181,764
Provision (-)	77,359	12,802	131,304
<b>Net Balance on Balance Sheet</b>	<b>13,262</b>	<b>6,209</b>	<b>50,460</b>

h.4) Information on gross and net amounts of non-performing loans according to user groups:

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	303,470	631,775	2,152,795
Provision (-)	186,343	399,013	1,438,556
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>117,127</b>	<b>232,762</b>	<b>714,239</b>
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	448,493	390,670	2,486,219
Provision (-)	275,137	250,384	1,733,851
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>173,356</b>	<b>140,286</b>	<b>752,368</b>
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

h.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing receivables and their provisions:

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Current Period (Net)</b>	<b>349</b>	<b>2,919</b>	<b>23,396</b>
Interest Accruals, Rediscounts and Valuation Differences	24,662	80,699	530,494
Provision (-)	24,313	77,780	507,098
<b>Prior Period (Net)</b>	<b>1,434</b>	<b>3,340</b>	<b>34,109</b>
Interest Accruals, Rediscounts and Valuation Differences	45,534	52,087	573,512
Provision (-)	44,100	48,747	539,403

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 6. Information on loans: (cont’d)

##### i) Explanations on write-off policy:

Group 5 - Loans classified as Bad Debt, with at least one reporting period remaining in this group, and provided with life-long expected credit loss provision due to the debtor's default, constitute the bank's loans to be written-off. Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criterias. And the following write-off criterias are considered:

- Limited possibility of recovery: Loans with low collateralization rates, limited collateral capability, limited assets that provide foreclosure collection opportunities, loans with higher collection costs and lower collection expectations are evaluated,
- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuits/prosecution to be filed is higher than the collection to be made, are evaluated,
- Long-term follow-up: Those who do not have a reasonable expectation of collection are evaluated for the recovery of the loans whose follow-up process continues for a long time,

The following applications regarding the loans which is under follow-up and written-off cannot be different form registered loans:

- a) The methods applied for legal collection of loans from debtors,
- b) Decisions regarding the inclusion to the non-performing loans sale,
- c) Decisions to waive the receivables by waiving the loans.

The amount written-off by the Bank within the scope of TFRS 9 during the financial period is TL 225,161 (31 December 2021: TL 57,671) and its effect on NPL ratio is 0.17% (31 December 2021: 0.06%). The follow-up conversion rate is 2.39% (31 December 2021: 3.08%) with the current period non-performing loans after write-offs, while the calculated rate including the loans written-off during the year is 2.56% (31 December 2021: 3.14%).

#### 7. Information on financial assets measured at amortized cost:

##### a) a.1) Information on financial assets measured at amortized cost and subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	430,901	6,877,999	2,592,783	5,020,254
<b>Total</b>	<b>430,901</b>	<b>6,877,999</b>	<b>2,592,783</b>	<b>5,020,254</b>

##### a.2) Information on financial assets measured at amortized cost and given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	5,333,562	732,925	3,025,653	2,970,779
Other	-	-	-	-
<b>Total</b>	<b>5,333,562</b>	<b>732,925</b>	<b>3,025,653</b>	<b>2,970,779</b>

Financial assets valued over their amortized cost classified as free warehouse amounting to TL 47,033,458 (31 December 2021: TL 5,942,231).

##### a.3) Information on government debt securities measured as amortized cost:

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	20,408,845	19,551,700
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
<b>Total</b>	<b>20,408,845</b>	<b>19,551,700</b>

### I. Explanations and Disclosures Related to the Assets (cont'd)

#### 7. Information on financial assets measured at amortized cost: (cont'd)

a.4) Information on financial assets measured at amortized cost:

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	20,408,845	19,551,700
Quoted on a Stock Exchange	20,408,845	19,551,700
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>20,408,845</b>	<b>19,551,700</b>

a.5) Movement of financial assets measured at amortized cost:

	<b>Current Period</b>	<b>Prior Period</b>
Beginning Balance	19,551,700	12,522,941
Foreign Currency Differences on Monetary Assets	650,909	841,915
Purchases During the Year (*)	580,282	8,203,718
Disposals Through Sales and Redemptions	(374,046)	(2,016,874)
Impairment Provision (-)	-	-
<b>Closing Balance</b>	<b>20,408,845</b>	<b>19,551,700</b>

(\*) Includes rediscount amounts.

#### 8. Information on associates (Net):

a.1) Information on unconsolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2021: None).

a.2) Explanations on the unconsolidated associates: None (31 December 2021: None).

a.3) Information of consolidated associates: None (31 December 2021: None).

a.4) Information on sector information on consolidated associates: None (31 December 2021: None).

a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2021: None).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 9. Information on subsidiaries (Net):

a) Information on shareholders’ equity of significant subsidiaries:

Subsidiaries do not use internal capital adequacy assessment approach.

	TEB Faktoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.
Paid-in Capital to be Entitled for Compensation after All Creditors	50,000	28,794	6,860
Reserves	182,750	46,050	6,186
Net income for the period and prior period income	40,982	226,893	17,668
Income/ Loss recognized under equity in accordance with TAS	-	-	(227)
Leasehold Improvements on Operational Leases (-)	138	209	1,128
Goodwill and intangible asset and the related deferred tax liability (-)	3,860	6,449	600
<b>Total Common Equity Tier 1 Capital</b>	<b>269,734</b>	<b>295,079</b>	<b>28,759</b>
Provisions	7,088	-	-
<b>Equity</b>	<b>276,822</b>	<b>295,079</b>	<b>28,759</b>

a) If there is any unconsolidated subsidiary, total equity amount that is lack of subjection to the reasonable justifications of non-consolidate and minimum capital requirement: None (31 December 2021: None).

b) Information on the unconsolidated subsidiaries: None (31 December 2021: None).

d) Information on the consolidated subsidiaries:

d.1) Information on the consolidated financial subsidiaries:

Title	Address (City/ Country)	The Bank’s Share Percentage-If Different Voting Percentage (%)	Other Shareholders’ Share Percentage (%)
1 TEB Faktoring A.Ş.	Istanbul/Turkey	100.00	-
2 TEB Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	96.62	3.38
3 TEB Portföy Yönetimi A.Ş.	Istanbul/Turkey	25.60	29.14

Information on the consolidated financial subsidiaries with the order as presented in the table above:

	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (*)	Fair Value
1	5,593,481	273,732	6,800	160,536	-	29,944	8,671	-
2	1,391,711	301,737	8,035	33,843	-	22,289	32,927	-
3	62,924	30,487	5,093	2,082	22	5,269	3,508	-

(\*) These figures are shown per BRSA financial statements as of 31 March 2021.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 9. Information on subsidiaries (Net): (cont’d)

d.2) Information on consolidated financial subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	115,986	115,986
Movements During the Period	-	-
Purchases	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Provision for Impairment	-	-
<b>End of the Period Value</b>	<b>115,986</b>	<b>115,986</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

d.3) Sectoral information on the consolidated financial subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	43,417	43,417
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	72,569	72,569
<b>Total</b>	<b>115,986</b>	<b>115,986</b>

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2021: None).

e) Information on non-financial subsidiaries that are not consolidated:

TEB ARF Teknoloji A.Ş. was established by the Bank with TL 50,000 paid in capital and 100% ownership; It was registered in the Trade Registry Gazette on 16 July 2020.

#### 10. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures):

Entities under common control (joint ventures)	Share of the Bank (%)	Share of the Group (%)	Current Asset	Non-current Asset	Long-term Receivable	Profit	Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	0.1	33.3	120,483	58,028	43,065	108,791	(106,024)

b) The method used in accounting for joint ventures (joint ventures) in the unconsolidated financial statements of the parent bank due to the reasons why the unconsolidated joint venture (joint venture) is not consolidated:

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş, it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

#### 11. Information on financial lease receivables (Net): None (31 December 2021: None).



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Assets (cont’d)

#### 12. Positive differences related to derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	2,019,841	51,667	1,796,596	5,873
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>2,019,841</b>	<b>51,667</b>	<b>1,796,596</b>	<b>5,873</b>

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortized through profit or loss to the financial asset price until the maturity of the asset.

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 57,673 (31 December 2021: TL 60,244) is recorded under equity as of 31 March 2022 and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

#### 13. Information on investment properties: None (31 December 2021: None).

#### 14. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	65,933	112,859
Beginning of Period Accumulated Depreciation (-)	-	-
<b>Net Book Value</b>	<b>65,933</b>	<b>112,859</b>
Opening Balance	65,933	112,859
Acquired	25,977	116,792
Disposed(-)	14,727	166,760
Impairment (-)	3,066	(3,042)
Depreciation Value (-)	-	-
Period End Cost	74,117	65,933
Period End Accumulated Depreciation (-)	-	-
<b>Closing Net Book Value</b>	<b>74,117</b>	<b>65,933</b>

As of 31 March 2022, the Bank has no non-current assets related to discontinued operations (31 December 2021: None).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Liabilities

#### 1. a) Information on maturity structure of deposits:

##### a.1) Current Period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year Accumulated and Over	Deposits	Total
Saving Deposits	4,779,496	-	16,411,618	16,513,335	469,477	40,254	99,139	-	38,313,319
Foreign Currency									
Deposits	40,353,921	-	11,254,227	21,824,928	160,018	44,355	75,982	-	73,713,431
Residents in Turkey	37,417,225	-	10,771,659	21,245,111	143,647	34,813	68,148	-	69,680,603
Residents Abroad	2,936,696	-	482,568	579,817	16,371	9,542	7,834	-	4,032,828
Public Sector Deposits	811,998	-	243,091	346,034	-	-	-	-	1,401,123
Commercial Deposits	5,704,935	-	7,144,121	10,944,071	2,749,234	1,565	378,812	-	26,922,738
Other Institutions									
Deposits	318,915	-	122,982	1,727,067	115,001	97	461	-	2,284,523
Precious Metals Deposits	8,582,793	-	30,057	181,737	11,591	19,469	2,766	-	8,828,413
Bank Deposits	433,384	-	1,651,301	-	-	-	-	-	2,084,685
Central Bank of Turkey	262,167	-	-	-	-	-	-	-	262,167
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	171,217	-	1,643,298	-	-	-	-	-	1,814,515
Participation Banks	-	-	8,003	-	-	-	-	-	8,003
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>60,985,442</b>	<b>-</b>	<b>36,857,397</b>	<b>51,537,172</b>	<b>3,505,321</b>	<b>105,740</b>	<b>557,160</b>	<b>-</b>	<b>153,548,232</b>

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 March 2022, TL deposit amount includes TL 10,596,756 (31 December 2021: TL 1,034,667) deposits within this scope.

##### a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year Accumulated and Over	Deposits	Total
Saving Deposits	4,278,511	-	14,264,883	11,870,281	96,810	13,847	26,937	-	30,551,269
Foreign Currency									
Deposits	39,809,581	-	10,242,404	18,190,816	82,942	42,412	70,690	-	68,438,845
Residents in Turkey	37,585,962	-	9,783,843	17,651,543	69,065	31,523	63,345	-	65,185,281
Residents Abroad	2,223,619	-	458,561	539,273	13,877	10,889	7,345	-	3,253,564
Public Sector Deposits	623,121	-	12,318	181,742	-	-	-	-	817,181
Commercial Deposits	5,719,309	-	6,418,755	8,285,262	98,577	47	74,049	-	20,595,999
Other Institutions									
Deposits	249,537	-	43,734	1,044,713	143,065	89	427	-	1,481,565
Precious Metals Deposits	7,800,209	-	31,527	87,947	12,525	20,060	2,386	-	7,954,654
Bank Deposits	37,570	-	1,962,166	-	-	-	-	-	1,999,736
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	37,569	-	1,962,166	-	-	-	-	-	1,999,735
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>58,517,838</b>	<b>-</b>	<b>32,975,787</b>	<b>39,660,761</b>	<b>433,919</b>	<b>76,455</b>	<b>174,489</b>	<b>-</b>	<b>131,839,249</b>

#### b) Information on saving deposits under the guarantee of saving deposit insurance:

##### b.1) Saving deposits exceeding the limit of insurance:

#### i) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:

Savings Deposit	Covered by Insurance (*)		Exceeding the Insurance Limit (*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	20,796,442	15,675,439	16,948,852	14,553,028
Foreign Currency Saving Deposits	11,859,810	10,609,693	28,573,323	27,744,894
Other Deposits in the Form of Saving Deposits	2,884,655	2,368,105	4,831,475	4,756,372
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
<b>Total</b>	<b>35,540,907</b>	<b>28,653,237</b>	<b>50,353,650</b>	<b>47,054,294</b>

(\*) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Liabilities (cont’d)

b) Information on saving deposits under the guarantee of saving deposit insurance: (cont’d)

b.1) Saving deposits exceeding the limit of insurance: (cont’d)

i) ii) Deposits of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Foreign Branches’ Deposits and Other Accounts	991,375	956,353
Deposits of Controlling Shareholders and Their Close Families	2,417,013	2,749,556
Deposits of Chairman and Members of the Board of Directors and Their Close Families	78,518	81,965
Deposits Obtained Through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Offshore Banking Activities	-	-

### 2. Information on derivative financial liabilities held for trading:

a) Negative differences related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	785,369	20,379	1,360,622	19,529
Swap Transactions	1,845,794	65,308	2,503,569	104,698
Futures Transactions	-	-	-	124
Options	171,259	137,995	131,168	39,467
Other	-	-	-	-
<b>Total</b>	<b>2,802,422</b>	<b>223,682</b>	<b>3,995,359</b>	<b>163,818</b>

### 3. Information on funds borrowed and debt securities issued:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	746,177	44,726	602,162	47,194
From Foreign Banks, Institutions and Funds	-	16,440,114	-	14,948,409
<b>Total</b>	<b>746,177</b>	<b>16,484,840</b>	<b>602,162</b>	<b>14,995,603</b>

As of 31 March 2022, the Bank has borrowings from its related parties amounting to TL 6,466,718 (31 December 2021: TL 6,057,725).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	587,435	6,797,755	427,665	6,718,722
Medium and Long-Term	158,742	9,687,085	174,497	8,276,881
<b>Total</b>	<b>746,177</b>	<b>16,484,840</b>	<b>602,162</b>	<b>14,995,603</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Liabilities (cont’d)

#### 3. Information on funds borrowed and debt securities issued: (cont’d)

c) Information on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,356,121	-	1,194,525	-
Treasury Bills	-	-	-	-
<b>Total</b>	<b>1,356,121</b>	<b>-</b>	<b>1,194,525</b>	<b>-</b>

#### 4. Other external funding payables which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

Other external funding payables amounting to TL 11,523,021 (31 December 2021: TL 9,207,463) do not exceed 10% of the total balance sheet.

#### 5. Explanations on financial lease obligations (Net):

With the “IFRS 16 Leases” standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease have been removed and the lease transactions are started to be recognized under “Tangible Fixed Asset” as an asset (tenure) and under “Liabilities from Leasing” as a liability. As of 31 March 2022, the bank has leasing liability amounting to TL 558,696 (31 December 2021: TL 564,489).

#### 6. Negative differences related to derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	401,185	2,350	326,410	4,201
Hedging the Risk of Net Investments Abroad	-	-	-	-
<b>Total</b>	<b>401,185</b>	<b>2,350</b>	<b>326,410</b>	<b>4,201</b>

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortized through profit or loss to the financial asset price until the maturity of the asset.

As of 31 March 2022, there are accumulated valuation differences under shareholders' equity of TL 57,673 (31 December 2021: TL 60,244) related to the cash flow hedging transactions that the Bank has terminated. This amount is transferred to the income statement by spreading over the remaining maturities of the hedged items by the Bank.

#### 7. Information on provisions:

- a) Foreign exchange provision on the foreign currency indexed loans and financial lease receivables: There are no provision on the foreign currency indexed loans that is offset from the loans on the balance sheet (31 December 2021: None).
- b) The specific provisions provided for unindemnified non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	73,195	67,930
Stage 2	259,487	233,196
Stage 3	43,384	44,434
<b>Total</b>	<b>376,066</b>	<b>345,560</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Liabilities (cont’d)

#### 7. Information on provisions: (cont’d)

- c) Liabilities on unused vacation, bonus, health and employee termination benefits:

As of 31 March 2022, TL 39,784 (31 December 2021: TL 15,377) unused vacation provision, TL 506,594 (31 December 2021: TL 483,683) employee termination benefit provision, TL 314,133 (31 December 2021: TL 168,071) bonus provision, and TL 2,136 (31 December 2021: None) other expense provision are presented under “Provision of Employee Rights” in financial statements.

- d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-Cash Loans	376,066	345,560
Provision for Legal Cases	84,503	79,842
Provision for Promotions of Credit Cards and Banking Services	18,964	17,562
Other	29,713	32,939
<b>Total</b>	<b>509,246</b>	<b>475,903</b>

#### 8. Explanations on taxes payable:

- a) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	2,113,646	-
Taxation on Securities	52,638	48,920
Property Tax	3,117	2,875
Banking Insurance Transaction Tax (BITT)	98,519	83,489
Foreign Exchange Transaction Tax	8,057	31,498
Value Added Tax Payable	6,061	16,497
Other (*)	27,605	30,362
<b>Total</b>	<b>2,309,643</b>	<b>213,641</b>

(\*) Others include income taxes deducted from wages amounting to TL 22,830 (31 December 2021: TL 25,799) and stamp taxes payable amounting to TL 2,594 (31 December 2021: TL 2,061).

- b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	16,195	11,566
Social Security Premiums-Employer	17,835	12,598
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	1,368	977
Unemployment Insurance-Employer	2,281	1,629
Other	-	-
<b>Total</b>	<b>37,679</b>	<b>26,770</b>

- c) Explanations on deferred tax liabilities, if any: Bank has no deferred tax liabilities as of 31 March 2022 (31 December 2021: None).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Liabilities (cont’d)

#### 9. Information on shareholders’ equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common Stock	2,204,390	2,204,390
Preferred Stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None.

e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank’s equity due to the uncertainty of these indicators:

The income diversified with various business line and related channels/products/sectors, supported with different projects result a sustainable and relatively non-volatile profitability. Besides, interest rate, currency rate and liquidity risk under control are testing with various simulation and these tests prevents the risks of effect. The profitability of the Bank is followed up and estimated by the Bank’s Planning and Performance Management in short and long-term. It is also reported to Asset-Liability Committee and other related organs. As result, current and future negative effect on equity is not occurred and expected.

g) Information on preferred shares: None.

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	576,423	(141,331)	(21,997)	(177,639)
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>576,423</b>	<b>(141,331)</b>	<b>(21,997)</b>	<b>(177,639)</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### III. Explanations and Disclosures Related to the Off-Balance Sheet Items

#### 1. Information on off-balance sheet liabilities:

##### a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Credit Card Expenditure Limits	14,022,813	12,007,806
Asset Purchase Commitments	9,957,902	11,251,216
Loan Granting Commitments	7,939,769	7,173,859
Payment Commitments for Cheques	2,769,145	2,135,381
Commitments for Reserve Deposit Requirements	210,400	-
Tax and Fund Liabilities from Export Commitments	53,716	51,363
Commitments for Promotions Related with Credit Cards and Banking Activities	6,240	5,797
Other Irrevocable Commitments	144,028	873,254
<b>Total</b>	<b>35,104,013</b>	<b>33,498,676</b>

##### b) Possible losses and commitments related to off-balance sheet items:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

##### b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

	Current Period	Prior Period
Letters of credit	14,176,638	10,343,834
Bank acceptances	44,903	33,680
Other commitments	6,291,491	5,663,908
Other contingencies	1,706,473	1,396,766
<b>Total</b>	<b>22,219,505</b>	<b>17,438,188</b>

##### b.2) Guarantees, surety ships, and similar transactions:

	Current Period	Prior Period
Guarantee letters	14,908,774	13,828,475
Advance guarantee letters	4,140,576	3,937,404
Guarantee letters given for customs	701,246	662,089
Temporary guarantee letters	474,862	616,871
Other guarantee letters	2,300,554	2,050,686
<b>Total</b>	<b>22,526,012</b>	<b>21,095,525</b>

##### c) c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	2,301,607	2,051,917
With Maturity of One Year or Less Than One Year	228,709	328,711
With Maturity of More Than One Year	2,072,898	1,723,206
Other Non-Cash Loans	42,443,910	36,481,796
<b>Total</b>	<b>44,745,517</b>	<b>38,533,713</b>

For non-cash loans amounting to TL 376,066 (31 December 2021: TL 345,560) that are not compensated and not cashed in off-balance sheet accounts, a third stage provision for expected loss of TL 43,384 (31 December 2021: TL 44,434) has been set aside. In addition, TL 73,195 (31 December 2021: TL 67,930) Stage 1, TL 259,487 (31 December 2021: TL 233,196) Stage 2 TFRS 9 expected loss provision has been made.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Statement of Income

#### 1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest Income on Loans (*)</b>				
Short-Term Loans	1,984,796	148,193	1,079,637	48,730
Medium and Long-Term Loans	1,779,372	116,456	1,268,111	57,663
Interest on Loans Under Follow-Up	67,411	1,869	25,374	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>3,831,579</b>	<b>266,518</b>	<b>2,373,122</b>	<b>106,393</b>

(\*) Includes fees and commissions obtained from cash loans amounting to TL 105,217 (31 March 2021: TL 153,388).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic Banks	22,765	28	36,065	(1,232)
Foreign Banks	1,490	(1,006)	1,291	849
Branches and Head Office Abroad	-	-	-	-
<b>Total</b>	<b>24,255</b>	<b>(978)</b>	<b>37,356</b>	<b>(383)</b>

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	108,650	18,410	32,289	16,448
Financial Assets at Fair Value Through Other Comprehensive Income	193,083	40,321	169,476	21,671
Financial Assets Measured at Amortized Cost	956,212	95,296	510,432	20,472
<b>Total</b>	<b>1,257,945</b>	<b>154,027</b>	<b>712,197</b>	<b>58,591</b>

As stated in Note VII of Section Three, the Bank's securities portfolios, whose fair value difference is reflected in other comprehensive income and measured at amortized cost, include CPI-indexed bonds. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. In this context, as of 31 March 2022, the valuation of the said assets was made according to an annual inflation forecast of 40.00%. In case the CPI forecast increases or decreases by 5%, the profit for the period before tax as of 31 March 2022 will increase by approximately 101.8 million TL (full TL) or decrease by the same amount.

d) Interest income on subsidiaries and associates:

	Current Period	Prior Period
Interest Received from Subsidiaries and Associates	19,422	13,118



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Statement of Income (cont'd)

#### 2. Explanations on Interest Expense

a) Information on interest expense on funds borrowed (\*):

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic Banks	25,726	350	10,815	201
Foreign Banks	-	184,498	-	116,158
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
<b>Total</b>	<b>25,726</b>	<b>184,848</b>	<b>10,815</b>	<b>116,359</b>

(\*). Includes fees and commission expenses of cash loans amounting to TL 4, 518 (31 March 2021: TL 10,870).

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	2,459	1,313

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	35,299	-	110,436	-
<b>Total</b>	<b>35,299</b>	<b>-</b>	<b>110,436</b>	<b>-</b>

d) Distribution of interest expenses on deposits based on maturity of deposits:

Account Name	Current Period	Time Deposits					More than 1 Year	Accumulated Deposits	Total
		Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year			
<b>TL</b>									
Bank Deposits	-	54,862	-	-	-	-	-	54,862	
Saving Deposits	3	660,026	611,942	10,906	972	2,838	-	1,286,687	
Public Sector Deposits	-	1,666	12,615	-	-	-	-	14,281	
Commercial Deposits	-	317,895	388,627	55,116	18	5,658	-	767,314	
Other Deposits	-	5,673	49,455	5,185	2	11	-	60,326	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>3</b>	<b>1,040,122</b>	<b>1,062,639</b>	<b>71,207</b>	<b>992</b>	<b>8,507</b>	<b>-</b>	<b>2,183,470</b>	
<b>FC</b>									
Foreign Currency Deposits	-	2,767	29,134	86	3	122	-	32,112	
Bank Deposits	-	1	-	-	-	-	-	1	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Precious Metal	-	-	41	-	-	-	-	41	
<b>Total</b>	<b>-</b>	<b>2,768</b>	<b>29,175</b>	<b>86</b>	<b>3</b>	<b>122</b>	<b>-</b>	<b>32,154</b>	
<b>Grand Total</b>	<b>3</b>	<b>1,042,890</b>	<b>1,091,814</b>	<b>71,293</b>	<b>995</b>	<b>8,629</b>	<b>-</b>	<b>2,215,624</b>	

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Statement of Income (cont'd)

#### 2. Explanations on Interest Expense (cont'd)

Account Name	Prior period						More than 1 Year	Accumulated Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year				
<b>TL</b>									
Bank Deposits	-	129,890	-	-	-	-	-	-	129,890
Saving Deposits	-	496,840	389,333	4,682	375	1,170	-	-	892,400
Public Sector Deposits	-	1,427	7,917	295	-	-	-	-	9,639
Commercial Deposits	-	155,322	234,814	5,231	100	435	-	-	395,902
Other Deposits	-	2,801	36,925	4,080	2	6	-	-	43,814
7 Days Call Accounts	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>786,280</b>	<b>668,989</b>	<b>14,288</b>	<b>477</b>	<b>1,611</b>	-	-	<b>1,471,645</b>
<b>FC</b>									
Foreign Currency Deposits	-	1,987	34,936	112	20	199	-	-	37,254
Bank Deposits	-	7	-	-	-	-	-	-	7
7 Days Call Accounts	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1	-	10	1	-	-	12
<b>Total</b>	-	<b>1,994</b>	<b>34,937</b>	<b>112</b>	<b>30</b>	<b>200</b>	-	-	<b>37,273</b>
<b>General Total</b>	-	<b>788,274</b>	<b>703,926</b>	<b>14,400</b>	<b>507</b>	<b>1,811</b>	-	-	<b>1,508,918</b>

#### 3. Information on trading gain / loss:

	Current Period	Prior Period
<b>Gains</b>	<b>40,329,555</b>	<b>21,832,459</b>
Gains on Capital Market Operations	162,919	125,226
Gains on Derivative Financial Instruments <sup>(1)</sup>	11,211,457	7,316,254
Foreign Exchange Gains	28,955,179	14,390,979
<b>Losses (-)</b>	<b>40,123,219</b>	<b>22,364,047</b>
Losses on Capital Market Operations	157,847	109,754
Losses on Derivative Financial Instruments <sup>(1)</sup>	11,780,055	7,661,922
Foreign Exchange Losses	28,185,317	14,592,371

(1) Includes exchange rate fluctuations of hedging transactions net profit of TL 268,488 (31 March 2021: TL 357,166 profit), derivative financial instruments exchange rate changes loss accounts amounting to TL 36,278 (31 March 2021: TL 147,490 profit) net exchange loss.

#### 4. Information on other operating income:

Other operating income of the Bank mainly consists of all transaction costs collected from clients and disposal of assets.

#### 5. Provision expenses of banks for loans and other receivables:

##### a) Allowance for Expected Credit Losses and Other Provisions:

	Current Period	Prior Period
Expected Credit Losses	188,843	22,478
12-Month Expected Credit Losses (Stage 1)	55,389	22,974
Significant Increase in Credit Risk (Stage 2)	101,857	(15,053)
Credit-Impaired (Stage 3)	31,597	14,557
Impairment Provisions for Securities	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other <sup>(1)</sup>	(2,028)	1,375
<b>Total</b>	<b>186,815</b>	<b>23,853</b>

<sup>(1)</sup> Includes reversal of provisions amounting to TL 3,994 (31 March 2021: TL 3,716).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Statement of Income (cont'd)

#### 6. Information on other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits <sup>(1)</sup>	22,911	1,154
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	74,308	64,077
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	22,094	20,632
Impairment for investments accounted with equity method	-	-
Impairment expenses of assets to be disposed	3,066	(2,588)
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	395,419	288,144
Leasing Expenses on TFRS 16 Exceptions	12,996	8,378
Maintenance expenses	8,545	5,544
Advertisement expenses	36,206	21,582
Other expenses	337,672	252,640
Loss on sales of assets	303	3,706
Other <sup>(2)</sup>	160,017	134,332
<b>Total</b>	<b>678,118</b>	<b>509,457</b>

<sup>(1)</sup> The provision for employment termination benefits is included in the personnel expenses item in the financial statements.

<sup>(2)</sup> Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 75,310 (31 March 2021: TL 54,897) and other taxes and fees paid in the amount of TL 60,667 (31 March 2021: TL 63,912).

#### 7. Information on tax provision for continued and discontinued operations:

a) As of 31 March 2022, current tax expense of continuing operations is TL 2,215,419 (31 March 2021: 2,348) and net deferred tax income is TL 1,562,451 (31 March 2021: TL 88,052 expense), and current tax income/expense calculated due to discontinued operations in the current period is None (31 March 2021: None).

b) b)Deferred tax expense on temporary differences resulted from continued operations is TL 1,562,451 (31 March 2021: TL 88,052 deferred tax expense).

c) Tax reconciliation:

	Current Period	Prior Period
<b>Profit before tax</b>	<b>2,248,406</b>	<b>429,529</b>
<b>Additions</b>	<b>614,351</b>	<b>35,334</b>
Nonallowable expenses	13,092	8,310
Effect of different tax rate	601,259	27,024
<b>Deductions</b>	<b>(20,856)</b>	<b>(12,864)</b>
Shares received	(8,797)	(5,083)
Effect of different tax rate	-	-
Other	(12,059)	(7,781)
<b>Financial Profit/(Loss)</b>	<b>2,841,901</b>	<b>451,999</b>
Corporate tax rate	%23	%20
<b>Tax calculated</b>	<b>653,637</b>	<b>90,400</b>
Prior year tax correction	(669)	-
<b>Tax charge</b>	<b>652,968</b>	<b>90,400</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Statement of Income (cont'd)

#### 8. The explanations on net income and loss for the period:

- The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 March 2021: None).
- The effect of a change in an estimation regarding financial statement items on profit/loss, if it is probable that it will affect subsequent periods, including those periods: None (31 March 2021: None).
- Profit/loss attributable to minority interest: None (31 March 2021: None).

#### 9. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

	Current Period	Prior Period
<b><u>Other fees and commissions received</u></b>		
Card fee and commissions	429,125	262,916
Insurance commissions	73,834	62,246
Transfer commissions	38,319	16,371
General limit revision commissions	33,883	17,450
Fund management commissions	21,123	9,892
Settlement expense provision, eft, swift, agency commissions	17,809	11,910
Early closing commissions	12,240	4,238
Other	65,312	50,884
<b>Total</b>	<b>691,645</b>	<b>435,907</b>
<b><u>Other fees and commissions paid</u></b>		
Credit cards commissions and fees	267,410	143,060
Commission and Fees Paid to Correspondent Banks	25,108	9,764
Settlement expense provision, eft, swift, agency commissions	10,869	7,785
Other	39,115	46,123
<b>Total</b>	<b>342,502</b>	<b>206,732</b>

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### V. Explanations and Disclosures Related to Risk Group of the Bank

#### 1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items of previous periods are presented as of 31 December 2021 and income/expense items of previous periods are presented as of 31 March 2021.

##### a) Current Period:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans</b>						
Balance at Beginning of Period	366,942	1,436	188,387	389,230	1,717,546	129,424
Balance at End of Period	740,577	1,436	119,127	1,199,148	2,293,281	296,478
Interest and Commission Income	19,422	9	-	1,182	18,188	128

Direct and indirect shareholders of the Bank balance above includes TL 119,127 and other entities included in the risk group balance above includes TL 1,143,913 placement in “Banks”.

##### b) Prior Period:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans</b>						
Balance at Beginning of Period	345,966	778	71,698	438,193	741,973	89,477
Balance at End of Period	366,942	1,436	188,387	389,230	1,717,546	129,424
Interest and Commission Income	13,118	7	333	852	8,076	58

Direct and indirect shareholders of the Bank balance above includes TL 188,387 and other entities included in the risk group balance above includes TL 812,103 placement in “Banks”.

##### c) c.1) Information on related party deposits balances:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at Beginning of Period	256,276	31,575	4,577,873	5,596,710	1,263,224	1,281,302
Balance at End of Period	79,434	256,276	4,535,097	4,577,873	1,714,513	1,263,224
Interest on Deposits	2,459	1,313	13,093	101,513	26,463	12,140

##### c.2) Information on forward and option agreements and other similar agreements made with related parties:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons Included in the Risk Group	
	Current Period	Prior period	Current Period	Prior period	Current Period	Prior period
<b>Financial Assets at Fair Value Through Profit and Loss</b>						
Beginning of Period	-	-	36,494,649	18,396,561	729,855	284,453
End of Period	-	-	35,570,844	36,494,649	773,190	729,855
Total Profit/loss	-	-	374,876	(138,561)	30,861	(22,006)
<b>Hedging Transactions purposes</b>						
Beginning of Period	-	-	9,575,676	10,139,721	-	-
End of Period	-	-	11,536,438	9,575,676	-	-
Total Profit/Loss	-	-	(370,868)	133,122	-	-

##### d) As of 31 March 2022, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 16,422 (31 March 2021: TL 11,090).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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### VI. Explanations and Disclosures Related to Subsequent Events

None.

## SECTION SIX

### INDEPENDENT AUDITOR’S REVIEW REPORT

#### I. Explanations on the Independent Auditor’s Review Report

The unconsolidated financial statements of the Bank were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the auditor’s interim review report dated 28 April 2022 is presented preceding the financial statements.

#### II. Other Footnotes and Explanations Prepared by the Independent Auditors

None.

**SECTION SEVEN (\*)**

**INFORMATION ON INTERIM ACTIVITY REPORT**

**I. Interim Period Reports Included Chairman of The Board of Directors and CEO’s of the Bank Assessments for the Interim Activities**

**A. Chairman of Board of Directors and CEO’s of the Bank Assessments for the Interim Activities**

**Chairman of Board of Director’s Message**

Esteemed stakeholders,

The global economy made a strong start to the first quarter of 2022 with the acceleration of vaccination efforts and the easing of the pandemic. In the first quarter, supply constraints and disruptions in the supply chain adversely affected global food, energy and commodity prices, causing inflation to rise rapidly. After Russia's invasion of Ukraine in February, energy prices increased rapidly, and global growth expectations began to deteriorate. The International Monetary Fund (IMF) lowered its 2022 global economic growth forecast from 4.4% to 3.6% due to increasing uncertainties and the war environment. Growth forecasts for many developed and emerging economies were also revised downwards.

Headline inflation in the US increased rapidly in the first quarter, reaching the highest level of the last 40 years with 8.5% annually. The US Federal Reserve (FED) increased interest rates for the first time in three years, raising the policy rate by 25 basis points. Fed Chairman Powell stated that inflation remains very high in the current situation and they may tighten their monetary policy more quickly. After the tightening steps of the FED, the US 10-year bond yields rose to 2.4% at the end of March. The IMF cut its 2022 US economy growth forecast from 4% to 3.7%.

The Turkish economy grew by 9.1% in the last quarter of 2021 and by 11% throughout the year. The highest contributions to growth came from domestic consumption and exports. The manufacturing activity, which started strong in the first quarter of 2022, lost some momentum with the increase of geopolitical risks. Industrial production increased by 13.3% year-on-year in February, while leading indicators pointed to a slowdown in production.

Increasing food, energy and raw material prices on a global scale affected Turkey negatively, causing annual inflation to rise to 61.1% in March. While the Central Bank of the Republic of Turkey (CBRT) kept the policy rate constant at 14% in the January-March period, bond yields rose and the country risk premium rose above 600 basis points.

According to the data of the Ministry of Commerce, in the January-March period, our exports increased by 20.8% compared to the same period of the previous year, while our imports increased by 42.1%. Total foreign trade deficit in the first quarter was 26.4 billion dollars. While the increase in energy costs and imports were effective in the rapid increase in imports, the annual current account deficit rose from 14 billion dollars at the end of last year to 21.8 billion dollars at the end of February.

In the IMF World Economic Outlook Report, the Turkish economy's growth forecast was reduced from 3.3% to 2.7% for 2022, and from 3.3% to 3% for 2023. In the same report, 2022 average inflation was estimated at 60.5%.

While high energy, food and raw material prices increase inflationary pressures, geopolitical risks on growth continue to increase uncertainties. In the upcoming period, the tightening monetary policies of the central banks of developed countries and the course and reflections of the Russia-Ukraine war will be followed.

As one of the important players in the Turkish banking sector, TEB aims to continue to contribute to the Turkish economy in the upcoming periods, as it has done so far, and to create increasing value for all its stakeholders by increasing its growth and efficiency.

Yours respectfully,  
Dr. Akin AKBAYGİL

(\*) The amounts in Section Seven represent the full TL amount unless otherwise stated.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### A. Chairman of Board of Directors and CEO’s of the Bank Assessments for The Interim Activities (cont’d)

#### CEO’s Message

As of 31 March 2022, TEB’s total assets stood at 221 billion TL, while its net profit was 1,595 million TL. Credits, the most important indicator of TEB’s support to the economy and its customers, constituted 57 percent of its total assets. Giving priority to risk management and asset quality as in every period, TEB’s total loans stood at TL 126.2 billion, while its total deposits stood at TL 153.5 billion in the same period. Ensuring stable growth with its strong capital structure and maintaining its profitability in a sustainable manner in 2022, TEB’s equities were 15.8 billion TL, while its capital adequacy ratio was 17.46 percent, well above the target ratio of 12 percent.

TEB offered new products and services in this field by ensuring rapid adaptation to the exchange rate measures and newly issued instruments. In this direction, in order to protect the savings made in Turkish Lira against changes in the exchange rate, “TRY Time Deposit Account with Currency Protection”, “TL Time Deposit Account with Currency Deposit Account Conversion”, “TL Time Deposit Account with Gold Account Conversion” and “YUVAM Account” products were made available to customers at TEB branches, CEPTETEB internet branch and CEPTETEB mobile application. With its products that emphasize saving, TEB protects its customers with savings against exchange rate risk and encourages customers with foreign currency deposits to turn to TL.

Offering alternative products on the deposit side to encourage its customers to save, TEB continued to contribute to the spread of its customers’ savings habits with the Marifetli Account, which facilitates savings with its deposit/withdrawal flexibility. The volume of TEB Marifetli Account increased by 17 percent in the first quarter of 2022.

TEB continued to support its customers with consumer loans offered with different payment plans, a three-month postponement feature and alternative maturity options. According to the first quarter data, in which the use of digital channels in consumer loans increased, TEB received 82 percent of the applications from digital channels, and 83 percent of the approved loans were used through digital channels. It improved retail loan production processes by offering new campaigns to its customers with digital channel developments.

Continuing to improve its experience in digital channels with its customer-oriented and innovative perspective, TEB increased the number of customers using digital banking channels to 2.3 million in the first quarter of the year, enabling its customers to perform their banking transactions quickly and uninterruptedly.

While the concept of sustainability gains more importance day by day with the changing conditions around the world, TEB continued its activities with the aim of carrying the world to a better future by acting with a sense of responsibility. Supporting sustainable economic growth with its banking activities, TEB also carries out activities that create positive impact and benefit for the economy, environment and society with the understanding of “good and exemplary bank”. In the first quarter of the year, TEB launched a new advertising campaign to draw attention to the importance of sustainability and to raise awareness on this issue. In the movie, in which children representing our future and sharing their unique messages about sustainability, the positive impact projects implemented by TEB within the scope of sustainability were also explained. TEB develops many projects that have a positive impact on society, from encouraging women’s participation in the workforce to supporting entrepreneurs, from raising awareness of financial literacy throughout the society, to popularizing social entrepreneurship.

Working to contribute to the achievement of our country’s economic growth targets and sustainable development, TEB continued to contribute to the development of individuals’ awareness of savings and raising their level of financial literacy with the TEB Family Academy. TEB Family Academy, which has been working to spread the habit of saving, to spread this habit to the grassroots, and to raise a financially literate generation, through collaborations with various institutions and organizations since 2012, has further expanded its sphere of influence with its work on digital platforms. In this direction, a new financial literacy content was created in order to support entrepreneurial women, who are an important element of the economy, to manage their own businesses. As of the end of the first quarter, TEB Family Academy’s financial literacy trainings reached more than 5 thousand people working in more than 20 institutions from different sectors.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### A. Chairman of Board of Directors and CEO’s of the Bank Assessments for The Interim Activities (cont’d)

#### CEO’s Message (cont’d)

TEB Private Banking, which supports social enterprises in our country to create a positive impact on society, continued its cooperation with Ashoka Turkey with the concept of “Investments That Make a Difference”. TEB Private Banking, which also supports the Open Social Enterprise, the online platform that aims to transparently share the reasons for the existence, effects, financial data and income models of social enterprises with the public and investors, participated in the Turkey Enterprise Ecosystem 2022 first quarter event and shared the work on social entrepreneurship with the stakeholders of the ecosystem. In addition, TEB Private Banking was selected as the best in Turkey in the “Capital Markets Investment Advisory” category in the 2022 Private Banking and Wealth Management research conducted by Euromoney, one of the world’s leading finance magazines.

TEB continued to focus on strengthening the presence of women business owners and entrepreneurs in the business world for sustainable economic growth with Women’s Banking. TEB, which guides women to overcome the obstacles they face in various areas of business life and facilitates their access to information to reach new markets, also continues to provide financial and non-financial support to female business owners. In the first quarter of 2022, the volume of cash loans extended by TEB to women’s businesses increased by approximately 15 percent compared to 2021 data. TEB provided approximately 3 million TL of loans to women entrepreneurs with a special rate loan campaign organized specifically for 8 March Women’s Day for women entrepreneur customers.

TEB SME Banking continued its efforts to add value to SMEs, the locomotive of the Turkish economy, with non-financial products and services, as well as financial products, with its “Consultant Bank” approach. Standing by the real sector with its loan facilities at favorable terms and terms and KGF loans in the first quarter of the year, TEB continued to support SMEs to expand abroad and to provide alternative financing solutions to foreign trade customers.

TEB enriched CEPTETEB İŞTE, which it launched to offer the best digital banking experience to SMEs, with new developments. In this context, and innovations such as opening “TL Time Deposit Account with Currency Deposit Account Conversion”, “TL Time Deposit Account with Gold Account Conversion”, contactless payment with QR code, withdrawal and deposit from ATMs with QR code, Spot Credit usage and repayment, virtual credit card creation management, paperless and instant Digital Credit application for sole proprietorships CEPTETEB İSTE was launched in the mobile application.

TEB continued its activities with the vision of being an important stakeholder for innovative and value-added technology companies in their growth periods, in addition to the financial and non-financial support it provides to entrepreneurs through its Venture Banking. It increased the number of startups it supports to 1700 with acceleration programs for technology companies at TİM-TEB Venture House located in seven provinces. In the first quarter of the year, 80 startups were accepted to the early and advanced stage acceleration programs initiated at TİM-TEB Entrepreneurship Houses and end-to-end support began to be provided to these initiatives, such as consultancy and mentorship, promotion of projects, achieving a competitive structure, opening up to global markets, and networking with potential customers and investors.

TEB Corporate Banking continued to support its corporate customers in their increasing financing needs in the first quarter of the year by offering both cash and non-cash loan opportunities at favorable terms in order to contribute more to the increasing exports and developing economy of our country. While TEB Corporate Banking supported its customers in the treasury (global markets) and derivative products, which are its strong areas, it also offered different medium-term financing options to its customers providing international contracting services and machinery investments by using the wide international global network of BNP Paribas. TEB was selected as “Turkey’s Best Treasury and Cash Management Bank” in the evaluation of the World’s Best Treasury and Cash Management Banks for 2022 by Global Finance magazine, one of the respected publications closely followed by the finance world.

Yours respectfully,

Ümit Leblebici

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### B. Capital and Shareholding Structure

As of 31 March 2022;

Name of Shareholders	In TL 2,204,390,000.00 Capital	
	Share	Rate
TEB Holding A.Ş.	1,212,414,500.002	55.0000%
BNPP Yatırımlar Holding A.Ş.	518,342,498.520	23.5141%
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879,148.835	21.2249%
BNP Paribas SA	5,253,352.000	0.2383%
Kocaeli Chamber of Commerce	500,500.643	0.0227%
<b>Grand Total</b>	<b>2,204,390.000</b>	<b>100.00%</b>

### C. Management and Corporate Governance Practices

#### The Chairman and the Members of Board of Directors

Name	Title
Dr. Akın Akbaygil	Chairman of the Board of Directors
François Andre Jesualdo Benaroya	Vice Chairman of the Board of Directors
Nicolas de Baudinet de Courcelles	Vice Chairman of the Board of Directors
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee
Yavuz Canevi	Member of the Board of Directors
Hans Wilfried J. Broucke	Member of the Board of Directors
Özden Odabaşı	Member of the Board of Directors
Sandrine Ferdane	Member of the Board of Directors
Ayşe Meral Çimenbiçer	Member of the Board of Directors
Metin Toğay	Member of the Board of Directors
Didier Albert N. Van Hecke	Member of the Board of Directors
Ümit Leblebici	Chief Executive Officer and the Executive Member

#### Information on Participation of Board Members and Committee Members into Respective Meetings

As of 31 March 2022, the Board of Directors have accepted 59 resolutions and Audit Committee 17 resolutions. The Board Members and Committee Members have participated into respective meetings at sufficient levels.

#### Executive Management

General Manager, Assistant General Managers and Their Responsibilities in the Bank

Name	Title
Ümit Leblebici	Chief Executive Officer and the Executive Member
Gökhan Mendi	Senior Assistant General Manager, Retail and Private Banking Group
Ali İhsan Arıdaşır	Assistant General Manager, SME Loans
Melis Coşan Baban	Head of Legal Affairs, Secretary of the Board of Directors
Ali Gökhan Cengiz	Assistant General Manager, SME Banking
Mehmet Ali Cer	Assistant General Manager, Information Technologies
Mustafa Aşkın Dolaştır	Assistant General Manager, Financial Affairs
Osman Durmuş	Assistant General Manager, Retail and Micro SME Loans Group
Orhan Hatipoğlu	Assistant General Manager of Banking Operations and Support Services Group
Bade Sipahioğlu Işık	Assistant General Manager, Human Resources Group
Dr. Tuğrul Özbakan	Assistant General Manager, Treasury & ALM
Akil Özçay	Assistant General Manager Responsible from Financial Markets
Gökhan Özdil	Assistant General Manager, Corporate Loans Group
Ömer Abidin Yenidoğan	Assistant General Manager, Corporate Investment Banking
Nimet Elif Kocaayan	Chief Risk Officer
Hakan Tıraşın	Head of Internal Audit
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### C. Significant Events and Transactions in the Current Period

#### Amendments to Main Contract in 1 January – 31 March 2022:

There have been no changes to the main contract during the period of 1 January – 31 March 2021.

#### Significant Events and Transactions in the Current Period:

Past due receivables amounting to TL 53,427 for which TL 52,328 of provision had been allocated, is sold for TL 9,555 during 2022. After all sales procedures were completed, these past due receivables have been written off from the portfolio

#### Summary of Financial Results:

(million TL)	31 March 2022 Unconsolidated Financial Statements	31 December 2021 Unconsolidated Financial Statements
Loans, Net	125,293	103,783
Loans	126,210	104,498
Non-Performing Loans	3,088	3,325
Provision for Expected Losses	(4,005)	(4,040)
Total Assets	220,972	194,057
Deposits	153,548	131,839
Shareholder’s Equity	15,768	13,618
Net Income (Prior Period 31 March 2021)	1,595	339

#### Summary on Financial Ratios:

	31 March 2022 Unconsolidated Financial Statements	31 December 2021 Unconsolidated Financial Statements
Loans / Total Assets	56.70%	53.48%
Deposits / Total Assets	69.49%	67.94%
Return on Equity (Prior Period 31 March 2021)	44.70%	12.03%
NPL Ratio	2.39%	3.08%
Capital Adequacy Ratio	17.46%	18.05%
Coverage Ratio	65.54%	67.94%

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### **Credit Ratings Assigned by Rating Agencies and Information on Their Contents (\*)**

TEB maintained its position as one of the most highly rated banks in Turkey. As of the first quarter of 2022, TEB’s ratings were as follows:

#### **Moody’s Investor Services:**

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long-term FC Bank Deposits	B2
Short-term FC Bank Deposits	NP
Long-term LC Bank Deposits	B1
Short-term LC Bank Deposits	NP
Outlook	Negative

#### **Fitch Ratings:**

##### ***Foreign Currency***

Long-term	B
Short-term	B
Outlook	Negative

##### ***Turkish Lira***

Long-term	B+
Short-term	B
Outlook	Negative
National	AA (tur)
Outlook	Stable
Viability Rating	b+

(\*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

### **F. Donations**

The Bank has donated TL 59,258 with 49 items to the several agencies and institutions during the period of 1 January 2022 - 31 March 2022.