

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

TÜRK EKONOMİ BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES AT 30 SEPTEMBER 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 UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

To the General Assembly of Türk Ekonomi Bankası A.Ş.

Introduction

We have reviewed the accompanying unconsolidated statement of financial position of Türk Ekonomi Bankası A.Ş. (“the Bank”) as at 30 September 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 nine-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 30 September 2022, and of the results of their operations and their cash flows for the nine-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:

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying unconsolidated interim financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Yaman Polat
Partner

Istanbul, 3 November 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 INTERIM FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

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The unconsolidated interim financial report for the nine-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 Financial Statements
- Auditor’s Review Report
- Interim Activity Report

The accompanying unconsolidated interim financial statements for the nine-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**.

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 : Aslıhan Kaya / External Reporting Senior Manager
Telephone Number : (0216) 635 24 51
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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 and the Group the Bank Belongs to

As of 30 September 2022 and 31 December 2021, the shareholders’ structure and their respective ownerships are summarized as follows:

Shareholder’s Name	30 September 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
	2,204,390	100.00	2,204,390	100.00

As of 30 September 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 30 SEPTEMBER 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>
Board of Directors;		
Dr. Akın Akbaygil	Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy 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, Member of the Audit Committee	University
Metin Toğay	Member of the Board of Directors	Master
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of the Audit Committee	Master
Ümit Leblebici	Chief Executive Officer and the Executive Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and 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 Group	University
Orhan Hatipoğlu	Assistant General Manager of Banking Operations and Support Services Group	University
Bade Sipahioğlu Işık (**)	Assistant General Manager Responsible from Human Resources Group	Master
Dr. Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay	Assistant General Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Group Heads (*);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit (*);		
Hakan Tıraşın	Head of Internal Audit	University

(*) Group Heads and Head of Internal Audit have the status of Assistant General Manager.

(**) Bade Sipahioğlu Işık, Assistant General Manager responsible for the Human Resources Group, resigned from her position effective from 30 September 2022.

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 30 SEPTEMBER 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-in 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 30 September 2022, the Bank has 453 local branches and 4 foreign branches (31 December 2021: 451 local branches, 4 foreign branches). As of 30 September 2022, the number of employees of the Bank is 8,594 (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 for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

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.

TEB ARF Teknoloji A.Ş., a non-financial subsidiary owned 100% and by the Bank, was registered in the Trade Registry Gazette on 16 July 2020. The Bank presents TEB ARF Teknoloji A.Ş. in the subsidiaries 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
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- III. Statement of Profit or Loss
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- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET FOR THE INTERIM PERIOD AS OF 30 SEPTEMBER 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 30.09.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		29,290,142	56,320,277	85,610,419	20,140,497	45,304,746	65,445,243
1.1 Cash and Cash Equivalents		16,395,788	50,147,705	66,543,493	7,333,948	40,007,979	47,341,927
1.1.1 Cash and Balances with Central Bank	(I-1)	6,399,124	38,141,779	44,540,903	5,718,495	30,072,800	35,791,295
1.1.2 Banks	(I-4)	728,271	12,034,324	12,762,595	1,618,025	9,962,314	11,580,339
1.1.3 Receivables from Money Markets		9,275,245	-	9,275,245	-	-	-
1.1.4 Expected Loss Provisions (-)		6,852	28,398	35,250	2,572	27,135	29,707
1.2 Financial Assets at Fair Value Through Profit Loss		2,239,347	522,344	2,761,691	2,001,647	792,140	2,793,787
1.2.1 Government Debt Securities	(I-2)	2,168,312	235,086	2,403,398	1,942,260	549,168	2,491,428
1.2.2 Equity Securities		71,035	222,582	293,617	59,387	135,326	194,713
1.2.3 Other Financial Assets		-	64,676	64,676	-	107,646	107,646
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-5)	4,877,464	4,801,527	9,678,991	3,001,729	4,173,355	7,175,084
1.3.1 Government Debt Securities		4,829,538	4,801,527	9,631,065	2,988,479	4,173,355	7,161,834
1.3.2 Equity Securities		47,926	-	47,926	13,250	-	13,250
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		5,777,543	848,701	6,626,244	7,803,173	331,272	8,134,445
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	4,940,320	625,765	5,566,085	6,006,577	325,399	6,331,976
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	837,223	222,936	1,060,159	1,796,596	5,873	1,802,469
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		131,724,867	46,062,262	177,787,129	86,522,949	36,807,353	123,330,302
2.1 Loans	(I-6)	109,111,044	37,719,283	146,830,327	78,371,554	29,451,442	107,822,996
2.2 Lease Receivables	(I-11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(I-7)	26,026,243	9,151,548	35,177,791	11,379,873	8,171,827	19,551,700
2.4.1 Government Debt Securities		26,026,243	9,151,548	35,177,791	11,379,873	8,171,827	19,551,700
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		3,412,420	808,569	4,220,989	3,228,478	815,916	4,044,394
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-14)	83,402	-	83,402	65,933	-	65,933
3.1 Held for Sale		83,402	-	83,402	65,933	-	65,933
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		116,041	-	116,041	116,041	-	116,041
4.1 Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-9)	116,036	-	116,036	116,036	-	116,036
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
4.3 Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Associates		5	-	5	5	-	5
V. TANGIBLE ASSETS (Net)		942,526	-	942,526	915,504	-	915,504
VI. INTANGIBLE ASSETS (Net)		750,285	-	750,285	601,609	-	601,609
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		329,161	-	329,161	180,485	-	180,485
VII. INVESTMENT PROPERTIES (Net)	(I-13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		23,790	-	23,790	133,380	-	133,380
IX. DEFERRED TAX ASSET		1,116,104	-	1,116,104	133,323	-	133,323
X. OTHER ASSETS (Net)		6,290,053	1,133,776	7,423,829	2,552,827	762,860	3,315,687
TOTAL ASSETS		170,337,210	103,516,315	273,853,525	111,182,063	82,874,959	194,057,022

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET FOR THE INTERIM PERIOD AS OF 30 SEPTEMBER 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 30.09.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-1)	105,554,716	92,035,839	197,590,555	55,445,419	76,393,830	131,839,249
II. FUNDS BORROWED	(II-3)	791,787	12,644,060	13,435,847	602,162	14,995,603	15,597,765
III. MONEY MARKET FUNDS		4,001	7,121,469	7,125,470	3,839,747	5,001,962	8,841,709
IV. SECURITIES ISSUED (Net)	(II-3)	-	-	-	1,194,525	-	1,194,525
4.1 Bills		-	-	-	1,194,525	-	1,194,525
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		3,530,937	622,822	4,153,759	4,321,769	168,019	4,489,788
7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	3,457,989	622,822	4,080,811	3,995,359	163,818	4,159,177
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-6)	72,948	-	72,948	326,410	4,201	330,611
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-5)	600,853	23,635	624,488	526,566	37,923	564,489
X. PROVISIONS	(II-7)	1,377,197	427,151	1,804,348	903,248	321,520	1,224,768
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Provision for Employee Rights		999,770	59,561	1,059,331	693,202	55,663	748,865
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		377,427	367,590	745,017	210,046	265,857	475,903
XI. CURRENT TAX LIABILITY	(II-8)	1,110,554	-	1,110,554	240,411	-	240,411
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held For Sale		-	-	-	-	-	-
13.2 Held From Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	9,229,291	9,229,291	-	7,239,036	7,239,036
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	9,229,291	9,229,291	-	7,239,036	7,239,036
XV. OTHER LIABILITIES	(II-4)	11,171,332	4,980,820	16,152,152	6,454,175	2,753,288	9,207,463
XVI. SHAREHOLDERS' EQUITY	(II-9)	22,720,836	(93,775)	22,627,061	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 Issued 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 and Loss		(28,506)	-	(28,506)	(53,164)	-	(53,164)
16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit and Loss		869,073	(93,775)	775,298	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		8,302,448	-	8,302,448	1,912,898	-	1,912,898
16.6.1 Prior Periods' Profit or Loss		-	-	-	-	-	-
16.6.2 Net Profit or Loss for the Period		8,302,448	-	8,302,448	1,912,898	-	1,912,898
TOTAL LIABILITIES		146,862,213	126,991,312	273,853,525	87,321,831	106,735,191	194,057,022

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED OFF-BALANCE SHEET ITEMS FOR THE INTERIM PERIOD AS OF 30 SEPTEMBER 2022 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

	Section 5 Note	Reviewed Current Period 30.09.2022			Audited Prior Period 31.12.2021		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET LIABILITIES (I+II+III)		182,124,086	201,383,923	383,508,009	116,127,369	166,079,544	282,206,913
I. GUARANTEES AND WARRANTIES	(III-I)	11,984,901	36,764,629	48,749,530	8,471,532	30,062,181	38,533,713
1.1 Letters of Guarantee		8,152,412	18,348,656	26,501,068	7,058,379	14,037,146	21,095,525
1.1.1 Guarantees Subject to State Tender Law		165,548	200,354	365,902	133,980	147,510	281,490
1.1.2 Guarantees Given for Foreign Trade Operations		592,660	797,164	1,389,824	395,162	612,824	1,007,986
1.1.3 Other Letters of Guarantee		7,394,204	17,351,138	24,745,342	6,529,237	13,276,812	19,806,049
1.2 Bank Loans		-	53,753	53,753	-	33,680	33,680
1.2.1 Import Letter of Acceptance		-	53,753	53,753	-	33,680	33,680
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	13,989,525	13,989,525	-	10,343,834	10,343,834
1.3.1 Documentary Letters of Credit		-	2,543,925	2,543,925	-	4,046,781	4,046,781
1.3.2 Other Letters of Credit		-	11,445,600	11,445,600	-	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		2,253,620	4,095,418	6,349,038	1,384,153	4,279,755	5,663,908
1.9 Other Collaterals		1,578,869	277,277	1,856,146	29,000	1,367,766	1,396,766
II. COMMITMENTS	(III-I)	35,317,916	8,257,140	43,575,056	24,865,509	8,633,167	33,498,676
2.1 Irrevocable Commitments		35,317,916	8,257,140	43,575,056	24,865,509	8,633,167	33,498,676
2.1.1 Asset Purchase Sale Commitments		1,913,346	7,738,157	9,651,503	3,543,805	7,707,411	11,251,216
2.1.2 Deposit Purchase and Sale Commitments		-	228,983	228,983	-	-	-
2.1.3 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		10,636,808	62,039	10,698,847	7,121,357	52,502	7,173,859
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		2,774,498	-	2,774,498	2,135,381	-	2,135,381
2.1.8 Tax and Fund Liabilities from Export Commitments		101,798	-	101,798	51,363	-	51,363
2.1.9 Commitments for Credit Card Limits		19,888,647	-	19,888,647	12,007,806	-	12,007,806
2.1.10 Commitments for Credit Cards and Banking Services Promotions		2,819	-	2,819	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		-	227,961	227,961	-	873,254	873,254
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		134,821,269	156,362,154	291,183,423	82,790,328	127,384,196	210,174,524
3.1 Derivative Financial Instruments for Hedging Purposes		9,565,300	13,880,894	23,446,194	21,649,500	7,806,018	29,455,518
3.1.1 Fair Value Hedging Transactions		-	-	-	-	-	-
3.1.2 Cash Flow Hedging Transactions		9,565,300	13,880,894	23,446,194	21,649,500	7,806,018	29,455,518
3.1.3 Foreign Net Investment Hedging Transactions		-	-	-	-	-	-
3.2 Held for Trading Transactions		125,255,969	142,481,260	267,737,229	61,140,828	119,578,178	180,719,006
3.2.1 Forward Foreign Currency Buy/Sell Transactions		17,734,705	22,312,611	40,047,316	11,386,300	15,523,785	26,910,085
3.2.1.1 Forward Foreign Currency Transactions-Buy		15,914,238	4,650,167	20,564,405	9,169,995	4,268,100	13,438,095
3.2.1.2 Forward Foreign Currency Transactions-Sell		1,820,467	17,662,444	19,482,911	2,216,305	11,255,685	13,471,990
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		90,586,818	91,175,887	181,762,705	47,269,862	90,288,974	137,558,836
3.2.2.1 Foreign Currency Swap-Buy		1,672,926	57,511,474	59,184,400	1,451,736	55,792,484	57,244,220
3.2.2.2 Foreign Currency Swap-Sell		43,462,892	16,284,375	59,747,267	30,279,126	26,837,944	57,117,070
3.2.2.3 Interest Rate Swaps-buy		22,725,500	8,690,019	31,415,519	7,769,500	3,829,273	11,598,773
3.2.2.4 Interest Rate Swaps-Sell		22,725,500	8,690,019	31,415,519	7,769,500	3,829,273	11,598,773
3.2.3 Foreign Currency, Interest Rate and Securities Options		13,857,479	24,528,315	38,385,794	2,116,848	11,241,994	13,358,842
3.2.3.1 Foreign Currency Options-Buy		10,459,273	5,472,761	15,932,034	1,630,468	2,022,308	3,652,776
3.2.3.2 Foreign Currency Options-Sell		3,398,206	11,876,354	15,274,560	486,380	3,144,606	3,630,986
3.2.3.3 Interest Rate Options-Buy		-	3,589,600	3,589,600	-	3,037,540	3,037,540
3.2.3.4 Interest Rate Options-Sell		-	3,589,600	3,589,600	-	3,037,540	3,037,540
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		3,076,967	2,688,017	5,764,984	367,818	439,173	806,991
3.2.4.1 Foreign Currency Futures-Buy		3,076,967	-	3,076,967	329,039	113,632	442,671
3.2.4.2 Foreign Currency Futures-Sell		-	2,688,017	2,688,017	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		-	1,776,430	1,776,430	-	2,084,252	2,084,252
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		202,959,120	99,070,670	302,029,790	180,225,071	75,379,967	255,605,038
IV. ITEMS HELD IN CUSTODY		32,356,134	16,971,472	49,327,606	32,867,319	11,269,226	44,136,545
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		5,635,624	15,371,840	21,007,464	12,863,893	8,458,577	21,322,470
4.3 Cheques Received for Collection		25,789,010	781,414	26,570,424	19,057,718	2,118,236	21,175,954
4.4 Commercial Notes Received for Collection		848,994	124,126	973,120	556,074	131,845	687,919
4.5 Other Assets Received for Collection		125	694,092	694,217	125	560,568	560,693
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		82,381	-	82,381	389,509	-	389,509
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		168,575,710	81,441,928	250,017,638	146,582,395	63,783,004	210,365,399
5.1 Marketable Securities		136,574	957,854	1,094,428	122,836	673,062	795,898
5.2 Guarantee Notes		61,422,068	54,825,221	116,247,289	53,995,371	42,876,164	96,871,535
5.3 Commodity		153,824	432,738	586,562	226,267	-	226,267
5.4 Warrant		-	-	-	-	-	-
5.5 Immovable		89,021,508	18,782,366	107,803,874	78,587,982	15,290,955	93,878,937
5.6 Other Pledged Items		17,841,736	6,443,749	24,285,485	13,649,939	4,942,823	18,592,762
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		2,027,276	657,270	2,684,546	775,357	327,737	1,103,094
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		385,083,206	300,454,593	685,537,799	296,352,440	241,459,511	537,811,951

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD ENDED 1 JANUARY – 30 SEPTEMBER 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 01.01-30.09.2022	Reviewed Prior Period 01.01-30.09.2021	Reviewed Current Period 01.07-30.09.2022	Reviewed Prior Period 01.07-30.09.2021
I.	INTEREST INCOME	(IV-1)	24,320,305	11,149,944	10,560,889	4,063,079
1.1	Interest on Loans		16,034,918	8,350,418	6,514,781	3,113,635
1.2	Interest on Reserve Requirements		106,992	306,441	-	128,611
1.3	Interest on Banks		120,029	114,563	62,883	28,769
1.4	Interest on Money Market Transactions		234,764	113,537	161,338	18,313
1.5	Interest on Securities Portfolio		7,773,233	2,207,490	3,810,842	764,391
1.5.1	Financial Assets at Fair Value Through Profit or Loss		282,971	153,095	107,152	43,297
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		1,166,032	551,359	491,781	184,630
1.5.3	Financial Assets Measured at Amortized Cost		6,324,230	1,503,036	3,211,909	536,464
1.6	Financial Lease Interest Income		-	-	-	-
1.7	Other Interest Income		50,369	57,495	11,045	9,360
II.	INTEREST EXPENSES (-)	(IV-2)	10,342,340	6,389,514	4,289,161	2,409,795
2.1	Interest Expense on Deposits		8,917,379	5,345,201	3,788,684	2,063,607
2.2	Interest Expense on Funds Borrowed		808,128	425,976	341,522	150,055
2.3	Interest Expense on Money Market Transactions		143,543	156,698	37,065	46,249
2.4	Interest Expense on Securities Issued		200,253	341,435	45,222	120,144
2.5	Interest Expense on Leases		117,854	77,141	44,873	26,789
2.6	Other Interest Expenses		155,183	43,063	31,795	2,951
III.	NET INTEREST INCOME/EXPENSE (I - II)		13,977,965	4,760,430	6,271,728	1,653,284
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		1,595,478	999,119	574,519	365,922
4.1	Fees and Commissions Received		2,958,789	1,726,700	1,142,626	660,893
4.1.1	Non-Cash Loans		408,128	227,238	151,742	80,343
4.1.2	Other	(IV-9)	2,550,661	1,499,462	990,884	580,550
4.2	Fees and Commissions Given (-)		1,363,311	727,581	568,107	294,971
4.2.1	Non-cash Loans		5,127	5,548	1,513	1,831
4.2.2	Other	(IV-9)	1,358,184	722,033	566,594	293,140
V.	DIVIDEND INCOME		15,070	5,963	629	247
VI.	TRADING PROFIT / LOSS (Net)	(IV-3)	700,605	(1,951,597)	196,995	(612,477)
6.1	Securities Trading Profit / Loss		(96,692)	69,713	(79,515)	(4,830)
6.2	Profit / Losses on Derivative Financial Instruments		(2,981,824)	(1,993,338)	(1,304,256)	(689,078)
6.3	Foreign Exchange Profit / Losses		3,779,121	(27,972)	1,580,766	81,431
VII.	OTHER OPERATING INCOME	(IV-4)	171,128	152,372	52,898	51,874
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII)		16,460,246	3,966,287	7,096,769	1,458,850
IX.	EXPECTED CREDIT LOSS (-)	(IV-5)	710,567	(235,757)	371,155	(108,759)
X.	OTHER PROVISION EXPENSES (-)	(IV-5)	(101)	2,322	778	(432)
XI.	PERSONNEL EXPENSES (-)		2,564,395	1,324,273	1,049,430	438,823
XII.	OTHER OPERATING EXPENSES (-)	(IV-6)	2,290,988	1,533,650	892,438	531,801
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		10,894,397	1,341,799	4,782,968	597,417
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI.	PROFIT/LOSS ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)		10,894,397	1,341,799	4,782,968	597,417
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (-)	(IV-7)	2,591,949	298,022	1,185,428	152,047
18.1	Current Tax Provision		3,800,179	286,380	753,045	134,156
18.2	Deferred Tax Income Effect (+)		2,333,919	1,535,681	1,166,619	427,416
18.3	Deferred Tax Expense Effect (-)		(3,542,149)	(1,524,039)	(734,236)	(409,525)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII+XVIII)		8,302,448	1,043,777	3,597,540	445,370
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
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		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
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		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-7)	-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)	(IV-8)	8,302,448	1,043,777	3,597,540	445,370
	Earnings/Loss per Share		3.7663	0.4735	1.6320	0.2020

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 – 30 SEPTEMBER 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 01.01-30.09.2022	Reviewed Prior Period 01.01-30.09.2021
I. PROFIT/LOSS FOR THE PERIOD	8,302,448	1,043,777
II. OTHER COMPREHENSIVE INCOME	706,794	213,931
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	24,658	11,061
2.1.1 Increase/Decrease on Revaluation of Tangible assets	-	-
2.1.2 Increase/Decrease on Revaluation of Intangible Assets	-	-
2.1.3 Gains/Losses on Remeasurements of Defined Benefit Plans	17,899	11,681
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	4,255	1,808
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	2,504	(2,428)
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	682,136	202,870
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets at Fair Value Through Other Comprehensive Income	923,736	(86,461)
2.2.3 Income/Expenses related with Cash Flow Hedges	(13,647)	336,069
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 on Components of Other Comprehensive Income that will be Reclassified Through Profit or Loss	(227,953)	(46,738)
III. TOTAL COMPREHENSIVE INCOME (I+II)	9,009,242	1,257,708

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD FROM 1 JANUARY – 30 SEPTEMBER 2022

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS'S EQUITY

CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not to be 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
					1	2	3	4	5	6				
Reviewed	Paid-in Capital	Share Issued Premiums	Share Cancellation Profit	Other Capital Reserves										
Period-End Balance 30.09.2021														
(III+IV+V+VI+VII+VIII+IX+X+XI)														
	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
I. Prior Period End Balance	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
II. Adjustments According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I-II)	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
IV. Total Comprehensive Income	-	-	-	-	-	9,346	1,715	-	(66,536)	269,406	-	-	1,043,777	1,257,708
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	-	-	-	(528)	(220,221)	-	-	-	-	-	230,246	(9,497)	-	-
XI. Profit Distribution	-	-	-	-	935	-	-	-	-	-	1,176,379	(1,177,314)	-	-
11.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	935	-	-	-	-	-	1,176,379	(1,177,314)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 30.09.2021	2,204,390	2,565	-	387,204	56,230	7,602	6,949	-	(154,623)	42,701	9,070,764	-	1,043,777	12,667,559
(III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	56,230	7,602	6,949	-	(154,623)	42,701	9,070,764	-	1,043,777	12,667,559
Current Period – 01.01-30.09.2022														
I. Prior Period End Balance	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
II. Adjustments According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I-II)	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
IV. Total Comprehensive Income	-	-	-	-	-	20,729	3,929	-	704,031	(21,895)	-	-	8,302,448	9,009,242
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance 30.09.2022	2,204,390	2,565	-	387,204	56,230	(96,146)	11,410	-	504,395	270,903	10,983,662	-	8,302,448	22,627,061
(III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	56,230	(96,146)	11,410	-	504,395	270,903	10,983,662	-	8,302,448	22,627,061

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

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD FROM 1 JANUARY – 30 SEPTEMBER 2022

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

VI. STATEMENT OF CASH FLOWS

	Section 5 Note	Reviewed Current Period 01.01-30.09.2022	Reviewed Prior Period 01.01-30.09.2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Banking Operations Assets and Liabilities	12,402,532	2,702,159
1.1.1	Interest Received	16,055,525	10,318,384
1.1.2	Interest Paid	(8,951,587)	(6,145,737)
1.1.3	Dividend Received	15,070	5,963
1.1.4	Fees and Commissions Received	2,738,387	1,672,636
1.1.5	Other Income	5,340,545	222,085
1.1.6	Collections from Previously Written-Off Loans	1,026,858	826,348
1.1.7	Payments to Personnel and Service Suppliers	(2,489,191)	(1,296,330)
1.1.8	Taxes Paid	(3,322,261)	(119,407)
1.1.9	Other	1,989,186	(2,781,783)
1.2	Changes in Banking Operations Assets and Liabilities	8,884,790	(6,755,621)
1.2.1	Net Decrease/(Increase) in Financial Asset at Fair Value Through Profit or Loss	42,593	(85,467)
1.2.2	Net (Increase) in Due From Banks	(52,952)	(35,401)
1.2.3	Net (Increase) in Loans	(31,822,595)	(7,917,433)
1.2.4	Net (Increase) in Other Assets	(8,325,826)	(4,841,486)
1.2.5	Net (Decrease) in Bank Deposits	(923,444)	(5,368,693)
1.2.6	Net Increase in Other Deposits	44,954,440	7,043,728
1.2.7	Net Increase / (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8	Net (Decrease) / Increase in Funds Borrowed	(2,230,453)	1,180,084
1.2.9	Net Increase/(Decrease) in Matured Payables	-	-
1.2.10	Net Increase in Other Liabilities	7,243,027	3,269,047
I.	Net Cash Flows Provided from Banking Operations	21,287,322	(4,053,462)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Flow Provided from Investing Activities	(8,085,902)	(77,622)
2.1	Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)	-	-
2.2	Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)	-	-
2.3	Purchase of Tangible Assets	(75,842)	(76,766)
2.4	Sale of Tangible Assets	2,849	2,839
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1,837,191)	(3,053,430)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	2,189,661	3,363,288
2.7	Purchase of Financial Assets Measured at Amortized Cost	(10,034,394)	(2,032,496)
2.8	Sale of Financial Assets Measured at Amortized Cost	1,887,932	1,758,847
2.9	Other	(218,917)	(39,904)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities	(1,420,612)	(2,372,687)
3.1	Cash Obtained from Funds Borrowed and Securities Issued	5,333,859	7,327,941
3.2	Cash Outflow from Repayment of Funds Borrowed and Securities Issued	(6,501,860)	(9,510,077)
3.3	Equity Instruments Issued	-	-
3.4	Dividends Paid	-	-
3.5	Payments For Leases	(252,611)	(190,551)
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	2,982,636	913,173
V.	Net Increase in Cash and Cash Equivalents	14,763,444	(5,590,598)
VI.	Cash and Cash Equivalents at the Beginning of the Period	31,327,221	24,074,539
VII.	Cash and Cash Equivalents at the End of the Period	46,090,665	18,483,941

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 30 SEPTEMBER 2022

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

a. Financial statements and related explanations and preparation of notes 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 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. The COVID-19 outbreak, especially in countries that are over-exposed to the pandemic, causes disruptions in operations and adversely affects economic conditions both regionally and globally.

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 30 September 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.

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 30 SEPTEMBER 2022

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

I. Basis of Presentation (continued)

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, effective from 1 January 2021 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.

POA made an announcement on 20 January 2022 regarding the application of TAS 29 Financial Reporting in Hyperinflationary Economies (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. Therefore, no inflation adjustment has been made as per TAS 29 in the financial statements as of 30 September 2022.

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 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 30 SEPTEMBER 2022

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

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 "TFRS 9 Financial Instruments" ("TFRS 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 accounts over contract amounts. Derivative transactions are valued at their fair values in the periods following their recording. 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, according to whether the fair value is positive or negative, the fair value difference of derivative financial assets at fair value through profit and loss or the fair value difference of derivative financial liabilities at fair value through profit or loss are shown in the balance sheet. 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 valued using the fair value method. The fair value of derivative financial instruments traded in organized markets is their price in the organized market. Within the scope of TFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) does not reflect fair value if the volume or level of activity of that asset or liability (or similar asset or liability) is significantly reduced relative to normal market volume, (ii) a transaction price or a quoted price and/or (iii) a material adjustment is required to make the price of a similar asset comparable to the subject asset, or (iv) the price is no longer valid, it adjusts the transaction price or 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. The valuation is made by discounting these cash flows to the valuation date with the current interest rates and by converting the foreign currency ones into Turkish Lira at current rates.

Derivative transactions based on interest are valued according to the fair value method as well as the effective interest rate method. While the sum of the valuation amount made for such derivative transactions is shown in a single valuation account in the balance sheet, the amount calculated according to the effective interest method on the income/expense side and the difference amounts calculated according to the fair value method are shown in separate accounts.

Black and Scholes Model is used to measure the fair value of options. Options premiums are accrued on the start date of maturity. 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 30 SEPTEMBER 2022

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

IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

Explanations on derivatives for hedging purposes

IFRS 9 provides the option of deferring the adoption of hedge accounting of IFRS 9 and continuing with TAS 39 “Hedging accounting” in the choice of accounting policy. In this context, the Bank continues to apply TAS 39 standard for hedge accounting.

The Bank applies fair value hedge and cash flow hedge accounting. Hedging accounting is applied to prevent the fluctuations that may arise in the income statement in the short-term as a result of the differences in the assets and resources in the balance sheet that are subject to interest rate risk and the valuation methods of derivative instruments that protect them from risk.

Some of the Bank's fixed-rate foreign currency securities and Turkish Lira loans can be subject to fair value hedge accounting. The fair value risk of the related fixed rate financial assets is hedged with 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 also hedges its 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 to 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 the profit or loss, the profit/loss of the related hedging instrument is also subtracted from the equity and reflected in the profit or loss statement.

The assessment that derivative transactions used for hedging purposes can effectively offset changes in the fair value of the hedged item is measured regularly and the measurement results are documented. In cases where the hedge does not meet the hedge accounting requirements, hedge accounting is discontinued.

While the Bank accounts the changes in the fair values of the hedged items in the “Other Interest Income” and “Other Interest Expense” accounts, the fair value changes of the hedging instruments corresponding to the same period are accounted for in the “Profit/Loss from Derivative Financial Transactions” account.

However, the differences between the fair values of the hedged items at the starting date of the hedge accounting and their book values are amortized in line with the maturities of the said items and accounted for in the “Other Interest Income” and “Other Interest Expense” accounts.

V. Explanations on Interest Income and Expenses

Interest is recorded according to the effective interest rate method (rate equalizing future cash flows of financial assets or liabilities to net present value) defined in the IFRS 9 “Financial Instruments” standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. In applying the effective interest method, the Bank identifies fees that are an integral part of the effective interest rate of a financial instrument. Fees that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognized in profit or loss. In those cases, such fees are accounted as revenue or expense when the financial instrument is initially recognized in the financial statements.

When applying the effective interest method, the Bank 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 30 SEPTEMBER 2022

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

V. Explanations on Interest Income and Expenses (continued)

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.

The Bank receives commissions on the basis of collections from insurance companies regarding the insurance transactions it carries out as an insurance agency and records these commissions as income on an 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 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 30 SEPTEMBER 2022

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

VII. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Profit or 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 or 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 for derivative financial instruments at fair value through profit or loss are explained in note III Section 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 30 September 2022, the valuation of the said assets was based on an annual inflation forecast of 80%. At the end of the year, the actual inflation rate is used.

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VII. Explanations on Financial Assets (continued)

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”. 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 “three 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 on the basis of the instrument’s lifetime expected credit losses. Following criteria 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.

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VIII. Explanations on Impairment of Financial Assets (continued)

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 are 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	7.34	7.66	3.62	0.50	0.62	0.75	2.70	7.17	3.64	4.46	4.20	1.74	4.00	3.50	3.90	4.50

(*) 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.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

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 this 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.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

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.

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 30 September 2022, the Bank has TL 9,275,245 reverse repo transaction (31 December 2021: None).

As of 30 September 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 tangible assets 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 30 September 2022, assets held for sale and discontinued operations of the Bank are TL 83,402 (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 3,833 (31 December 2021: TL 2,288) has been reserved as provision for impairment losses.

As of 30 September 2022, the Bank has no discontinued operations.

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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 retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. 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 Note 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 the merger of two banks was realized by terminating the legal entity of Fortis Bank A.Ş. and transferring all its rights, receivables (assets and liabilities) to the Bank as a whole 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 1,964,348 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.

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XIII. Explanations on Tangible 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 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 assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible assets are capitalized if they extend the economic useful life of the related asset. Other maintenance costs are expensed. Leasehold improvements amount are 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 and 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.

On 5 June 2020, POA made amendments to IFRS 16 “Leases” by publishing Concessions Granted in Rent Payments Related to COVID-19 - “Amendments to IFRS 16 Leases”. With this change, tenants are exempted from evaluating whether the concessions granted due to COVID-19 in rent payments have been changed or not. The related change did not have a significant impact on the financial position or performance of the Bank.

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.

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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. Total benefit is calculated in accordance with TAS 19 Employee Benefits.

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 "General Information" of the Bank and Fortis Bank A.Ş. are the members of "Türk Dış Ticaret Bankası 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 30 September 2022, the Pension Fund has 1,354 employees and 1,298 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 December 2021. 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, they believe such liabilities will not bring any additional liability to the Bank.

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XVIII. Explanations on Taxation

Corporate Tax

Corporate tax applied at the rate of 20% for corporate earnings in Turkey, pursuant to the regulation introduced by the Law No. 7316 on the “Law on the Collection of Public Claims and Amendments to Certain Laws” is applied as 25% to be applied to corporate earnings for the 2021 taxation period and 23% to be applied to corporate earnings for the 2022 taxation period, pursuant to the regulation introduced by the Law No. 7394 on “The Law on the Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law and Amendments to Some Laws and Decrees” this rate has been determined as 25% to be applied to the corporate earnings of banks, companies under the 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 taxation period as of 2022.

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. 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 five years.

Tax returns are required to be filed between the first and last of the fourth month following the balance sheet date and paid-in one instalment until the end of the related month.

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.

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.

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XVIII. Explanations on Taxation (continued)

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.

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. As of 30 September 2022, the deferred tax is calculated over 25% accordance with the tax legislation in effect.

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.

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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 regards 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.

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XXIII. Explanations on Reporting According to Segmentation (continued)

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

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	15,070	15,070
Profit Before Tax	696,175	2,083,582	817,811	7,296,829	10,894,397
Tax Provision (-)	-	-	-	2,591,949	2,591,949
Net Profit for the Period	696,175	2,083,582	817,811	4,704,880	8,302,448

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	44,806,877	64,207,984	32,422,295	132,300,328	273,737,484
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	116,041	116,041
Total Assets	44,806,877	64,207,984	32,422,295	132,416,369	273,853,525
Segment Liabilities	128,956,656	45,043,931	22,318,236	54,907,641	251,226,464
Shareholders' Equity	-	-	-	22,627,061	22,627,061
Total Liabilities	128,956,656	45,043,931	22,318,236	77,534,702	273,853,525

Prior Period (30.09.2021)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	5,963	5,963
Profit / (Loss) Before Tax	359,757	448,561	218,912	314,569	1,341,799
Tax Provision (-)	-	-	-	298,022	298,022
Net Profit for the Period	359,757	448,561	218,912	16,547	1,043,777

Prior Period (31.12.2021)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
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
Total Assets	36,799,694	42,523,918	23,996,403	90,737,007	194,057,022
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
Total Liabilities	84,801,710	32,564,690	14,272,783	62,417,839	194,057,022

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 financial statement presentation dated 30 September 2022, some reclassifications have been made on the income statement and cash flow statement dated 30 September 2021. The relevant classification has no effect on the Bank's performance.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders' Equity

Equity amount and capital adequacy standard ratio has been calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to these, the BRSA's regulations dated 8 December 2020 and numbered 9312, dated 1 July 2021 and numbered 9645, dated 21 December 2021 and numbered 9996, 28 April 2022 and numbered 10188 and 23 June 2022 and numbered 10248. According to the latest regulation changes;

In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates as of 31 December 2021 were used in accordance with the BRSA Board decision dated 28 April 2022 and numbered 10188, while calculating the valued amounts in foreign currency.

Within the scope of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks published in the Official Gazette dated 23 October 2015 and numbered 29511, for the receivables of banks from the Central Government of the Republic of Turkey and issued in FC, 0% risk weight was applied in the calculation of the amount subject to credit risk in accordance with the Standard Approach.

In accordance with the BRSA 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 BRSA Board decision dated 21 December 2021 and numbered 9996, in case of the net valuation differences of the financial assets included 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.

In accordance with the BRSA Board Decision dated 28 April 2022 and numbered 10188, two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision).

With the BRSA Board Decision of 23 June 2022 and numbered 10248, five hundred percent risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the said Decision.

In addition, some regulations have been introduced regarding the use of loan by companies subject to independent auditing.

In this context, if companies fail to notify the bank of their documents in accordance with the board's decision or give information contrary to the statement, new cash trade loans in TL should not be extended to the relevant companies and a 500% risk weight should be applied to all cash trade loans extended on or after 30 June 2022.

The Bank's current period equity amount calculated as of 30 September 2022 is TL 32,919,811 (31 December 2021: TL 21,405,622), and the capital adequacy standard ratio is 17.63% (31 December 2021: 18.05%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk "standard approach" for banking accounts, market risk "standard method" for trading accounts, counterparty credit risk "fair value valuation method" for derivatives and repo transactions, credit valuation adjustment capital load "standard method" for over-the-counter derivative transactions method" and operational risk were calculated using the "basic indicator method".

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I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity:

	Current Period 30.09.2022	Prior Period 31.12.2021
Common Equity Tier 1 Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	2,404,652
Share Issued Premiums	2,565	2,565
Reserves	11,124,078	9,277,740
Gains Recognized in Equity as per Turkish Accounting Standards TAS	763,370	4,611
Profit	8,302,448	1,912,898
Net Profit for the Period	8,302,448	1,912,898
Prior Years' Profit	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	-
Common Equity Tier 1 Capital Before Deductions	22,597,113	13,602,466
Deductions from Common Equity Tier 1 Capital		
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	-	-
Leasehold improvements on operational leases	32,550	35,683
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	310,879	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)	-	-
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	-	-
Total Deductions from Common Equity Tier 1 Capital	764,553	623,048
Total Common Equity Tier 1 Capital	21,832,560	12,979,418

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I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 30.09.2022	Prior Period 31.12.2021
ADDITIONAL TIER 1 CAPITAL		
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)	-	-
Additional Tier 1 Capital Before Deductions	-	-
Deductions from Additional Tier 1 Capital		
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	-	-
Items to be deducted from Tier I Capital during the Transition Period		
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 (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	-	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	21,832,560	12,979,418
TIER 2 CAPITAL		
Debt instruments and premiums approved by BRSA	8,976,534	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)	2,138,511	1,313,195
Tier 2 Capital Before Deductions	11,115,045	8,453,737
Deductions From Tier 2 Capital		
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 (-)	-	-
Total Deductions from Tier 2 Capital	-	-
Total Tier 2 Capital	11,115,045	8,453,737
Total Capital (The sum of Tier 1 and Tier 2 Capital)	32,947,605	21,433,155

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I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 30.09.2022	Prior Period 31.12.2021
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	368	3,823
Net book values of immovables exceeding 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	27,426	23,710
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	32,919,811	21,405,622
Total Risk Weighted Amounts	186,747,986	118,566,659
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	11.69	10.95
Tier 1 Capital Adequacy Ratio (%)	11.69	10.95
Capital Adequacy Ratio (%)	17.63	18.05
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2.51	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	0.01	-
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 (%)	3.19	2.44
Amounts below the Excess Limits as per the Deduction Principles		
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	357,835	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)	1,116,104	133,323
Limits related to provisions considered in Tier 2 Calculation		
General provisions for standard based receivables ((before ten thousand twenty five limitation)	2,713,979	2,117,698
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used (*)	2,138,511	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	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts excess the limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-
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.

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I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	T	T-1	T-2	T-3	T-4
CAPITAL ITEMS					
Common Equity Tier 1 Capital	21,832,560	18,176,907	15,022,348	12,979,418	12,142,151
Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)	21,832,560	18,176,907	15,022,348	12,890,844	12,053,577
Tier 1 Capital	21,832,560	18,176,907	15,022,348	12,979,418	12,142,151
Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)	21,832,560	18,176,907	15,022,348	12,890,844	12,053,577
Capital	32,919,811	28,675,739	24,233,089	21,405,622	18,058,545
Capital where the transition impact of TFRS 9 has not been applied (c)	32,919,811	28,675,739	24,233,089	21,317,048	17,969,971
TOTAL RISK WEIGHTED ASSETS					
Total Risk Weighted Assets	186,747,986	184,019,916	138,812,729	118,566,659	106,164,148
CAPITAL ADEQUACY RATIOS					
Common Equity Tier 1 Capital Adequacy Ratio (%)	11.69	9.88	10.82	10.95	11.44
Common Equity Tier 1 Capital Adequacy Ratio (%) Where The Transition Impact Has Not Been Applied (d)	11.69	9.88	10.82	10.87	11.35
Tier 1 Capital Adequacy Ratio (%)	11.69	9.88	10.82	10.95	11.44
Tier 1 Capital Adequacy Ratio (%) Where the Transition Impact Has Not Been Applied (d)	11.69	9.88	10.82	10.87	11.35
Capital Adequacy Ratio (%)	17.63	15.58	17.46	18.05	17.01
Capital Adequacy Ratio (%) Where The Transition Impact Has Not Been Applied (d)	17.63	15.58	17.46	17.98	16.93
LEVERAGE RATIO					
Leverage Ratio Total Risk Amount	365,843,232	344,150,154	298,779,869	263,108,120	204,766,755
Leverage Ratio	5.90%	5.18%	4.98%	4.86%	5.93%
FTA not Applied Leverage Ratio (e)	5.90%	5.18%	4.98%	4.82%	5.89%

(* As of 31 December 2021, the implementation of the temporary article 5 has ended and the effects of the previous 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
Total capital per balance sheet	22,627,061	13,617,819
Hedging funds (effective portion)	(270,903)	(292,798)
Deductions made under regulation	(774,032)	(633,813)
Transition impact of TFRS 9 (Temporary 5 th Article)	-	88,574
Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income	250,434	199,636
Common Equity Tier 1 Capital	21,832,560	12,979,418
Additional Tier 1 Capital	-	-
Tier 1 Capital	21,832,560	12,979,418
Expected loss provision (Stage 1 and 2)	2,138,511	1,313,195
Bank's borrowing instruments	8,976,534	7,140,542
Deductions made under regulation	(27,794)	(27,533)
Total Equity	32,919,811	21,405,622

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I. Explanations Related to Components of Shareholders’ Equity (continued)

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
Consideration in Equity Calculation				
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)	3,861.35	1,794.80	1,076.88	2,243.50
Par value of debt instrument (TL Currency in mil)	3,861.35	1,794.80	1,076.88	2,243.50
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	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
Accounting classification of the debt instrument	-	-	-	-
Interest / dividend payments				
Fixed or floating dividend/coupon	Stable	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
Convertibility of equity shares				
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	-	-	-	-
Write-down feature				
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 (h) mechanism of write-down or conversion to common shares are stated.

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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 30 September 2022, the Bank’s balance sheet short position is TL 23,562,126 (31 December 2021: TL 24,020,137 short position) off-balance sheet long position is TL 21,110,019 (31 December 2021: TL 23,747,791 long position) and as a result net foreign currency short position is TL 2,452,107 (31 December 2021: net TL 272,346 short position).

The announced current foreign exchange buying rates of the Bank at 30 September 2022 and the previous five working days in full TL are as follows:

	23.09.2022	26.09.2022	27.09.2022	28.09.2022	29.09.2022	30.09.2022
USD	18.3002	18.3352	18.3752	18.4123	18.4321	18.3874
EURO	17.8116	17.7118	17.6457	17.6942	17.9326	17.9480

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 30 September 2022 are as follows:

	Monthly Average Foreign Exchange Rate
USD	18.1937
EURO	18.0365

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II. Explanations Related to Currency Risk (continued)

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 BRSA 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 30 September 2022, the Bank has net USD long position TL 690,509 and net EUR short position TL 225,968.

Current Period	EURO	USD	Other FC	Total
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey ⁽¹⁾	12,827,727	20,488,175	4,819,421	38,135,323
Banks ⁽²⁾	3,397,201	4,455,697	4,159,484	12,012,382
Financial Assets at Fair Value Through Profit or Loss	6,834	515,510	-	522,344
Receivables from Money Markets	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,531,989	3,224,690	44,848	4,801,527
Loans ⁽³⁾	27,605,376	7,795,831	1,593,003	36,994,210
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortized Cost ⁽⁴⁾	3,292,159	5,857,330	-	9,149,489
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	134,183	88,753	-	222,936
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	940,202	159,281	15,740	1,115,223
Total Assets	49,735,671	42,585,267	10,632,496	102,953,434
Liabilities				
Bank Deposits	252,899	204,312	44,783	501,994
Foreign Currency Deposits ⁽⁷⁾	25,248,237	52,952,379	13,333,229	91,533,845
Money Market Borrowings	7,121,469	-	-	7,121,469
Funds Provided From Other Financial Institutions	10,292,318	11,581,033	-	21,873,351
Securities Issued	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities ⁽⁸⁾	2,721,880	2,349,544	413,477	5,484,901
Total Liabilities	45,636,803	67,087,268	13,791,489	126,515,560
Net Balance Sheet Position	4,098,868	(24,502,001)	(3,158,993)	(23,562,126)
Net Off-Balance Sheet Position	(4,326,597)	22,597,024	2,839,592	21,110,019
Financial Derivative Assets ⁽⁹⁾	23,827,733	63,137,143	5,640,289	92,605,165
Financial Derivative Liabilities ⁽⁹⁾	28,154,330	40,540,119	2,800,697	71,495,146
Non-Cash Loans ⁽¹⁰⁾	15,067,322	18,184,861	3,512,446	36,764,629
Prior Period				
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 ⁽⁹⁾	30,271,685	44,317,120	4,830,894	79,419,699
Financial Derivative Liabilities ⁽⁹⁾	22,606,237	31,271,210	1,794,461	55,671,908
Non-Cash Loans ⁽¹⁰⁾	13,567,563	13,803,567	2,691,051	30,062,181

⁽¹⁾ Cash balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey includes the balances of expected credit losses amounting to TL 6,456 (31 December 2021 : TL 4,982).

⁽²⁾ The banks include TL 21,942 (31 December 2021: TL 22,153) of expected credit loss provisions.

⁽³⁾ Loans include foreign currency indexed loan accounts amounting to TL 81,437 (31 December 2021: TL 173,195). Includes expected loss provisions balance amounting to TL 806,510 (31 December 2021: TL 814,077).

⁽⁴⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 2,059 (31 December 2021 : TL 1,839).

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

⁽⁶⁾ TL 644,318 (31 December 2021: TL 312,610) income accruals from derivative financial instruments are deducted from other assets.

⁽⁷⁾ Precious metal accounts amounting to TL 9,086,449 (31 December 2021: TL 7,954,654) are included in the foreign currency deposits.

⁽⁸⁾ TL 569,527 (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 3,763,217 (31 December 2021: TL 3,118,150) are added to derivative financial assets and TL 3,974,940 (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.

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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 economic 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 legal and internal limits and manages interest rate risk in line 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 ⁽¹⁾	Total
Current Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey ⁽²⁾	-	-	-	-	-	44,533,160	44,533,160
Banks ⁽³⁾	4,581,778	-	-	-	-	8,154,610	12,736,388
Financial Assets at Fair Value Through Profit or Loss	298,732	926,698	890,806	232,599	54,563	358,293	2,761,691
Receivables from Money Markets ⁽⁴⁾	9,275,245	-	-	-	-	(1,300)	9,273,945
Financial Assets at Fair Value Through Other Comprehensive Income	665,524	2,059,220	3,022,890	3,883,431	-	47,926	9,678,991
Loans Given ⁽⁵⁾	37,275,961	18,864,103	58,917,418	27,716,389	1,164,910	(1,321,528)	142,617,253
Financial Assets Measured at Amortized Cost ⁽⁶⁾	908,986	13,201,219	4,533,092	11,344,624	5,189,870	(7,915)	35,169,876
Other Assets	16,419	134,964	1,767,301	1,831,299	496,201	12,836,037	17,082,221
Total Assets	53,022,645	35,186,204	69,131,507	45,008,342	6,905,544	64,599,283	273,853,525
Liabilities							
Bank Deposits	2,166,808	-	-	-	-	677,733	2,844,541
Other Deposits	82,116,148	34,684,835	6,161,191	3,544	-	71,780,296	194,746,014
Money Market Borrowings	2,962,810	2,575,838	1,586,822	-	-	-	7,125,470
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	1,221,281	12,126,453	5,290,710	-	4,026,694	-	22,665,138
Other Liabilities	71,054	77,243	2,150,549	591,852	99,917	43,481,747	46,472,362
Total Liabilities	88,538,101	49,464,369	15,189,272	595,396	4,126,611	115,939,776	273,853,525
Balance Sheet Long Position	-	-	53,942,235	44,412,946	2,778,933	-	101,134,114
Balance Sheet Short Position	(35,515,456)	(14,278,165)	-	-	-	(51,340,493)	(101,134,114)
Off-Balance Sheet Long Position	4,419,778	8,243,123	-	-	252,304	-	12,915,205
Off-Balance Sheet Short Position	-	-	(6,576,599)	(5,110,166)	-	-	(11,686,765)
Total Position	(31,095,678)	(6,035,042)	47,365,636	39,302,780	3,031,237	(51,340,493)	1,228,440

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

⁽²⁾ Cash balances (Cash, Effective Deposit, Money in transit, Cheques Purchased) and the Central Bank of the Republic of Turkey include balances of expected losses amounting to TL 7,743.

⁽³⁾ The banks include TL 26,207 of expected loss provisions.

⁽⁴⁾ Money market placements include balance of expected loss provisions amounting to TL 1,300.

⁽⁵⁾ The revolving loans amounting to TL 14,521,083 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,213,074.

⁽⁶⁾ Financial assets at amortized cost include losses amounting to TL 7,915.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 942,526, intangible assets amounting to TL 750,285, subsidiaries amounting to TL 116,036 and entities under common control (joint vent.) amounting to TL 5, assets held for sale amounting to TL 83,402, while other liabilities line includes the shareholders’ equity of TL 22,627,061.

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III. Explanations Related to Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Prior Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey ⁽²⁾	22,959,105	-	-	-	-	12,826,030	35,785,135
Banks ⁽³⁾	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 Given ⁽⁴⁾	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 ⁽⁵⁾	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
Total Assets	61,224,848	13,835,329	49,810,527	40,342,966	1,717,101	27,126,251	194,057,022
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 Institutions	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
Total Liabilities	72,080,156	25,178,951	6,940,315	1,319,791	2,909,514	85,628,295	194,057,022
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)
Total Position	(5,816,140)	(340,420)	30,626,718	36,918,489	(1,426,109)	(58,502,044)	1,460,494

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

⁽²⁾ Cash balances (Cash, Effective Deposit, Money in transit, Cheques Purchased) and the Central Bank of the Republic of Turkey include balances of expected losses amounting to TL 6,160.

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

⁽⁴⁾ 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.

⁽⁵⁾ 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.

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III. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO	USD	YEN	TL
	%	%	%	%
Current Period				
Assets				
Cash Balances (Cash, Effective Deposits, Money in Transit, Cheques Purchased) and the Central Bank of Turkey	-	-	-	-
Banks	0.58	3.00	-	12.65
Financial Assets at Fair Value Through Profit and Loss	7.22	9.47	-	15.69
Receivables from Money Markets	-	-	-	12.78
Financial Assets at Fair Value Through Other Comprehensive Income	2.70	4.00	-	46.53
Loans Given	3.99	7.15	5.65	23.63
Financial Assets Measured at Amortized Cost	3.16	5.25	-	51.14
Liabilities				
Bank Deposits	-	-	-	6.60
Other Deposits	0.44	2.34	-	17.32
Money Market Borrowings	1.78	-	-	12.89
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.18	6.28	-	18.86
	EURO	USD	YEN	TL
	%	%	%	%
Prior Period				
Assets				
Cash Balances (Cash, Effective Deposits, Money in Transit, Cheques Purchased) and 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
Receivables from Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.70	3.84	-	17.48
Loans Given	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 in Borsa Istanbul.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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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 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.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

e) Information on liquidity risk mitigation techniques:

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 and interest rate 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.

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio:

	Rate of Percentage to Be Taken into Account not Implemented Total Value(*)		Rate of Percentage to Be Taken into Account Implemented Total Value(*)	
	TL+FC	FC	TL+FC	FC
Current Period – 30 September 2022				
High Quality Liquid Assets				
1 High quality liquid assets			83,121,144	44,141,888
Cash Outflows				
2 Real person and retail deposits	128,781,193	64,393,350	11,773,138	6,439,335
3 Stable deposits	22,099,632	-	1,104,982	-
4 Less stable deposits	106,681,561	64,393,350	10,668,156	6,439,335
5 Unsecured debts other than real person and retail deposits	63,389,140	33,771,402	34,551,160	15,309,628
6 Operational deposits	708,623	102,653	177,156	25,663
7 Non-operational deposits	56,322,810	32,479,938	28,872,309	14,332,491
8 Other unsecured funding	6,357,707	1,188,811	5,501,695	951,474
9 Secured funding	-	-	-	-
10 Other cash outflows	1,619,925	8,115,579	1,619,925	8,115,579
11 Derivative and collateral obligations	1,619,925	8,115,579	1,619,925	8,115,579
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	75,475,428	32,933,671	6,564,907	3,675,338
16 Total Cash Outflows			54,509,130	33,539,880
Cash Inflows				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	23,055,638	10,565,201	16,718,854	9,430,600
19 Other cash inflows	619,936	21,010,177	619,936	21,010,177
20 Total Cash Inflows	23,675,574	31,575,378	17,338,790	30,440,777
			Values to which the Upper Limit is Applied	
21 Total High Quality Liquid Assets Inventory			83,121,144	44,141,888
22 Total Net Cash Outflows			37,170,340	8,384,970
23 Liquidity Coverage Ratio (%)			223.62	526.44

(*) 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 Total Value(*)		Rate of Percentage to Be Taken into Account Implemented Total Value(*)	
	TL+FC	FC	TL+FC	FC
Prior Period – 31 December 2021				
High Quality Liquid Assets				
1 High quality liquid assets			47,286,292	29,716,957
Cash Outflows				
2 Real person 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 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
16 Total Cash Outflows			37,951,501	23,385,200
Cash Inflows				
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
20 Total Cash Inflows	17,121,105	21,995,337	13,381,133	21,256,264
			Values to which the Upper Limit is Applied	
21 Total High Quality Liquid Assets Inventory			47,286,292	29,716,957
22 Total Net Cash Outflows			24,570,368	5,846,300
23 Liquidity Coverage Ratio (%)			192.45	508.30

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

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio: (continued)

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, cash and effective deposit. 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. Diversification of funding base of deposits, funding from Group, borrowing, repo and other long-term liabilities and funding limits by product type are monitored and reported.

Liquidity management of subsidiaries are managed by individual legal entities. Although liquidity coverage ratio is reported on a basis, there is no centralized liquidity management system. Finally, there is no significant cash inflow and cash outflow item related to the liquidity profile of the Bank, which is included in the liquidity coverage ratio calculation but is not included in the public disclosure template in the second paragraph of the relevant 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	200.64%	448.83%	153.36%	400.72%
Week	08.07.2022	08.07.2022	15.10.2021	15.10.2021
Highest	259.72%	548.77%	236.00%	564.43%
Week	09.09.2022	01.07.2022	17.12.2021	01.10.2021

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

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 ⁽¹⁾	Total
Assets								
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey ⁽²⁾	15,044,908	29,495,995	-	-	-	-	(7,743)	44,533,160
Banks ⁽³⁾	9,658,662	3,103,933	-	-	-	-	(26,207)	12,736,388
Financial Assets at Fair Value Through Profit and Loss	-	6,235	316,537	890,806	1,079,639	110,181	358,293	2,761,691
Money Market Placements ⁽⁴⁾	-	9,275,245	-	-	-	-	(1,300)	9,273,945
Financial Assets at Fair Value Through Other Comprehensive Income	47,926	44,808	106	1,104,920	6,577,291	1,903,940	-	9,678,991
Loans Given ⁽⁵⁾	-	34,873,743	18,867,503	58,938,239	30,094,386	1,164,910	(1,321,528)	142,617,253
Financial Assets Measured at Amortized Cost ⁽⁶⁾	-	908,986	-	11,529,886	14,322,562	8,416,357	(7,915)	35,169,876
Other Assets	-	2,003,772	663,688	2,663,656	2,048,494	673,333	9,029,278	17,082,221
Total Assets	24,751,496	79,712,717	19,847,834	75,127,507	54,122,372	12,268,721	8,022,878	273,853,525
Liabilities								
Bank Deposits	677,733	2,166,808	-	-	-	-	-	2,844,541
Other Deposit	71,780,296	82,116,148	34,684,835	6,161,191	3,544	-	-	194,746,014
Funds Provided from Other Financial Institutions	-	62,128	8,164,234	5,190,116	19,369	9,229,291	-	22,665,138
Money Market Placements	-	2,962,810	2,575,838	1,586,822	-	-	-	7,125,470
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	-	16,741,932	1,217,256	2,428,269	1,211,575	441,921	24,431,409	46,472,362
Total Liabilities	72,458,029	104,049,826	46,642,163	15,366,398	1,234,488	9,671,212	24,431,409	273,853,525
Liquidity Gap	(47,706,533)	(24,337,109)	(26,794,329)	59,761,109	52,887,884	2,597,509	(16,408,531)	-
Net Off-Balance Sheet Position	-	239,931	426,456	1,375,600	1,254,356	301,938	-	3,598,281
Financial Derivative Assets	-	52,305,527	37,248,283	32,729,370	21,567,238	3,540,434	-	147,390,852
Financial Derivative Liabilities	-	52,065,596	36,821,827	31,353,770	20,312,882	3,238,496	-	143,792,571
Non-Cash Loans	11,347,939	2,386,907	7,504,975	17,109,165	10,400,544	-	-	48,749,530
Prior Period								
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
Liquidity Gap	(39,427,747)	(19,695,894)	(6,052,410)	31,377,210	49,878,322	(5,167,109)	(10,912,372)	-
Net Off-Balance Sheet Position	-	1,157,348	180,560	1,768,166	231,463	180,567	-	3,518,104
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

(1) The assets which are necessary to provide banking services and could not be liquidated in a short-term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and loans under follow-up, are classified as under undistributed.

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey 's outstanding loss provisions amounting to TL 7,743.

(3) The banks include TL 26,207 of expected loss provisions.

(4) Receivables from Money Markets includes expected loss provisions balance amounting to TL 1,300.

(5) Revolving loans amounting to TL 14,521,083 are shown in the "Up to 1 Month" maturity bracket. Includes expected loss provisions balance amounting to TL 4,213,074.

(6) Financial Assets Valued at Amortized Cost includes expected loss provisions balance amounting to TL 7,915.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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VI. Explanations Related to Leverage Ratio

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

The leverage ratio decreased due to the increase in total risks.

b) Leverage ratio:

		Current Period (*)	Prior Period (*)
Assets on the balance sheet			
1	Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals)	258,797,090	175,665,512
2	(Assets deducted from core capital)	(683,360)	(598,378)
3	Total risk amount for assets on the balance sheet	258,113,730	175,067,134
Derivative financial instruments and credit derivatives			
4	Renewal cost of derivative financial instruments and loan derivatives	3,350,133	2,456,964
5	Potential credit risk amount of derivative financial instruments and loan derivatives	1,170,472	612,168
6	Total risk amount of derivative financial instruments and loan derivatives	4,520,605	3,069,132
Financing transactions with securities or goods warranties			
7	Risk amount of financial transactions with securities or goods warranties (Excluding those in the balance sheet)	2,614,089	854,257
8	Risk amount arising from intermediated transactions	-	-
9	Total risk amount of financing transactions with securities or goods warranties	2,614,089	854,257
Off-the-balance sheet transactions			
10	Gross nominal amount of the off-balance sheet transactions	89,258,676	66,385,645
11	(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
12	Total risk amount for off-balance sheet transactions	89,258,676	66,385,645
Capital and total risk			
13	Tier 1 Capital	20,085,801	12,506,263
14	Total risk amount	354,507,100	245,376,168
Leverage ratio			
15	Leverage ratio	5.67%	5.10%

(*) The amounts in the table are calculated by using the quarterly average amounts.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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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 numbered 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 Liability
	Current Period	Prior Period	Current Period
1 Credit risk (Excluding counterparty credit risk)	165,874,824	102,173,138	13,269,986
2 Of which standardized approach	165,874,824	102,173,138	13,269,986
3 Of which internal rating-based approach	-	-	-
4 Counterparty credit risk	5,206,035	2,882,445	416,483
5 Of which standardized approach for counterparty credit risk	5,206,035	2,882,445	416,483
6 Of which internal model method	-	-	-
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	-	-	-
14 Of which IRB supervisory formula approach	-	-	-
15 Of which SA/simplified supervisory formula approach	-	-	-
16 Market risk	4,435,484	3,002,158	354,839
17 Of which standardized approach	4,435,484	3,002,158	354,839
18 Of which internal model approaches	-	-	-
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	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	186,747,986	118,566,659	14,939,839

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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	682,081	9,047,156	480,825	6,992,493
Balances with the Central Bank of Turkey	5,717,043	28,692,625	5,237,670	22,851,875
Other	-	401,998	-	228,432
Total	6,399,124	38,141,779	5,718,495	30,072,800

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	4,913,673	-	5,130,440	-
Unrestricted Time Deposit	-	9,221,458	-	7,072,426
Restricted Time Deposit	803,370	19,471,167	107,230	15,779,449
Total	5,717,043	28,692,625	5,237,670	22,851,875

Foreign currency unrestricted deposit amounting to TL 9,221,458 (31 December 2021: TL 7,072,426), foreign currency restricted deposit amounting to TL 19,471,167 (31 December 2021: TL 15,779,449), TL unrestricted deposit amount is TL 4,913,673 (31 December 2021: TL 5,130,440), TL restricted amount is TL 803,370 (31 December 2021: TL 107,230) consists of required reserves.

As of 30 September 2022, the applicable rates for required reserves established at the CBRT are between 3% and 8% in Turkish currency, depending on the maturity structure (31 December 2021 between 3% and 8%); in foreign currency, it is between 5% and 26% according to the maturity structure (31 December 2021: between 5% and 26%).

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 and loss given as collateral or blocked: None (31 December 2021: None).

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

Net book value of unrestricted financial assets at fair value through profit and loss is TL 2,403,398 (31 December 2021: TL 2,491,428).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	2,168,312	235,086	1,942,260	549,168
Securities Representing Share in Capital	71,035	222,582	59,387	135,326
Other Financial Assets	-	64,676	-	107,646
Total	2,239,347	522,344	2,001,647	792,140

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I. Explanations and Disclosures Related to the Assets (continued)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1,006,770	25,907	739,292	23,542
Swap Transactions	3,564,836	251,208	5,160,990	258,119
Futures Transactions	-	-	-	-
Options	368,714	348,650	106,295	43,738
Other	-	-	-	-
Total	4,940,320	625,765	6,006,577	325,399

4. Information on banks:

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	470,987	499	1,531,570	1,248,381
Foreign Banks	257,284	12,033,825	86,455	8,713,933
Foreign Head Offices and Branches	-	-	-	-
Total	728,271	12,034,324	1,618,025	9,962,314

A provision for expected loss of TL 26,207 (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 Investment Securities	1,130,163	652,620	1,448,659	1,739,641
Other	-	-	-	-
Total	1,130,163	652,620	1,448,659	1,739,641

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	-	3,740,116	1,045,152	1,658,916
Treasury Bills	-	-	-	-
Other Government Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	-	3,740,116	1,045,152	1,658,916

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 4,156,092 (31 December 2021: TL 1,282,716).

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on financial assets at fair value through other comprehensive income (continued):

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

	Current Period	Prior Period
Debt Securities	9,631,065	7,161,834
Quoted at Stock Exchange	9,586,217	7,122,573
Unquoted at Stock Exchange	44,848	39,261
Share Certificates	47,926	13,250
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	47,926	13,250
Impairment Provision (-)	-	-
Total	9,678,991	7,175,084

An expected loss provision of TL 2,016 (31 December 2021: TL 1,668) has been 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	-	374,118	-	389,230
Loans Granted Corporate Shareholders	-	374,118	-	389,230
Loans Granted Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	176,739	-	116,057	-
Total	176,739	374,118	116,057	389,230

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	132,769,792	9,929,430	48,948	1,190,611
Working Capital Loans	12,908,519	1,803,935	-	829,655
Export Loans	29,406,386	186,029	-	3,129
Import Loans	-	-	-	-
Loans Given to Financial Sector	4,296,147	-	-	-
Consumer Loans	22,479,013	4,581,674	8,655	134,466
Credit Cards	11,485,707	1,473,607	34,634	-
Other	52,194,020	1,884,185	5,659	223,361
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	132,769,792	9,929,430	48,948	1,190,611

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

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	-	-	-	-
Total	94,813,675	7,851,522	106,238	1,726,179

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	722,317	-	428,726	-
Significant increase in Credit Risk	-	1,483,643	-	1,351,897
Total	722,317	1,483,643	428,726	1,351,897

Aging analysis for loans under close monitoring

30 September 2022	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	134,511	35,774	175,204	345,489
Consumer Loans	761,143	215,794	339,612	1,316,549
Credit Cards	184,765	106,352	65,313	356,430
Total	1,080,419	357,920	580,129	2,018,468

31 December 2021	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial 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
Total	989,990	512,622	785,122	2,287,734

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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
Consumer Loans-TL	1,801,517	23,434,001	25,235,518
Housing Loans	12,763	3,739,502	3,752,265
Vehicle Loans	19,253	422,858	442,111
General Purpose Loans	1,769,501	19,271,641	21,041,142
Other	-	-	-
Consumer Loans –Indexed to FC	-	12,422	12,422
Housing Loans	-	12,422	12,422
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	13,006	13,006
Housing Loans	-	3,924	3,924
Vehicle Loans	-	168	168
General Purpose Loans	-	8,914	8,914
Other	-	-	-
Individual Credit Cards-TL	8,664,019	32,528	8,696,547
With Instalments	3,281,831	32,528	3,314,359
Without Instalments	5,382,188	-	5,382,188
Individual Credit Cards-FC	24,891	-	24,891
With Instalments	-	-	-
Without Instalments	24,891	-	24,891
Personnel Loans-TL	27,261	83,468	110,729
Housing Loans	-	354	354
Vehicle Loans	-	-	-
General Purpose Loans	27,261	83,114	110,375
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	59,754	24	59,778
With Instalments	25,631	24	25,655
Without Instalments	34,123	-	34,123
Personnel Credit Cards-FC	652	-	652
With Instalments	-	-	-
Without Instalments	652	-	652
Overdraft Accounts-TL (Real Person) (*)	1,832,124	-	1,832,124
Overdraft Accounts-FC (Real Person)	9	-	9
Total	12,410,227	23,575,449	35,985,676

(*) Overdraft accounts include personnel loans amounting to TL 5,580.

(**) Loans granted via branches abroad.

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	677,026	22,060,956	22,737,982
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	-	-	-
Consumer Loans -Indexed to FC	-	12,845	12,845
Housing Loans	-	12,845	12,845
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	21,592	21,592
Housing Loans	-	6,189	6,189
Vehicle Loans	-	830	830
General Purpose Loans	-	14,573	14,573
Other	-	-	-
Individual Credit Cards-TL	5,422,837	16,109	5,438,946
With Instalments	1,901,078	16,109	1,917,187
Without Instalments	3,521,759	-	3,521,759
Individual Credit Cards-FC	13,015	-	13,015
With Instalments	154	-	154
Without Instalments	12,861	-	12,861
Personnel Loans-TL	10,476	59,826	70,302
Housing Loans	-	249	249
Vehicle Loans	-	-	-
General Purpose Loans	10,476	59,577	70,053
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	40,726	52	40,778
With Instalments	14,548	52	14,600
Without Instalments	26,178	-	26,178
Personnel Credit Cards-FC	145	-	145
With Instalments	-	-	-
Without Instalments	145	-	145
Overdraft Accounts-TL (Real Person) (*)	1,133,120	-	1,133,120
Overdraft Accounts-FC (Real Person)	8	-	8
Total	7,297,353	22,171,380	29,468,733

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

(**) Loans granted via branches abroad.

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

Current Period	Short-Term	Medium and Long-Term	Total
Commercial Loans with Instalment – TL	1,857,359	11,847,206	13,704,565
Business Loans	3,465	187,282	190,747
Vehicle Loans	263,559	2,939,420	3,202,979
General Purpose Loans	1,590,335	8,720,504	10,310,839
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	24,929	24,929
Business Loans	-	7,333	7,333
Vehicle Loans	-	-	-
General Purpose Loans	-	17,596	17,596
Other	-	-	-
Commercial Loans with Instalment – FC	1,206	-	1,206
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	1,206	-	1,206
Other	-	-	-
Corporate Credit Cards-TL	4,204,625	58	4,204,683
With Instalments	1,735,157	58	1,735,215
Without Instalments	2,469,468	-	2,469,468
Corporate Credit Cards-FC	7,397	-	7,397
With Instalments	-	-	-
Without Instalments	7,397	-	7,397
Overdraft Accounts-TL (Legal Entity)	1,146,496	-	1,146,496
Overdraft Accounts-FC (Legal Entity)	-	-	-
Total	7,217,083	11,872,193	19,089,276
Prior Period	Short-Term	Medium and Long-Term	Total
Commercial Loans with Instalment – TL	1,147,802	10,429,698	11,577,500
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	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	109,730	109,730
Business Loans	-	7,579	7,579
Vehicle Loans	-	-	-
General Purpose Loans	-	102,151	102,151
Other	-	-	-
Commercial Loans with Instalment – FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	2,670,477	191	2,670,668
With Instalments	1,101,764	191	1,101,955
Without Instalments	1,568,713	-	1,568,713
Corporate Credit Cards-FC	3,537	-	3,537
With Instalments	-	-	-
Without Instalments	3,537	-	3,537
Overdraft Accounts-TL (Legal Entity)	836,380	-	836,380
Overdraft Accounts-FC (Legal Entity)	-	-	-
Total	4,658,196	10,539,619	15,197,815

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	143,259,625	103,816,710
Foreign Loans	679,156	680,904
Total	143,938,781	104,497,614

f) Loss granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans to Subsidiaries and Associates	387,184	366,942
Indirect Loans to Subsidiaries and Associates	-	-
Total	387,184	366,942

g) Specific provisions related to loans or credit-impaired losses (Stage III):

	Current Period	Prior Period
Loans with Limited Collectability	176,403	275,137
Loans with Doubtful Collectability	345,170	250,384
Uncollectible Loans	1,485,541	1,733,851
Total	2,007,114	2,259,372

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
Current Period			
Gross Amounts before Provisions	53,141	42,814	33,463
Restructured Loans	53,141	42,814	33,463
Prior Period			
Gross Amounts before Provisions	72,529	14,239	42,007
Restructured Loans	72,529	14,239	42,007

h.2) Information on the movement of non-performing loans:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Prior Period End Balance	448,493	390,670	2,486,219
Additions during the Period (+)	1,157,132	11,253	25,436
Transfers from other categories of loans under non-performing (+)	-	983,850	706,916
Transfers to other categories of loans under non-performing (-)	983,850	706,916	-
Collections during the Period (-)	241,240	185,456	550,055
Write-Offs (-)	49,353	-	323,326
Sold (-) (*)	13	1,918	225,353
Corporate and Commercial Loans	-	1,562	42,275
Retail Loans	-	10	130,182
Credit Cards	13	346	52,896
Other	-	-	-
Other	(44,301)	11,449	(18,091)
Current Period End Balance	286,868	502,932	2,101,746
Provision (-)	176,403	345,170	1,485,541
Net Balances on Balance Sheet	110,465	157,762	616,205

(*) Past due receivables amounting to TL 227,284 for which TL 222,965 of provision had been allocated, is sold for TL 50,107 during 2022. After all sales procedures were completed, these past due receivables have been written off from the portfolio.

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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

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
30 September 2022			
Period End Balance	101,123	8,054	128,854
Provision Amount (-)	62,740	4,082	88,505
Net Balance on Balance Sheet	38,383	3,972	40,349
31 December 2021			
Prior Period End Balance	90,621	19,011	181,764
Provision Amount (-)	77,359	12,802	131,304
Net Balance on Balance Sheet	13,262	6,209	50,460

h.4) 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
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	286,868	502,932	2,101,746
Provision Amount (-)	176,403	345,170	1,485,541
Loans to Real Persons and Legal Entities (Net)	110,465	157,762	616,205
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	448,493	390,670	2,486,219
Provision Amount (-)	275,137	250,384	1,733,851
Loans to Real Persons and Legal Entities (Net)	173,356	140,286	752,368
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	194	553	15,410
Interest Accruals, Rediscounts and Valuation Differences	27,388	56,704	516,160
Provision Amount (-)	27,194	56,151	500,750
Prior Period (Net)	1,434	3,340	34,109
Interest Accruals, Rediscounts and Valuation Differences	45,534	52,087	573,512
Provision Amount (-)	44,100	48,747	539,403

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

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 criteria. And the following write-off criteria 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: Loans which do not have reasonable collection expectations, among the loans that have been in legal follow-up for a long time, are evaluated,

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

- The methods applied for legal collection of loans from debtors,
- Decisions regarding the inclusion to the non-performing loans sale,
- 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 323,326 (31 December 2021: TL 57,671) and its effect on NPL ratio is 0.21% (31 December 2021: 0.06%). The follow-up conversion rate is 1.97% (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 2.18% (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	3,033	8,287,308	2,592,783	5,020,254
Total	3,033	8,287,308	2,592,783	5,020,254

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	12,172,291	812,251	3,025,653	2,970,779
Other	-	-	-	-
Total	12,172,291	812,251	3,025,653	2,970,779

Unrestricted financial assets measured at amortized cost are TL 13,902,908 (31 December 2021: TL 5,942,231).

a.3) Information on held-to-maturity investments given as collateral or blocked:

	Current Period	Prior Period
Government Bonds	35,177,791	19,551,700
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	35,177,791	19,551,700

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I. Explanations and Disclosures Related to the Assets (continued)

7. Information on financial assets measured at amortized cost: (continued)

a.4) Information on financial assets measured at amortized cost and subject to repurchase agreements:

	Current Period	Prior Period
Debt securities	35,177,791	19,551,700
Quoted on a Stock Exchange	35,177,791	19,551,700
Unquoted	-	-
Impairment Provision (-)	-	-
Total	35,177,791	19,551,700

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

	Current Period	Prior Period
Value at the Beginning of the Period	19,551,700	12,522,941
Foreign Currency Differences on Monetary Assets	2,108,206	841,915
Purchases During the Year (*)	15,405,817	8,203,718
Disposals Through Sales and Redemptions	(1,887,932)	(2,016,874)
Impairment Provision (-)	-	-
End of the Period Total	35,177,791	19,551,700

(*) This line includes discount 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) Information on the unconsolidated associates: None (31 December 2021: None).
- a.3) Explanations 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).

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I. Explanations and Disclosures Related to the Assets (continued)

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	10,000
Reserves	182,895	46,263	3,097
Net profit for the current and prior periods’ profits	145,956	283,293	32,894
Gain/ loss recognized under equity in accordance with TAS	-	-	(39)
Leasehold Improvements on operational leases (-)	684	258	1,199
Goodwill and intangible asset and the related deferred tax liability (-)	4,641	7,744	1,384
Total Common Equity Tier 1 Capital	373,526	350,348	43,369
Provisions	6,037	-	-
Equity	379,563	350,348	43,369

b) 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).

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

d) Information on the consolidated subsidiaries:

d.1) Information on the consolidated subsidiaries:

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

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

	Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Period Profit / Loss	Prior Period Profit / Loss (*)	Fair Value
1	6,527,113	378,851	8,164	662,111	-	134,918	34,778	-
2	965,592	358,350	8,034	136,423	-	78,689	80,516	-
3	62,567	45,952	6,568	5,800	67	20,495	11,440	-

(*) These figures are shown per BRSA financial statements as of 30 September 2021.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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

I. Explanations and Disclosures Related to the Assets (continued)

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

d.2) Information on consolidated subsidiaries:

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

d.3) Sectoral information on the consolidated 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
Total	115,986	115,986

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

e) Information on unconsolidated non-financial subsidiaries:

TEB ARF Teknoloji A.Ş. was established by the Bank with a paid-in capital of TL 50,000 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	179,875	64,452	43,138	381,999	(336,034)

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated the Bank's financial statements:

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).

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I. Explanations and Disclosures Related to the Assets (continued)

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	837,223	222,936	1,796,596	5,873
Foreign Net Investment Hedge	-	-	-	-
Total	837,223	222,936	1,796,596	5,873

In case the fair value hedge accounting is terminated, any adjustment made to the book value of the hedged financial instrument determined by using the effective interest method within the scope of fair value hedge accounting is amortized through profit or loss until the maturity of the financial instrument.

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 52,503 (31 December 2021: TL 60,244) is recorded under equity as of 30 September 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 held for sale fixed assets and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	65,933	112,859
Beginning of Period Accumulated Depreciation (-)	-	-
Net Book Value	65,933	112,859
Opening Balance	65,933	112,859
Acquired	95,385	116,792
Disposed (-)	76,370	166,760
Impairment (-)	1,546	(3,042)
Depreciation Value (-)	-	-
Period End Cost	83,402	65,933
Period End Accumulated Depreciation (-)	-	-
Closing Net Book Value	83,402	65,933

As of 30 September 2022, the Bank has no assets related to discontinued operations (31 December 2021: None).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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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 and Over	Acc. Deposits	Total
Saving Deposits	7,993,096	-	13,806,798	36,927,136	1,968,063	53,857	1,661,025	-	62,409,975
Foreign Currency Deposits	44,295,019	-	12,496,760	25,324,694	170,655	47,975	112,293	-	82,447,396
Residents in Turkey	42,221,693	-	12,030,551	24,289,633	156,728	44,225	105,533	-	78,848,363
Residents Abroad	2,073,326	-	466,209	1,035,061	13,927	3,750	6,760	-	3,599,033
Public Sector Deposits	909,974	-	372,885	690,434	-	-	-	-	1,973,293
Commercial Deposits	9,286,254	-	8,132,978	13,674,704	1,921,607	181	2,198,020	-	35,213,744
Other Institutions Deposits	562,370	-	98,976	2,865,347	88,021	31	412	-	3,615,157
Precious Metals Deposits	8,733,583	-	21,942	278,678	37,670	12,969	1,607	-	9,086,449
Bank Deposits	677,733	-	2,166,808	-	-	-	-	-	2,844,541
Central Bank of Turkey	501,534	-	-	-	-	-	-	-	501,534
Domestic Banks	12	-	-	-	-	-	-	-	12
Foreign Banks	176,187	-	2,166,808	-	-	-	-	-	2,342,995
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	72,458,029	-	37,097,147	79,760,993	4,186,016	115,013	3,973,357	-	197,590,555

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 30 September 2022, TL deposit amount includes TL 37,629,587 (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 and Over	Acc. 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
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	58,517,838	-	32,975,787	39,660,761	433,919	76,455	174,489	-	131,839,249

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	Under the Guarantee of Insurance (**)		Exceeding the Limit of Insurance (**)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	25,732,080	15,675,439	34,215,900	14,553,028
Foreign Currency Saving Deposits	12,076,396	10,609,693	35,368,113	27,744,894
Other Deposits in the Form of Saving Deposits	2,828,860	2,368,105	4,996,978	4,756,372
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	40,637,336	28,653,237	74,580,991	47,054,294

(*) Pursuant to the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by insurance amount to TL 4,655,953 and the relevant amount is not included in the Note.

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

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II. Explanations and Disclosures Related to the Liabilities (continued)

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

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

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

	Current Period	Prior Period
Foreign Branches’ Deposits and Other Accounts	1,147,851	956,353
Deposits of Controlling Shareholders and Their Close Families	4,224,928	2,749,556
Deposits of Chairman and Members of the Board of Directors and Their Close Families	96,410	81,965
Deposits Obtained Through Illegal Acts Defined in the 282 nd 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:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	323,341	141,436	1,360,622	19,529
Swap Transactions	2,900,656	141,565	2,503,569	104,698
Futures Transactions	-	-	-	124
Options	233,992	339,821	131,168	39,467
Other	-	-	-	-
Total	3,457,989	622,822	3,995,359	163,818

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	791,787	62,988	602,162	47,194
From Foreign Banks, Institutions and Funds	-	12,581,072	-	14,948,409
Total	791,787	12,644,060	602,162	14,995,603

As of 30 September 2022, the Bank has no borrowings from its related parties (31 December 2021: TL 6,057,725).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	700,252	1,597,786	427,665	6,718,722
Medium and Long-Term	91,535	11,046,274	174,497	8,276,881
Total	791,787	12,644,060	602,162	14,995,603

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II. Explanations and Disclosures Related to the Liabilities (continued)

3. Information on funds borrowed and debt securities issued: (continued)

c) Information on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	-	-	1,194,525	-
Treasury Bills	-	-	-	-
Total	-	-	1,194,525	-

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 16,152,152 (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 “Liabilities from Leasing” as a liability. As of 30 September 2022, the banks has leasing liability amounting to TL 624,488 (31 December 2021: TL 564,489).

6. Negative differences table of derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	72,948	-	326,410	4,201
Foreign Net Investment Hedge	-	-	-	-
Total	72,948	-	326,410	4,201

In case the fair value hedge accounting is terminated, any adjustment made to the book value of the hedged financial instrument determined by using the effective interest method within the scope of fair value hedge accounting is amortized through profit or loss until the maturity of the financial instrument.

According to cash flow hedges terminated by the Bank, accumulated valuation differences as of 30 September 2022 amounted TL 52,503 (31 December 2021: TL 60,244) are recorded under equity. These accumulated differences are transferred into income statement by considering maturity date of hedged items.

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	147,596	67,930
Stage 2	315,012	233,196
Stage 3	122,484	44,434
Total	585,092	345,560

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II. Explanations and Disclosures Related to the Liabilities (continued)

7. Information on provision: (continued)

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

As of 30 September 2022, TL 51,838 (31 December 2021: TL 15,377) unused vacation provision, TL 558,888 (31 December 2021: TL 483,683) employee termination benefit provision, TL 443,598 (31 December 2021: TL 249,805) bonus provision, TL 3,120 (31 December 2021: None) health expense provision and TL 1,887 (31 December 2021: None) other expense provision is presented under “Provision for Employee Rights” in financial statements.

- d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-Cash Loans	585,092	345,560
Provision for Legal Cases	113,940	79,842
Provision for Promotions of Credit Cards and Banking Services	9,246	17,562
Other	36,739	32,939
Total	745,017	475,903

8. Explanations on taxes payable:

- a) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	771,438	-
Taxation on Securities	64,037	48,920
Property Tax	3,428	2,875
Banking Insurance Transaction Tax	141,692	83,489
Foreign Exchange Transaction Tax	10,633	31,498
Value Added Tax Payable	6,982	16,497
Other (*)	59,522	30,362
Total	1,057,732	213,641

(*) Others include income taxes deducted from wages amounting to TL 50,575 (31 December 2021: TL 25,799) and stamp taxes payable amounting to TL 5,663 (31 December 2021: TL 2,061).

- b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	22,660	11,566
Social Security Premiums-Employer	25,072	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	1,899	977
Unemployment Insurance-Employer	3,191	1,629
Other	-	-
Total	52,822	26,770

- c) Explanations on deferred tax liabilities, if any: Bank has no deferred tax liabilities as of 30 September 2022 (31 December 2021: None).

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II. Explanations and Disclosures Related to the Liabilities (continued)

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 test 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	754,829	(250,434)	(21,997)	(177,639)
Foreign Exchange Difference	-	-	-	-
Total	754,829	(250,434)	(21,997)	(177,639)

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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	19,888,647	12,007,806
Used Guarantee Loan Allocation Commitments	10,698,847	7,173,859
Asset Purchase and Sale Commitments	9,651,503	11,251,216
Payment Commitments for Cheques	2,774,498	2,135,381
Time Deposit Purchase and Sale Commitments	228,983	-
Tax and Fund Liabilities from Export Commitments	101,798	51,363
Commitments for Promotions Related with Credit Cards and Banking Activities	2,819	5,797
Other Irrevocable Commitments	227,961	873,254
Total	43,575,056	33,498,676

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	13,989,525	10,343,834
Bank Acceptances	53,753	33,680
Other Commitments	6,349,038	5,663,908
Other Contingencies	1,856,146	1,396,766
Total	22,248,462	17,438,188

b.2) Certain guarantees, tentative guarantees, sureties and similar transactions:

	Current Period	Prior Period
Guarantee Letters	15,615,790	13,828,475
Advance Guarantee Letters	5,960,077	3,937,404
Guarantee Letters Given for Customs	943,035	662,089
Temporary Guarantee Letters	918,746	616,871
Other Guarantee Letters	3,063,420	2,050,686
Total	26,501,068	21,095,525

c) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	3,063,883	2,051,917
With Maturity of One Year or Less Than One Year	381,820	328,711
With Maturity of More Than One Year	2,682,063	1,723,206
Other Non-Cash Loans	45,685,647	36,481,796
Total	48,749,530	38,533,713

Third stage expected loss provision of TL 241,578 (31 December 2021: TL 240,978) has been set aside for non-cash loans amounting to TL 122,484 (31 December 2021: TL 44,434), which are not compensated and not cashed in off-balance sheet accounts. In addition, TL 147,596 (31 December 2021: TL 67,930) Stage 1, TL 315,012 (31 December 2021: TL 233,196) Stage 2 TFRS 9 expected loss provisions have been made.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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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
Interest Income on Loans (*)				
Short-Term Loans	8,443,122	628,383	3,737,027	180,369
Medium and Long-Term Loans	6,267,530	501,764	4,162,049	181,346
Interest on Loans Under Follow-Up	192,250	1,869	89,627	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	14,902,902	1,132,016	7,988,703	361,715

(*) Includes fees and commissions obtained from cash loans amounting to TL 379,593 (30 September 2021: TL 161,606).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	84	-	-
Domestic Banks	89,897	432	109,778	230
Foreign Banks	5,748	23,868	5,646	(1,091)
Branches and Head Office Abroad	-	-	-	-
Total	95,645	24,384	115,424	(861)

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	247,141	35,830	123,135	29,960
Financial Assets at Fair Value Through Other Comprehensive Income	1,051,773	114,259	486,306	65,053
Financial Assets Measured at Amortized Cost	6,015,854	308,376	1,423,435	79,601
Total	7,314,768	458,465	2,032,876	174,614

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 30 September 2022, the valuation of the said assets was made according to the annual inflation forecast of 80.00%. In case the CPI forecast increases or decreases by 5%, the profit for the period before tax as of 30 September 2022 will increase by approximately TL 390 million (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	73,121	43,939

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

IV. Explanations and Disclosures Related to the Statement of Income (continued)

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	90,104	1,294	42,478	754
Foreign Banks	-	716,730	-	382,744
Branches and Head Office Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	90,104	718,024	42,478	383,498

(*) Includes fees and commission expenses of cash loans amounting to TL 18,828 (30 September 2021: TL 24,030).

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest Expenses to Associates and Subsidiaries	5,649	1,487

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	200,253	-	341,435	-
Total	200,253	-	341,435	-

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

Account Name	Current Period		Time Deposit					Acc. Deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TL									
Bank Deposits	-	162,496	-	-	-	-	-	-	162,496
Saving Deposits	3	1,844,597	2,932,399	120,926	4,908	69,001	-	-	4,971,834
Public Sector Deposits	-	7,487	62,052	-	-	-	-	-	69,539
Commercial Deposits	-	983,200	1,493,795	291,103	124	121,048	-	-	2,889,270
Other Deposits	-	19,713	235,937	26,883	5	37	-	-	282,575
7 Days Call Accounts	-	-	-	-	-	-	-	-	-
Total	3	3,017,493	4,724,183	438,912	5,037	190,086	-	-	8,375,714
FC									
Foreign Currency Deposits	-	30,988	504,563	3,402	105	324	-	-	539,382
Bank Deposits	-	942	-	-	-	56	-	-	998
7 Days Call Accounts	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1,137	148	-	-	-	-	1,285
Total	-	31,930	505,700	3,550	105	380	-	-	541,665
Grand Total	3	3,049,423	5,229,883	442,462	5,142	190,466	-	-	8,917,379

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expenses (continued)

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

Prior Period Account Name	Time Deposit						Acc. Deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Bank Deposits	-	424,224	-	-	-	-	-	424,224
Saving Deposits	-	1,783,816	1,430,563	12,666	1,324	3,681	-	3,232,050
Public Sector Deposits	-	5,624	25,067	431	-	-	-	31,122
Commercial Deposits	-	586,146	805,940	23,699	1,039	2,473	-	1,419,297
Other Deposits	-	7,924	125,859	32,469	7	25	-	166,284
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	2,807,734	2,387,429	69,265	2,370	6,179	-	5,272,977
FC								
Foreign Currency Deposits	-	4,773	66,300	239	91	772	-	72,175
Bank Deposits	-	21	-	-	-	10	-	31
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	3	-	12	2	-	18
Total	-	4,795	66,303	239	103	784	-	72,224
Grand Total	-	2,812,529	2,453,732	69,504	2,473	6,963	-	5,345,201

3. Information on trading profit/loss:

	Current Period	Prior Period
Profit	140,586,969	45,358,091
Profit on Capital Market Operations	344,254	213,189
Profit on Derivative Financial Instruments ⁽¹⁾	30,603,593	12,212,329
Foreign Exchange Profit	109,639,122	32,932,573
Losses (-)	139,886,364	47,309,688
Losses on Capital Market Operations	440,946	143,476
Losses on Derivative Financial Instruments ⁽¹⁾	33,585,417	14,205,667
Foreign Exchange Losses	105,860,001	32,960,545

(1) Includes exchange rate fluctuations of hedging transactions net profit of TL 377,583 (30 September 2021: TL 502,291 profit), derivative financial instruments exchange rate changes in profit accounts amounting to TL 218,412 (30 September 2021: TL 155,494 loss) 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 for impairment of banks for loans and other receivables:

a) Provision for Expected Credit Losses and Other Provision Expenses:

	Current Period	Prior Period
Provisions for Expected Credit Losses	710,567	(235,757)
12-Month Expected Credit Losses (Stage 1)	355,307	(25,629)
Significant Increase in Credit Risk (Stage 2)	1,176	(244,719)
Credit-Impaired (Stage 3)	354,084	34,591
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 ⁽¹⁾	(101)	2,322
Total	710,466	(233,435)

⁽¹⁾ Includes provisions released amounting to TL 4,436 (30 September 2021: TL 4,428).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

IV. Explanations and Disclosures Related to the Statement of Income (continued)

6. Information on other operating expenses:

	Current Period	Prior Period
Provision for Employee Termination Benefits ⁽¹⁾	75,204	27,943
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	234,996	193,311
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	67,162	59,877
Impairment for Investments Accounted With Equity Method	-	-
Impairment Expenses of Assets to be Disposed	1,546	(2,604)
Depreciation Expenses of Assets to be Disposed	-	-
Impairment Expenses of Assets Held For Sale and Discontinued Operations	-	-
Other Operating Expenses	1,427,370	939,627
Leasing Expenses on TFRS 16 Exceptions	45,923	28,509
Maintenance Expenses	39,176	21,675
Advertisement Expenses	106,247	56,238
Other Expenses	1,236,024	833,205
Loss on Sales of Assets	3,618	4,903
Other ⁽²⁾	556,296	338,536
Total	2,366,192	1,561,593

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

⁽²⁾ Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 256,961 (30 September 2021: TL 162,054) and other taxes and fees paid-in the amount of TL 198,200 (30 September 2021: TL 151,437).

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

a) As of 30 September 2022, the current tax expense is TL 3,800,179 (30 September 2021: TL 286,380 expense). Deferred tax income is TL 1,208,230 (30 September 2021: TL 11,642 deferred tax income) and there is no current and deferred tax income/expense from discontinued operations (30 September 2021: None).

b) Net deferred tax income on temporary differences resulted from continued operations is TL 1,208,230 (30 September 2021: TL 11,642 net deferred tax income).

c) Reconciliation of tax provision:

	Current Period	Prior Period
Profit before tax	10,894,397	1,341,799
Additions	43,299	26,493
Non-allowable expenses	43,299	26,493
Deductions	(569,901)	(176,205)
Dividend income	(13,266)	(5,083)
Effect of different tax rate	(492,324)	(110,800)
Other	(64,311)	(60,322)
Taxable Profit/ (Loss)	10,367,795	1,192,087
Corporate tax rate	25%	25%
Tax Calculated	2,591,949	298,022
Prior year tax correction effect	-	-
Tax expense	2,591,949	298,022

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

IV. Explanations and Disclosures Related to the Statement of Income (continued)

8. The explanations on net profit 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 (30 September 2021: None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (30 September 2021: None).
- Profit/ loss attributable to minority interest: None (30 September 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
<u>Other fees and commissions received</u>		
Card fee and commissions	1,720,577	943,674
Insurance commissions	243,583	189,581
Transfer commissions	125,903	54,137
General limit revision commissions	107,336	60,212
Fund management commissions	76,520	37,173
Settlement expense provision, eft, swift, agency commissions	62,037	33,887
Early closing commissions	25,734	15,306
Other	188,971	165,492
Total	2,550,661	1,499,462
<u>Other fees and commissions paid</u>		
Credit cards commissions and fees	1,106,330	561,925
Commission and fees paid to correspondent banks	77,876	31,766
Settlement expense provision, eft, swift commissions	35,321	22,990
Other	138,657	105,352
Total	1,358,184	722,033

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 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 the Bank’s transactions with its risk group and outstanding loan and deposit balances as of the period-end, period income and expenses from the risk group:

Balance sheet items of previous periods are presented as of 31 December 2021 and income/expense items of previous periods are presented as of 30 September 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 Real and Legal Persons Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	366,942	1,436	188,387	389,230	1,717,546	129,424
Balance at End of Period	387,184	2,880	983,509	374,118	2,150,301	259,160
Interest and Commission Income	73,121	32	1,792	2,509	99,392	330

Direct and indirect shareholders of the Bank balance above include TL 983,509 and other entities included in the risk group balance above includes TL 790,202 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 Real and Legal Persons Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
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	43,939	25	2,779	2,416	40,446	220

Direct and indirect shareholders of the Bank balance above include 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 deposits of the risk group of the Bank:

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
Deposits						
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	79,041	256,276	7,286,254	4,577,873	2,808,587	1,263,224
Interest Expense on Deposits	5,649	1,487	151,397	347,147	143,194	61,309

c.2) Information on forward and option contracts and similar transactions with the Bank’s risk group:

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
Financial Assets at Fair Value Through Profit and Loss						
Beginning of Period	-	-	36,494,649	18,396,561	729,855	284,453
End of Period	-	-	46,401,722	36,494,649	457,721	729,855
Total Profit/Loss	-	-	(1,143,165)	(357,801)	(18,298)	(25,451)
Hedging Transactions						
Beginning of Period	-	-	9,575,676	10,139,721	-	-
End of Period	-	-	14,853,576	9,575,676	-	-
Total Profit/Loss	-	-	1,314,111	354,021	-	-

d) As of 30 September 2022, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 89,720 (30 September 2021: TL 52,926).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

VI. Explanations and Disclosures Related to Subsequent Events

As of 7 October 2022, Çiğdem Ünsal has been appointed as the Assistant General Manager responsible for the Human Resources Group.

The existing shares of TEB Finansman A.Ş. are 86% owned by BNP Paribas Personal Finance and 14% by TEB Holding A.Ş., in accordance with the agreement text signed with Türk Ekonomi Bankası A.Ş., dated 6 October 2022, All of TEB Finansman A.Ş.'s shares (100%), subject to the submission of applications/information to the relevant legal authorities and/or the completion of the necessary approvals, the validity of which is not limited to the BRSA, the Competition Authority and the ones listed, have been agreed to be taken over by Türk Ekonomi Bankası A.Ş. ("Planned Transaction").

Transaction that aforementioned above is within the scope of intra-group restructuring, and after the completion of the planned transaction, Türk Ekonomi Bankası A.Ş. will be the sole shareholder of TEB Finansman A.Ş.

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 3 November 2022 is presented preceding the financial statements.

II. Other Notes and Explanations Prepared by the Independent Auditors

None.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

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 started the third quarter with a slowdown. The ongoing war between Russia and Ukraine negatively affects the global energy and food sector while increasing risks to growth. In the third quarter, there was a decline in new orders, so the global trade volume contracted. The International Monetary Fund (“IMF”) kept its global growth expectation for 2022 at 3.2% in its report, lowering its growth expectation for 2023 from 2.9% to 2.7%. The IMF stated that the risks regarding 2023 were to the downside and pointed out that the supply-side problems caused by China put pressure on growth.

Annual inflation in the US hit 8.2% as of September, whereas core inflation reached 6.6%. Despite the rate hikes by the US Federal Reserve (“FED”), inflation is expected to remain high. In its September meeting, the FED increased the policy rate by 75 basis points to the range of 3%-3.25%. The Fed has raised interest rates by 300 basis points since the beginning of the year. As the 2023 interest rate expectation of the FED members is at the level of 4.6%, whereas the market expects the interest rate may increase to 5%. In its report, the IMF lowered the US growth expectation for 2022 from 2.3% to 1.6% and forecasted the 2023 growth as 1%.

Higher energy costs continue to affect inflation negatively in Europe. Eurozone headline inflation reached a record 9.9%, while core inflation remained high at 6%. The European Central Bank (“ECB”) increased interest rates for the first time in eleven years. The ECB increased the policy rate by 50 and 75 basis points in July and September, respectively. The ECB is likely to continue to raise interest rates to protect the value of the Euro, which has seen a record low against the dollar and to suppress inflation.

The Turkish economy grew by 7.5% in the first quarter and 7.6% in the second quarter of 2022. In the second quarter, domestic demand contributed 15.2 percentage points to the growth; net exports contributed 2.7 percentage points; inventories pulled down the growth by 10.3 percentage points. Leading indicators point to a slowdown in growth in the third quarter.

Inflation continued to rise in the third quarter due to the increases in fuel, natural gas, and electricity prices. At the end of September, consumer inflation rose to 83.45%, while domestic producer inflation stood at 151.5%. The Central Bank of the Republic of Turkey (“CBRT”) cut the policy rate to 10.5% by reducing the interest rate by 100 basis points in August 100 basis points in September, and 150 basis points in October, for 350 basis points.

According to the Ministry of Commerce, in the January-September period, exports increased by 17% compared to the same period of the previous year, as imports increased by 40.8%. The total foreign trade deficit in the first nine months was USD83.8bn. Most of the foreign trade deficit resulted from energy imports.

The balance of payments gave a deficit of USD39.7bn in the January-August period; the annual current account deficit rose to USD40.9bn. The ratio of the current account deficit to the national product was 5.1%. In the last 12 months, net gold imports were USD8.2bn, and net energy imports were USD73.9bn. Excluding gold and energy, there was a current account surplus of USD41.2bn.

The vulnerabilities of energy-importer countries have increased recently; the tightening monetary policies of developed central banks negatively affect developing countries. In its Global Economic Outlook report, the IMF increased Turkey's growth expectation for 2022 from 4% to 5%, lowering its 2023 growth expectation from 3.5% to 3%.

As one of the key 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 sincerely,
Dr. Akın 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 AS OF 30 SEPTEMBER 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 (continued)

CEO’S Message

As of 30 September 2022, TEB’s total assets amounted to TL 273.9 billion while its net profit weighed in at TL 8,302 million. Loans, the most important indicator of TEB’s support both for its customers and for the national economy, made up 54% of the bank’s total assets in the third quarter. Prioritizing risk management and asset quality as it always does, TEB’s total lendings reached TL 146.8 billion in Q3 2022 while the bank’s total deposits amounted to TL 197.6 billion in value. Continuing to register solid growth with a strong capital structure while sustainably maintaining its profitability during the first nine months of the year, TEB’s shareholders’ equity was TL 22.6 billion as of 30 September 2022 while the bank’s 17.63% capital adequacy ratio was well above the targeted 12% figure.

Taking into account both the needs of its customers and developments in the sector, TEB lost no momentum in the conduct of its ongoing mobile-prioritized digital-channel investments. The total number of TEB customers making use of the bank’s digital channels was up by 6% and exceeded 2.5 million as of Q3 2022.

TEB continued to support its customers through consumer loans with optional deferments, alternative repayment plans, and borrower-convenienced maturities. Customer use of digital channels that facilitate their access to consumer loans continues to increase according to Q3 2022 figures, 80% of the applications that TEB received for such loans were submitted through a digital channel. While the share of digital channels in personal general-purpose loans was 89%, the total volume of loans submitted through digital channels was also up by 13%. 72% of new deposit accounts were opened through a digital channel. Thanks to digital-channel customer-acquisition campaigns, twice as many new customers were taken on by the bank through video calls compared to the same period of the previous year.

Developing its digital banking channels so as to ensure that all transactions are carried out quickly and without interruption, TEB continues to address the needs and demands of its customers through its practical, solution-focused approach. Continuing to deliver service through the countrywide reach of its branch network, its CEPTETEB mobile app, and its online branch, TEB is also supplying customers with both branch and digital banking products and services through Turbo Pratik devices installed in branches located in more than fifty of the country’s provinces. In the third quarter of the year, TEB introduced the card issuance feature in Turbo Pratik devices. Thus, TEB customers will be able to quickly have a TEB or CEPTETEB debit card without waiting for courier-based card deliveries.

Focused on sustainable economic growth, TEB continues its efforts to strengthen the business-world presence of female business owners and entrepreneurs through its TEB Women’s Banking business line. Supporting female-owned businesses in addressing both financial and non-financial issues, the total volume of TEB cash lendings to such borrowers increased by about 28 percent compared to the data of the previous year.

In its efforts to support production and employment, providing small and medium-sized businesses with financing on terms and conditions that are most appropriate to such customers’ needs, TEB also supported its exporter customers with pre-shipment export credit and with Advantageous Foreign Trade Packages. Also supplying its SME customers with Credit Guarantee Fund (KGF)-backed loans, TEB has so far provided them with more than TL 2 billion worth of such financing through three separate agreements with the fund (Export Support Package, Investment Support Package, and Operating Expenses Support Package).

Through its Startup Business Banking business line, TEB not only supplies startups with financial and non-financial support but also stands by innovative and value-adding technology firms in line with its vision of being an important stakeholder during the firms’ early-growth stages. On 15 September the bank hosted a Demo Day event in İstanbul for TİM-TEB Startup House members, during which the startups met with potential private and corporate/institutional investors. TEB-supported startups from around the country along with sectoral stakeholders also took part in an Ecosystem Get-Together on 23 September that was held both to strengthen TİM-TEB Startup House startup ecosystem connections and to foster new linkups and business opportunities.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 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 (continued)

CEO’s Message (continued)

TEB Corporate&Corporate Investment Banking continued to support customers’ sustainability transformations by providing them with training awareness-raising services along with the financial resources they may need during the transformation process. TEB has successfully passed an independently-conducted external audit of its fulfillment of the sustainability targets set out for it under the sustainability-linked syndicated loan that the bank received last year. The total value of the cooperation agreement with the European Bank for Reconstruction and Development (EBRD) under that bank’s Trade Support Program has been increased to USD 100 million. Under this agreement, TEB negotiates green foreign trade transactions that enable it to diversify its foreign trade finance operations, raise existing limits, and offer its exporter/importer customers longer maturities.

In recognition of its innovative cash-management products and services, in 2022 TEB was designated “Year’s Best Cash Management Bank In Turkey” for the ninth year in a row in the series of Asian Banking and Finance Wholesale Banking awards handed out by a jury of independent auditing firms to financial institutions operating in Asian markets.

Kind Regards,

Ümit Leblebici

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

B. Share Capital and Shareholding Structure

As of 30 September 2022;

Name- Title of Shareholders	TL 2,204,390,000.00 Paid-in 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%
Grand Total	2,204,390.000	100.00%

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	Deputy Chairman of the Board of Directors
Nicolas de Baudinet de Courcelles	Member of the Board of Directors and Chairman of the Audit Committee
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, Member of the Audit Committee
Metin Toğay	Member of the Board of Directors
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of the Audit Committee
Ümit Leblebici	Chief Executive Officer and the Executive Member

Information on Participation of Board Members and Committee Members into Respective Meetings

As of 30 September 2022, the Board of Directors have accepted 164 resolutions and Audit Committee 41 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	General Manager and Member of the Board of Directors
Gökhan Mendi	Senior Assistant General Manager, Retail and Private Banking
Ali İhsan Arıdaşır	Assistant General Manager Responsible for 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 Group
Osman Durmuş	Assistant General Manager Responsible for Retail and Business Loans
Orhan Hatipoğlu	Assistant General Manager, Banking Operations and Support Services
Bade Sipahioğlu Işık (*)	Assistant General Manager, Human Resources
Dr. Tuğrul Özbakan	Assistant General Manager, Treasury & ALM
Akil Özçay	Assistant General Manager, Financial Markets
Gökhan Özdil	Assistant General Manager, Corporate Loans
Ömer Abidin Yenidoğan	Assistant General Manager, Corporate and Corporate Investment Banking Group
Nimet Elif Kocaayan	Chief Risk Officer
Hakan Tıraşın	Head of Internal Audit
Biröl Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer

(*) Bade Sipahioğlu Işık, Assistant General Manager responsible for the Human Resources Group, resigned from her position effective from 30 September 2022.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

D. Significant Events and Transactions in the Current Period

Amendments to Main Contract in 1 January – 30 September 2022:

There have been no changes to the main contract during the period of 1 January – 30 September 2022.

Significant Events and Transaction in the Current Period:

Past due receivables amounting to TL 227,284 for which TL 222,965 of provision had been allocated, is sold for TL 50,107 during 2022 and after all sales procedures were completed, these past due receivables have been written off from the portfolio.

Summary of Financial Information:

(million TL)	30 September 2022 Unconsolidated Financial Statements	31 December 2021 Unconsolidated Financial Statements
Loans, Net	142,618	103,783
Loans	143,939	104,498
Non-Performing Loans	2,892	3,325
Provision for Expected Loses	(4,213)	(4,040)
Total Assets	273,854	194,057
Deposits	197,591	131,839
Shareholder’s Equity	22,627	13,618
Net Profit (Prior Period 30 September 2021)	8,302	1,044

Summary of Financial Ratios:

	30 September 2022 Unconsolidated Financial Statements	31 December 2021 Unconsolidated Financial Statements
Loans / Total Assets	52.08%	53.48%
Deposits / Total Assets	72.15%	67.94%
Return on Equity (Prior Period 30 September 2021)	62.54%	11.98%
NPL Ratio	1.97%	3.08%
Capital Adequacy Ratio	17.63%	18.05%
Coverage Ratio	69.40%	67.94%

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AS OF 30 SEPTEMBER 2022

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

E. 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 30 September 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	B3
Short-term FC Bank Deposits	NP
Long-Term LC Bank Deposits	B1
Short-term LC Bank Deposits	NP
Outlook	Stable

Fitch Ratings:

Foreign Currency Commitments

Long-Term	B-
Short-Term	B
Outlook	Negative

Turkish Lira Commitments

Long-Term	B
Short-Term	B
Outlook	Negative
National	AA (tur)
Outlook	Stable
Financial Capacity	b-
Shareholder Support 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 252,801 with 153 items to the several agencies and institutions during the period of 1 January 2022 – 30 September 2022.