



**TEB**

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## **SECTION 1 - PRESENTATION**

### **AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON 26 MARCH 2020**

- 1- Opening and formation of the Presidential Board,
- 2- Granting authorization to the Presidential Board for signing the meeting minutes,
- 3- Reading, discussion and approval of the Board of Directors' Activity Report for the year 2019,
- 4- Reading, discussion and approval of the 2019 financial statements,
- 5- Release of the Board Members from their transactions in 2019,
- 6- Discussion and approval of the Board of Director's proposal on the dividend distribution or passing resolution on approval of the amended version or disapproval of the same,
- 7- Reading of the annual audit report prepared by the Independent Audit Firm, and passing resolution on the appointment of the Independent Audit Firm and the Group auditor proposed by the Board of Directors for the independent audit of our Bank for the year 2020,
- 8- Determination of number and term of office of the Board Members and election of the same,
- 9- Determination of benefit such as fees and remunerations to be paid to the Board of Directors,
- 10- Authorize the Board of Directors for a period of fifteen months in order to issue capital market instruments having the nature of a debt instrument,
- 11- Passing resolution on granting authorization to the members of the Board of Directors to carry out the commercial transactions set forth in Articles 395 - 396 of the Turkish Commercial Code.

### **TÜRK EKONOMİ BANKASI A.Ş.**

#### **BOARD OF DIRECTORS**

**Yavuz CANEVİ**

Chairman of the Board of Directors

**Dr. Akın AKBAYGİL**

Deputy Chairman of the Board of Directors



**TEB**  
**BNP PARIBAS JOINT VENTURE**

TÜRK EKONOMİ BANKASI A.Ş.  
Head Office  
TEB Kampüs C ve D Blok Saray Mah.  
Sokullu Cad. No: 7A - 7B Ümraniye 34768 İSTANBUL  
Phone : +90 (216) 635 35 35  
Fax : +90 (216) 636 36 36  
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Trade Registry Number: 189356  
www.teb.com.tr

**STATEMENT OF RESPONSIBILITY FOR ANNUAL REPORT 2019 OF  
TÜRK EKONOMİ BANKASI A.Ş.**

We have reviewed the annual report of Türk Ekonomi Bank A.Ş. prepared for the period 01.01.2019 - 31.12.2019 in accordance with the Capital Markets Board of Turkey Communiqué (no. II-14.1) on Principles of Financial Reporting in Capital Markets and the Regulation on Principles and Procedures Concerning the Preparation and Publishing of Annual Report by Banks published by the Banking Regulation and Supervision Agency (BRSA), and we hereby represent that, within the frame of our duty and responsibility at the Bank and to the best of our knowledge, the year-end Annual Report:

»Does not contain any misrepresentations about material events, nor does it omit any information which might be misleading as of the date of the relevant declaration,

»Presents a true and fair view of the progress and performance of the business, and the Bank's financial condition, as well as major risks and volatilities facing the Bank.

**Yavuz CANEVİ**  
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 Deputy  
Chairman of the Audit  
Committee

**Ümit LEBLEBİCİ**  
Chief Executive Officer

**M. Aşkın DOLAŞTIR**  
Assistant General Manager  
Responsible of Financial  
Reporting

**Gökhan KAZCILAR**  
Director  
Responsible of Financial  
Reporting

## GENERAL INFORMATION

<b>Reporting Period:</b>	01.01.2019-31.12.2019
<b>Title of the Bank:</b>	Türk Ekonomi Bankası A.Ş.
<b>Headquarters:</b>	TEB Kampüs C ve D Blok Saray Mah. Sokullu Cad. No: 7A-7B Ümraniye 34768 İstanbul, Turkey
<b>Telephone:</b>	+90 216 635 35 35
<b>Fax:</b>	+90 216 636 36 36
<b>Web site:</b>	<a href="http://www.teb.com.tr">www.teb.com.tr</a>
<b>E-mail:</b>	<a href="mailto:yatirimciiliskileri@teb.com.tr">yatirimciiliskileri@teb.com.tr</a>
<b>Trade Registration Number:</b>	189356
<b>Central Registry Number (Mersis):</b>	0876004342000105

## SHAREHOLDING STRUCTURE OF TÜRK EKONOMİ BANKASI A.Ş. ("TEB")

The distribution of the Bank's TL 2,204,390,000 paid-in capital as of 31 December 2019

Shareholder's Name/Title	Within TL 2,204,390,000.00 Capital;	
	Amount	Share
TEB HOLDİNG A.Ş.	1,212,414,500.002	55.0000%
BNPP YATIRIMLAR HOLDİNG A.Ş.	518,342,498.520	23.5141%
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	467,879,148.835	21.2249%
BNP PARIBAS SA	5,253,352.000	0.2383%
KOCAELİ TİCARET ODASI (KOCAELİ CHAMBER OF COMMERCE)	500,500.643	0.0227%
<b>TOTAL</b>	<b>2,204,390,000.000</b>	<b>100.00%</b>

There have been no changes in the ownership or capital structure in 2019.

### Information on the Bank's Qualified Shareholders

Shareholder's Name/Title	Within TL 2,204,390,000.00 Capital;	
	Amount	Share
TEB HOLDİNG A.Ş.	1,212,414,500.002	55.0000%
BNPP YATIRIMLAR HOLDİNG A.Ş.	518,342,498.520	23.5141%
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	467,879,148.835	21.2249%

(\*) The table names the direct shareholders.

TEB Holding A.Ş. is a member of the Çolakoğlu Group and BNP Paribas Group of Companies. A total of 50% of the shares in TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş., while the other 50% of the shares are controlled by the Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA, which holds 100% of the shares in BNP Paribas Fortis Yatırımlar Holding A.Ş. On the other hand, BNP Paribas S.A. controls BNPP Yatırımlar Holding A.Ş. by 100% of the shares.

### Explanations Regarding the Shares Owned by the Bank's Chairman and Board Members, General Manager and Assistant General Managers

There are no Bank shares owned by the Bank's Chairman and Board Members, General Manager or Assistant General Managers.

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

There were no amendments to the articles of association in 2019.

## SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE ACTIVITY YEAR

A bond with a nominal value of TL 992,405,312, a maturity date of January 17, 2020 and maturity of 49 days with the ISIN code TRFTEBK32016 was issued.

A bond with an 87 days maturity, an ISIN code of TRFTEBK12026 and a nominal value of TL 103,313,150, issued on October 22, 2019, matured on January 17, 2020 and has been redeemed.

A bond with a nominal value of TL 339,313,428, with a maturity of 91 days, an ISIN code of TRFTEBK12018 which was issued through the book building method on 15 - 16 October 2019, matured on January 17, 2020 and has been redeemed.

A bond with a nominal value of TL 603,941,693, with a maturity of 63 days, an ISIN code of TRFTEBK12042 which was issued through the book building method on 11 - 13 November 2019, matured on January 17, 2020 and has been redeemed.

A bond with a nominal value of TL 658,349,527, with a maturity of 63 days, an ISIN code of TRFTEBK12067 which was issued on 26 November 2019, matured on January 28, 2020 and has been redeemed.

A bond with a nominal value of TL 664,985,616, with a maturity of 85 days and an ISIN code TRFTEBK42015, was issued on January 28, 2020.

A bond with a nominal value of TL 266,820,821, with a maturity of 90 days and an ISIN code TRFTEBK42023, was issued on January 30, 2020.

A bond with a nominal value of TL 224,671,841, with a maturity of 70 days and an ISIN code of TRFTEBK12059 and which was issued on 21 November 2019, matured on January 30, 2020 and has been redeemed.

A bond with a nominal value of TL 493,363,252, with a maturity of 56 days and an ISIN code of TRFTEBK32024, was issued on January 31, 2020.

A bond with a nominal value of TL 366,820,186, with a maturity of 91 days, and an ISIN code of TRFTEBK12034 which was issued through the book building method on 28-31 October 2019, matured on January 31, 2020 and has been redeemed.

A bond with a nominal value of TL 60,880,931, with a maturity of 91 days with an ISIN code TRFTEBK52014, was issued on February 3, 2020.

A bond with a nominal value of TL 37,074,877, with a maturity of 86 days with an ISIN code TRFTEBK42031 was issued on February 4, 2020.

A bond with a nominal value of TL 59,613,268, with a maturity of 98 days, and an ISIN code of TRFTEBK22017 which was issued on 01 November 2019, matured on February 7, 2020 and redeemed.

A bond with a nominal value of TL 252,000,000, with a maturity of 69 days, and an ISIN code of TRFTEBK42056 was issued on February 12, 2020.

A bond with a nominal value of TL 243,726,772, with a maturity of 56 days, and an ISIN code of TRFTEBK42049 was issued on February 14, 2020.

A bond with a nominal value of TL 268,513,555, with a maturity of 90 days, and an ISIN code TRFTEBK52022 was issued on February 14, 2020.

A bond with a nominal value of TL 80,120,000, with a maturity of 70 days, and an ISIN code TRFTEBK42064 was issued on February 14, 2020.

A bond with a nominal value of TL 133,677,102, with a maturity of 70 days, and an ISIN code TRFTEBK42080 was issued on February 19, 2020.

A bond with a nominal value of TL 244,958,617, with a maturity of 56 days and an ISIN code of TRFTEBK42072 was issued on February 21, 2020.

## TEB: PAST AND PRESENT

Starting out as Kocaeli Halk Bankası T.A.Ş. in 1927, a small local bank based in İzmit, TEB was acquired by the Çolakoğlu Group in 1982. The same year its name was changed to “Türk Ekonomi Bankası A.Ş.” and its headquarters were relocated to İstanbul.

Having focused its attentions on the foreign trade finance and investment banking business lines in the 1980s, TEB undertook an initial public offering in February 2000 after which its shares began trading on the İstanbul Stock Exchange’s national market and was simultaneously quoted on the London Stock Exchange’s depository receipt market.

On 10 February 2005, TEB entered into a partnership agreement with BNP Paribas, a leading Europe-based international financial services group whose members had operations in 72 countries as of end-2018. By joining forces with the BNP Paribas Group, one of the most respected names in international markets, TEB further expanded the scope of its global vision.

In 2009 the BNP Paribas Group acquired majority stakes in Fortis Bank Belgium and Fortis Bank Luxembourg, as a result of which purchases the group also became the biggest shareholder in Fortis Bank’s Turkish subsidiary. Subsequently the BNP Paribas Group, which now indirectly controlled a majority stake in TEB and the Çolakoğlu Group reached an agreement under which it was decided to merge Fortis Bank Turkey into TEB. This merger formally took place on 14 February 2011. As a result of this merger, TEB Holding now controls a majority (55%) stake in TEB while the Çolakoğlu Group and BNP Paribas each control an equal (50%) stake in TEB Holding.

At a time when TEB’s publicly-traded shares were listed on Borsa İstanbul National Market, on 14

November 2014, BNP Paribas Fortis Yatırımlar Holding A.Ş., acting on behalf of shareholders controlling a sufficient majority in TEB, applied to exercise their squeeze-out rights as provided for under current capital market regulations. With the completion of the delisting process on 25 June 2015, the shares in TEB A.Ş. were delisted from the stock exchange and TEB A.Ş. was excluded from the scope of Capital Market Law as a share issuer. Following an application from TEB, which is listed on the London Stock Exchange, depository receipts were also closed to processing and delisted as of 31 March 2015. Furthermore, the depository receipt program was terminated on 6 June 2015.

Benefitting from the worldwide organization and expertise of the BNP Paribas Group, TEB provides its customers with a complete array of corporate, small-business, treasury, capital market, retail and private banking financial products and services as well as an extensive line-up of investment, leasing, factoring, insurance and portfolio management products and services through its subsidiaries and group companies.

As of year-end 2019 TEB was at the service of 6,4 million customers with,

- 8,954 employees,
- 471 branches,
- 1,728 ATMs,
- on online branch at [www.teb.com.tr](http://www.teb.com.tr),
- a call center on 0850 200 0 666.

TEB gives its customers access to BNP Paribas’ global vision and operational capabilities. A synergetic collaboration with BNP Paribas also makes it possible for the Bank to keep a close and constant watch on developments taking place in global markets as they unfold.

## MESSAGE FROM THE CHAIRMAN

Esteemed stakeholders,

**One of the most important developments of 2019 in the global economy was the expansionary monetary policy practices implemented by the central banks.**

In the first half of the year, with the prevailing tendency in US-China trade policies, increasing tariffs caused a delay in investment decisions on a global scale and a significant loss of momentum in the manufacturing industry. In addition, the negative developments in Britain's process of leaving the EU raised expectations that the existing foreign trade agreements would have to be drawn up from scratch, leading to significant volatility in the currencies of developed countries, especially in Sterling. This situation adversely affected the economies of developed countries.

The US and European central banks, which influence economic activity on a global scale, were unable to remain on the sidelines in this situation and in the second half of the year, when the global monetary expansion process resumed again, these central banks rolled out interest rate cuts and asset purchase programs. The US Federal Reserve (FED) reduced interest rates by a total of 75 basis points with 25 basis point cuts in July, September and October. The Fed, which cut its policy rate to a range of 1.5-1.75%, ended its process of balance sheet reduction and started buying monthly assets. The US Treasury's borrowing program and more stringent banking regulations led to a liquidity squeeze in the US banking system, paving the way for the relaxation in the FED's tight policy stance.

Following a similar path, the European Central Bank (ECB) cut its policy interest rate by 10 basis points, while embarking on a monthly bond-buying programme of EUR 20 billion.

The positive impact of ECB and FED policies on economic activity was evident towards the end of the year, with leading indicators offering positive signs for 2020. In its October 2019 World Economic Outlook report, the International Monetary Fund (IMF) projected that the global economy would grow by 2.9% in 2019 and by 3.3% in 2020.

Due to the expectation that economic growth would enter a revival process, members of the FED stated that they would not change interest rates in 2020. Looking at fund flows, some exit from global bond markets was evident in the last quarter of 2019, with a flow of funds into equities with a growth-oriented expectation being observed.

**Developing country markets positively affected by global liquidity conditions.**

In 2019, the expansionary policies of central banks in developed countries, especially the USA, China and the EU, triggered central banks of developing countries into cutting interest rates. The currencies of developed countries gained value against the US dollar, there were significant falls in inflation, with the economic recession brought to a swift end on the back of increasing fund flows.

According to figures released by the Institute of International Finance (IIF), as a result of the expansionary monetary policy implemented by developed countries, portfolio investments into developing countries increased significantly in 2019.

These developments have supported the growth prospects for developing countries, including Turkey, in 2020. In addition, the recovery in the US economy is expected to put pressure on developed country currencies.

**The Turkish economy returned to growth path in the first quarter of the year.**

The developments which took place in August 2018 and the depreciation of the Turkish Lira led to a slowdown in economic activity. However, in the following period, public-backed loan programs, incentives and declining interest rates stimulated a recovery and in the first quarter of 2019, the Turkish economy grew by 1.69% compared to the previous quarter, and in the following quarters it posted growth of 0.99% and 0.43%. When compared to 2018, the annual rate of growth edged into positive territory in the third quarter of 2019, with a growth rate of 0.9%.

Overall, a strong export performance coming on the back of a competitive exchange rate, and the contraction in import volumes contributed positively to growth. As a result of the momentum in credit growth, household consumption

expenditures increased and the slowdown in investment levelled out during the year.

Stable exchange rates, declining inflation and interest rate cuts by the CBRT have all supported the stabilization process in the economy in accordance with the government's "New Economic Programme". The annual inflation rate, having stood at 20% in January, fell to 11.8% at the end of the year. Observing this positive course, the CBRT slashed its policy interest rate from 24% to 12%, and had reduced the benchmark interest rate by 1,200 basis points as of July. Depending on the course of inflation, the CBRT is expected to continue cutting interest rates in 2020.

In 2020, the monetary and interest rate policies of the central banks of the developed countries and the global liquidity conditions will determine the direction of the financial markets of Turkey and its macroeconomic outlook. Provided the favourable conditions continue, the growth momentum and, simultaneously, the low inflation in the Turkish economy is expected to continue.

#### **The Turkish banking sector has weighed on loan growth in 2019.**

Although the negative impact of the deterioration in company balance sheets, due to the exchange rate shock in 2018, was reflected to banks' balance sheets in 2019, the rapid pace of credit growth and strong capital adequacy helped protect the health of the banking sector.

Although there was an increase in the ratio of non-performing loans from 3.87% at the beginning of the year to 5.36% as of December 2019 as a result of the difficulties some companies burdened by high foreign currency debt in the real sector experienced in redeeming their debt, the restructuring process helped to limit this rise. In addition, the measures taken by the BRSA facilitated the provision of funds to the increased loan volume in the bank balance sheets.

While the banking sector recorded 14% credit growth in TL terms in 2019, the CBRT's move to link required reserve ratios with loan growth had a significant effect on loan growth. The significant cuts in interest rates by the CBRT helped reduce credit costs. Credit trend indicators point to continued growth.

In our opinion, the balancing process undertaken in the Turkish economy in 2019 will give way to a growth process in 2020. The Turkish economy will continue to cement its place in the global arena with new success stories. In this process, it will be crucial that risk appetite continues in the global markets and inflation in Turkey remains in single digits. In this second part of my message, I would like to share my predictions about 2020 as well as my opinions about the performance TEB recorded in 2019, our synergistic and strong business partnership with BNP Paribas, and developments in our subsidiary portfolio.

#### **TEB rounded off 2019 with a healthy and sustainable performance.**

In 2019, TEB continued to be the solution partner of its customers with its wide array of financial products, services and solutions. Throughout the year, our Bank continued to transfer resources, mediate exports, support the venture world and, in short, produce added value for its stakeholders, for the participants of the real sector, for those who contribute to the Turkish economy and for the sustainable future.

TEB completed the year 2019 with an asset volume of approximately TL 107,4 billion and a loan volume of TL 69,2 billion.

TEB has a widespread customer base, which encompasses SMEs, entrepreneurs and individuals. It brings me great pleasure to note that our Bank continued to be one of the primary preferences of households and companies which make up this large customer base in 2019, and continued to work on many strategic projects aimed at differentiating and simplifying the customer experience.

2019 was also a successful year for our affiliates. While healthy results were obtained in terms of the number of customers served and transaction volumes, tangible contributions were made to shareholder value.

TEB, one of the most respected and well-established brands in Turkish banking sector, continues its activities decisively in line with the vision and strategy of the BNP Paribas Group, which it is a member of, increasing its contribution to the Turkish economy and further strengthening its position in the market. With the acceleration it has built in its focus on innovation and digitisation, our Bank has set out the roadmap for the growth it will achieve in 2020 and beyond, and has proven

the soundness of its business model with the performance results it has achieved.

**Innovation is an indispensable field for TEB.**

Our efforts in innovation continued in 2019 in many areas. These efforts continued to be reflected to our business lines, especially in digital banking, and continued to contribute to our efficiency and performance.

While CEPTETEB is running to new heights in terms of the number of users, functions and transaction volumes, a key innovation of 2019 was the launching of CEPTETEB İŞTE, the only platform in the sector to have been developed exclusively for commercial customers. This new product has achieved success in a short space of time, ranking 1<sup>st</sup> in the IFS Rising Up Days event held by BNP where over 40 projects competed. While our new success has made us proud, it has once again revealed TEB's strength and focus in innovation.

TEB continues to offer its Digital Financial Literacy Program, which it launched in 2018. TEB teams, which have reached more than 250.000 people through on-line training and which have taken its lead in financial literacy one step further, have met 6.500 young people in more than 20 universities. Our belief is that these and similar studies will contribute to the development of economically strong individuals who are dominant in financial technologies, have a tendency to save, and manage their resources effectively.

In our industry, where competition is increasing with each passing day and the rules of the game are constantly being rewritten, innovation and digitalization are integrated as part of wider mega trends and market determinants are transient in many places. Digitalization, which is closely related to banking and is an indispensable part of our modern service delivery formats, will not only change the rules of the game but will continue to be one of the main determinants of our customers' preferences.

TEB will continue to take part in this race as a bank that is strong, dynamic and equipped with the necessary capital elements. While our culture of innovation guides us, our employees will, as always, remain our most valuable asset on this journey.

**Another area where has TEB is ambitious is in the entrepreneurial universe.**

Contributing to the economy by supporting entrepreneurs stands at the heart of TEB's mission. In this regard, we deem the structuring efforts we carry out in the entrepreneurship universe and our close cooperation with startups which offer the potential to develop to be of strategic importance and value. We maintained our support for Fintechs and startups in 2019.

TEB strives to bring innovative business ideas to the economy with an inclusive and supportive approach through the Venture Banking structure. Our TEB Enterprise House project, which we launched in 2013, remains the most wide-reaching and comprehensive entrepreneurial initiative operating in this field in our country, offering 14 different programs.

TEB bases its support for entrepreneurs on a holistic approach. The TEB Private Angel Investment Platform, which brings angel investors together with entrepreneurs, the unique and strong support offered to women entrepreneurs and the cooperation with Ashoka, the world's first and largest social entrepreneur network, are examples of some of our work in this field.

**TEB is focused on maintaining its contribution to the Turkish economy and generating value for all.**

TEB continues to deploy the experience and knowledge it has built in the Turkish market in cooperation with the global network of its partner, BNP Paribas Group.

We are committed to using this global synergy to respond to the modern banking product and service demands of our large customer base which we provide services to in Turkey, and to play an active role in building the economic future.

We are moving forward into the new age while preserving our belief that the fundamental reason for financial institutions' being is to build the future. In this progress, our professional management team, competent human resources, cooperation network with our stakeholders and strong financial structure will continue to offer us the energy we need.

Before I wrap up my message, I would like to present TEB's 2019 activity results and financial statements for our esteemed stakeholders' review.

I would like to thank the TEB Management Team who contributed to the Bank's performance in 2019, and to all of our employees for their devoted work, and on behalf of myself and our Board of Directors, I would like to express my gratitude to our shareholders for their valuable and unwavering support.

I express my wish that 2020 will be a successful and productive year for our country, our Bank and all of our stakeholders.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yavuz Canevi', with a stylized flourish at the end.

**YAVUZ CANEVI**

**Chairman of the Board of Directors**

## CEO'S ASSESSMENT

### **Esteemed shareholders, customers, business partners, and colleagues,**

When we look in general, we see 2019 as a year when many uncertainties were lifted, the basic balances started to settle down and growth resumed again. We believe our country has managed this process well. A good level of coordination and cooperation between the private, public and banking sectors has been achieved. The Turkish banking sector successfully rounded off what we consider to be a year of "balancing". While banks renewed their syndications, they strengthened their liquidity and thus contributed significantly to the preparation of the infrastructure that will finance Turkey's growth in 2020.

TEB maintained its share in SME Banking at a certain balance in 2019 while it has moved more aggressively in Retail and Corporate Banking with the power of technology. Our goal is to maintain this momentum we have gained by maintaining this balancing in 2020.

We have played our part to create value for our customers, shareholders and all other stakeholders while contributing to financial growth to support the recovery of the country's economy throughout the year. We have maintained our work which has a positive impact on society such as the consultancy support we provide to SMEs and entrepreneurs, the networking opportunities we offer to female managers and the financial literacy training we provide to different segments of society.

### **We continue to support the economy**

As of December 31, 2019, the total assets of Turkish Economy Bank had increased by 11% throughout the year to reach TL 107,4 billion. Our net profit stood at TL 1,1 billion. Loans, the most important indicator of our support for the economy and to our customers, accounted for 65% of our total assets.

As always, we prioritized risk management and asset quality. While our total loans were realized as TL 69,2 billion in 2019, our total deposits increased by 12% and reached TL 72,2 billion. While our shareholders' equity reached TL 9,7 billion, our bank's capital adequacy ratio was 16.95%, well above the target ratio of 12%.

### **We contributed to the economy with a syndication loan**

As we had targeted, TEB signed a new syndication loan for USD 400 million in October 2019. This loan was provided with the participation of 22 leading banks from the USA, Canada, the EU, the Middle East and Asian countries. The loan, provided with a maturity of 367 days, and an amount of EUR 306 million and USD 61,5 million, is planned to be mainly used in export financing. This syndication loan, which is aimed at contributing to the Turkish economy, is also considered to be an indication of the confidence of international investors in our bank, the Turkish banking sector and the Turkish economy.

### **Moving to the future with work on digitalization**

We anticipate that the technological transformation and digitalization will shape the economy and competition in the real sector in the future. TEB is focused on digitalization, a field that requires innovation, creativity and, above all, action, in its business processes as well as in the products and services it offers. Our digital banking platform, CEPTETEB, is at the heart of our investments in this field.

Our mobile application, CEPTETEB İŞTE, which provides fast and easy financial transactions for our SME, Corporate and Business customers, was launched in the last quarter of 2019. With CEPTETEB İŞTE, our SME, Corporate and Business customers can easily perform day-to-day banking, cash management and investment transactions through digital channels without having to visit the branch office.

### **TEB SME Banking new service model**

In 2019, TEB restructured its SME Banking service model to suit the changing and diversified needs of customers. Within the scope of our segmentation efforts, in which we aim to provide the right level of service to the right segment, our TEB SME Banking service aims to offer a wide range of boutique products ranging from foreign trade, project financing and derivative products to supplier financing, for companies seeking specialized services. The digital service model has been re-established with the aim of enabling small-scale companies to perform daily banking services more rapidly and to include automated credit processes. As such, we aim to both increase the number of TEB SME Banking customers and also increase customer satisfaction.

### **TEB Women's Banking success goes beyond Turkey's borders**

As a bank that promotes efforts to strengthen the presence of women in business and contribute to their greater involvement in the economy, TEB Women's Banking continued to stand alongside women bosses throughout the year. In addition to our versatile financing support, special training, mentoring and consultancy services were provided to women bosses.

In 2019, TEB provided EUR 50 million in funding through the "Financing and Consulting Support for Women Enterprises" program, implemented by the European Union, the European Bank for Reconstruction and Development (EBRD), the Ministry of Labour and Social Security and the Turkish Employment Agency to support enterprises owned or managed by women and to promote women entrepreneurs.

With our efforts, significant successes have been achieved not only throughout the country but also in the international arena. The financial and non-financial services which we offer under TEB Women's Banking were nominated in the "Environmental and Social Innovation" category by the EBRD in 2019. As a result of the competition, TEB Women's Banking, which represents our country internationally, has been involved in 52 different projects worldwide and received the "Golden Award", giving us great pride as a team.

### **We focus on technology companies with Venture Banking**

TEB undertook a great deal of work in 2019 to contribute to the development of the entrepreneurial ecosystem in Turkey. In our efforts to reach entrepreneurs throughout the country and bring their innovative business ideas to the economy, we especially benefit from developing technologies and the contribution of these technologies to the banking sector. With the developing technologies, the number of technology companies working in this field in our country as well as all over the world is rapidly increasing, with TEB providing the support that technology companies need to grow in this area, which offers tremendous growth potential in our country. The Bank has developed a loan program for the portfolio of technology companies by developing products, services and applications specific to technology companies. Our difference in this field is that we offer resources which will represent lifeline support.

### **We carry the financial sector to the future with Turkish Fintechs**

We consider Fintechs, which are key players in the digital transformation of the financial sector, as our medium and long-term business partners. In 2019, TEB was once again one of the key players shaping the future of the financial sector and directing the transformation together with Fintechs. We work with Fintechs in particular on digital transformation projects which require high software competence and in the development of new financial products and services that demand creativity. TEB is focused on providing applications, products and services which will provide customers with a better experience with Fintech partners through the API program it launched. Studies on remote customer acquisition, digital signature, video banking and personalized products and services are being carried out, and TEB's start up business partners are participating as stakeholders in a significant number of these transformation projects.

### **Spreading Financial literacy with TEB**

Public and free financial literacy training continued in 2019 under the roof of the TEB Family Academy, where we aim to contribute to the development of financial literacy awareness while promoting savings habits throughout the society. While taking our leadership in financial literacy one step further, "Digital Financial Literacy" training was provided to university students, in line with the interest of the new generation in financial technologies and the requirements of the age.

With the aim of ensuring all age groups are financially literate throughout society, financial literacy training has been provided to approximately 19 million individuals, both through in-class financial literacy training programs and through digital financial literacy training provided in universities. In 2019, digital financial literacy education was offered to more than 6,500 students at 30 universities, while the number of individuals receiving in-class education alone rose to over 10,000.

### **2020 to be the year of growth**

Our country is able to overcome economic volatility by deploying its structural advantages, especially its strong banking sector, robust dynamic economy and demographic characteristics. While protecting the weight of young people in the population provides an important economic motivation, it helps maintain a strong consumption trend in all market conditions. When we consider all of all these things

together, we expect stronger growth in Turkey in 2020.

As the Turkish economy enters a period of growth in the new year, TEB will stand at the heart of this process and continue to strongly support the real economy. We have determined our 2020 strategy to be the 'Most Practical Bank' that facilitates the lives of our customers with all our digital investments.

Focusing on efficiency, value creation and excellence in the customer experience, we will work hard to achieve all of our goals, especially in the fields of Corporate, Retail and SME Banking. We will create value for our shareholders, customers, employees and all of our stakeholders.

As one of the important banks and a good corporate citizens in our sector and in Turkey, we will continue to serve the development and prosperity of our country.

On behalf of myself and the TEB management team, I would like to take this opportunity to thank our valued employees, who have demonstrated an exemplary and outstanding performance in 2019, and all of our stakeholders who have placed their trust and belief in the TEB brand for their valuable contributions.

Yours sincerely,



**Ümit Leblebici**

**CEO**

## THE ECONOMIC ENVIRONMENT AND OUTLOOK FOR THE SECTOR IN 2019

### **Growth forecasts were revised downward for the world in 2019, but were revised upward for Turkey.**

While the IMF had set a forecast of 3.3% global growth for 2019 in its April 2019 report, this figure was revised to 2.9% in later reports. The same institution has also lowered its growth forecasts for some countries, such as the USA, China, Germany and France, for 2020.

Following the IMF's revision of its growth forecast for Turkey for 2019, from predicting a 2.5% contraction to forecasting 0.2% growth, and its revision for 2020 from predicting 2.5% growth to predicting 3% growth, the OECD and World Bank also revised their growth forecasts upward. The OECD and World Bank's 2020 growth forecasts for Turkey are stand at 3%.

### **2019 has been a quiet year in the financial markets.**

In foreign borrowings made after the exchange rate shock in August 2018, Turkish issuances received significant demand from international markets and risk premiums declined as global risk appetite recovered.

Turkey's risk premium, which had stood at 360 basis points at the end of 2018, decreased to 280 basis points at the end of 2019 in line with these developments. The yield on Turkey's 5-year Eurobond also fell by about 150 basis points. Although the dollar/TL exchange rate increased from 5.28 at the beginning of the year to around 5.95 at the end, the depreciation of the Turkish Lira remained below the rate of inflation; in other words, the real effective exchange rate strengthened.

Interest rates, on the other hand, were slashed significantly. Compared to December 2018, there was a fall of 1,200 basis points in the CBRT benchmark interest rate, 1,240 basis points in the banking sector average TL deposit interest rate, 1,450 basis points in the commercial loan interest rate, and 1,700 basis points in the consumer loan interest rate.

Treasury domestic borrowing interest rates also declined. TL denominated Treasury bond yields with 2-year and 10-year terms fell by more than 795 and 420 points, respectively.

In parallel with the trendfalling inflation trend, the CBRT has reduced its benchmark interest rates.

The Central Bank of the Republic of Turkey (CBRT), which implemented a strict monetary policy in 2018, started to cut interest rates after June 2019. The CBRT cut the benchmark interest rate by 425 basis points at its meeting on 25 July, and reduced the rate by 325 basis points in its September meeting, 250 basis points in its October meeting and 200 basis points in December meetings. It is anticipated that the Central Bank, whose benchmark interest rate was 12% at the end of the year, will continue to cut interest rates in 2020.

### **The current account yielded a surplus in 2019 for the first time since 2001.**

While slowing growth in the first half of 2019 limited import volumes, the growing volume of exports, supported by a competitive exchange rate, the strong course of export markets and policies aimed at supporting exporters, contributed significantly to achieving a current account surplus.

According to November's balance of payments figures, there was an annual improvement of USD 36,1 billion in the current account balance, with USD 24,9 billion of this figure derived from lower import volumes, USD 5,8 billion from increased export volumes and USD 4,3 billion from the increase in net tourism revenues.

As far as net financing is concerned, while there was a net outflow of USD 2,1 billion from annual portfolio investments, banks and companies made a total of USD 16,3 billion in bond and loan repayments to non-residents. Net foreign direct investment income of USD 5,9 billion was generated, while foreign exchange reserves increased by USD 7,7 billion.

### **Economic growth in Turkey, which accelerated in the last quarter of 2019, is expected to continue in 2020.**

With the improvement in financial conditions and the recovery in credit growth, economic growth of over 3% is possible in 2020. While household consumption is expected to provide a strong contribution to growth, the slow recovery in EU economies and the course of the TL real exchange

rate may reduce the contribution of net exports.  
Achieving a high and sustainable growth  
performance in the coming period is contingent on

increasing investment expenditures, providing  
necessary incentives and direct commercial credit  
volume to promote efficient investments.

Turkish Banking Sector Key Indicators		
	December 2019	December 2018
Assets	TL 4,492 trillion	TL 3,867 trillion
Loans	TL 2,740 trillion	TL 2,457 trillion
Marketable Securities	TL 661 billion	TL 478 billion
Deposits	TL 2,688 trillion	TL 2,163 trillion

## TÜRK EKONOMİ BANK'S PERFORMANCE IN 2019

### IN GENERAL

Presented below is a summary of TEB's shares of the banking industry's basic indicators as of 31 December 2018 and 31 December 2019 together with information about changes in those shares.

Looking at the highlights of the Bank's performance in 2019 as compared with that of 2018 we observe that:

- Total assets increased by 11% in 2019.
- Shareholders' equity reached TL 9,721 million.
- Total deposits accounted for a 67% share of the Bank's balance-sheet.
- Total credits, which is the most significant indicator of the Bank's support for its customers and the economy, has been TL 69,2 billion in 2019 which represents 64.5% of total assets.
- Loan-to-deposit ratio has been realized as 96%, capital adequacy as 16.95% and return on equity as 11.50%.

### TEB'S POSITION IN THE INDUSTRY

(TL million)	31.12.2019		
	TEB	Industry	TEB's share (%)
Total Assets	107,350	4,491,708	2.39
Total Live Credits	65,577	2,740,019	2.39
Total Deposits	72,194	2,687,518	2.69
Number of Branches	471	11,374	4.14
Number of Employees	8,954	204,626	4.38

Resource (for industry figures): BRSA's December 2019 monthly bulletin

## AWARDS

In 2019, TEB's activities have been recognized and rewarded as always both in Turkey and abroad.

RETAIL BANKING		
AWARD	CATEGORY/ RANKING	PRODUCT / SERVICE
Stevie International Business Awards	Mobile Site & Application / Golden Award	CEPTETEB Mobile App
Global Finance Best Consumer Digital Banks of Western Europe Awards	Best Mobile Banking / Winner	CEPTETEB Mobile App
PRIVATE BANKING		
AWARD	CATEGORY/ RANKING	PRODUCT / SERVICE
International Finance Awards 2019	Most Innovative Private Banking in Turkey	Private Banking
World Finance 2019	Best Private Bank in Turkey	Private Banking
Global Finance Best Private Bank Award 2019	Best Private Bank in Turkey	Private Banking
CORPORATE BANKING		
AWARD	CATEGORY/ RANKING	PRODUCT / SERVICE
Asian Banking & Finance Wholesale Banking Awards	Turkey Domestic Cash Management Bank of the Year	Cash Management
Stevie International Business Awards	Best New Product /Service / Bronze Stevie	Cash Management
Euromoney	Global Cash Management Service Survey / Market Leaders/ Third Place	Cash Management
HUMAN RESOURCES		
AWARD	CATEGORY/ RANKING	PRODUCT / SERVICE
TOP EMPLOYER TURKEY 2019 / TOP EMPLOYER EUROPE 2019	Banking Category / Top Employer	Human Resources Practices
Social Brands Data Analytics Awards 2019	Bronze Award	TEB Career Social Media Accounts
Medipol & Yenibiris HR Awards 2019	Best HR in Digitalization Award	TEB Digital HR Applications
BRAND AND COMMUNICATION		
AWARD	CATEGORY/ RANKING	PRODUCT / SERVICE
Effie Awards	Banks and financial institutions / Bronze Award	Marifetli Account / Everyone can save at TEB
Sardis Awards	Positive Effect / Silver Sardis	TEB Family Academy
Sardis Awards	Integrated Communication / Silver Sardis	#EIAlemNeDer (#NoMatterWhatTheySay)
Sardis Awards	Positive Social Impact section- Sustainability category / Silver Sardis	#EIAlemNeDer (#NoMatterWhatTheySay)

Mixx Awards	Gender Equality Special Award	#EIAlemNeDer (#NoMatterWhatTheySay)
Mixx Awards	Online Commercials and Viral / Bronze	#TenisBiziz (#WeAreTennis)
Mixx Awards	Digital Marketing Through Influencer / Silver	#TenisBiziz (#WeAreTennis)
Mixx Awards	Real Time Interaction / Bronze	#TenisBiziz (#WeAreTennis)
Mixx Awards	Brand Awareness and Positioning / Silver	#EIAlemNeDer (#NoMatterWhatTheySay)
Direct Marketing Communication Awards	Interactive Marketing Social Media Applications / First	#TenisBiziz (#WeAreTennis)
Direct Marketing Communication Awards	(Special Category) Most Creative Direct Marketing Application / First	#TenisBiziz (#WeAreTennis)
Direct Marketing Communication Awards	Interactive Marketing Social Media Applications / Second	#EIAlemNeDer (#NoMatterWhatTheySay)
PSM Awards	Customer Focus / Silver PSM	TEB Practical Branch
Google Success Story Award	Google Success Story	#BaşarınınCinsiyetiOlmaz (#SuccessHasNoGender)

## CORPORATE BANKING GROUP

Supported by the synergy created by the global network of its shareholder BNP Paribas, TEB Corporate Banking offers high value-added products and services to medium- and large-scale domestic and international companies, conglomerates and holding companies with an annual turnover of TL 125 million and above.

In the corporate banking business line TEB serves in the areas of:

- Trade finance,
- Working capital and investment loans,
- Cash management and risk management products,
- Standard and derivative treasury products,
- Corporate investment banking products,
- Commodity finance,
- Project finance.

### **Long-term customer relationship management approach**

TEB has 14 corporate branches in total, 7 of which are in İstanbul. The Bank tailors its privileged and high-quality services in line with its long-term customer relationship approach, and delivers them through its foreign trade centers staffed with experienced specialists and an organization specifically designed for multinational companies.

In 2019, TEB further reinforced its effectiveness in Corporate Banking, and fulfilled its customers' diverse needs amid a constantly changing and highly competitive environment of financial markets and succeeded in maximizing customer satisfaction.

In a fast transforming world with new technological developments, TEB Corporate Banking Group is focused on sustaining customer experience and product quality at the highest level in accordance with changing customer expectations and needs. TEB continued its activities within its transformation projects in 2019 with the aim of providing a fast service for its customers' daily transactions offering expertise services best suited to customers' needs.

In line with its goal of being "the first bank that comes to mind of customers" in the corporate banking business line, TEB plans to continue its activities towards development of new products and services.

## Multinationals Desk

TEB is the first bank in Turkey to set up a Multinationals Desk.

Since 2006, TEB has been servicing multinationals as well as Turkish firms with international operations, by providing significant advantages and convenience in line with with BNP Paribas' "One Bank for Corporates" motto, calling upon the resources of its own extensive network of domestic branches in Turkey as well as those of BNP Paribas' 202 thousand employees, over 30 million customers, and 100 trade centers all located in 72 countries.

TEB delivers the service quality and standard that global partners of multinationals receive from BNP Paribas at the maximum extent allowed by the local regulatory framework.

Through the Multinationals Desk of its corporate banking division with its specialized personnel in the headquarters and corporate branches, TEB seeks to be the main bank with which all multinationals with operations in Turkey prefer to work as almost 1,300 multinationals from 45 countries already do.

## GLOBAL TRADE SOLUTIONS AND FINANCIAL INSTITUTIONS

### **Tailored solutions in trade finance**

Drawing on the support provided by the global service network of BNP Paribas, TEB has reached the position of a distinctive and specialized bank in foreign trade.

Among the world's top three banks in foreign trade finance business, BNP Paribas ranks first in Europe.

BNP Paribas' operations in 72 countries and Trade Centers active at more than 100 locations in over 60 countries sharpen TEB's competitive edge in trade finance business. Thanks to its capability of delivering global services, the Bank provides tailored solutions such as foreign trade legal framework consultancy and preparation of letter of credit documentation.

Maintaining correspondent relationships with more than 1,100 banks located all over the world, TEB constantly seeks to expand this network in line with its customers' needs. In addition to its strong correspondent network, TEB also enjoys the possibility to offer its customers competitive prices

and maturity alternatives in foreign trade transactions using the network of BNP Paribas covering 72 countries.

### **Money transfer services at competitive costs**

Through its correspondent network, TEB facilitates money transfer services for its customers that require transferring money in local currencies of different countries owing to their investments in such countries.

Facilitating cross-border money transfer in 135 different currencies to more than 180 countries, TEB also offers cash transfer services to customers who want to make bulk payments at competitive costs through its wide correspondent network.

### **Renewal of the syndication loan**

TEB renewed its syndication loan in 2019 and provided resources at an amount of US Dollar 400 million. Syndication agreement has contributed to renew confidence in the strong Turkish banking system in international markets and has once again confirmed the strength of the financial system.

Through syndication loan entered into with the participation of 22 banks on 28 October 2019, TEB obtained a credit of Euro 306 million and US Dollar 61,5 million with a 367-day maturity. The loan will be used for general financing of foreign trade. Total cost of the Syndication Loan is Euribor+2.10% for EUR tranche and Libor+2.25% for US Dollar tranche.

### **TEB Foreign Trade Centers**

Located in İstanbul, Bursa and İzmir, TEB Trade Center network providing foreign trade finance and foreign trade consultancy products and services is the first of its kind in the Turkish banking industry.

Deployed in three locations trade finance solutions suited to customers' needs are tailored via benefitting from TEB's and BNP Paribas' trade finance expertise and extensive correspondent networks.

### **Distinctive products in export finance**

One of Turkey's pioneering and competent banks in trade finance, TEB's strong position in export finance is verified by sectoral data. Retail loans excluded, loans used to finance exports comprise 17.1% of Bank's performing loans portfolio.

TEB has 5.7% market share in export loans, which puts the Bank in the 7th place.

In terms of number of transactions, TEB mediated 7.1% of counter-guarantees provided to Turkey from overseas and 4.8% of export letters of credit.

Every TEB Trade Center employs a team whose members have expertise in "structured trade and commodity finance". This team devises financing solutions that are specifically tailored according to the goods involved and customer cash flows. In this way, firms can be offered tailored products that go beyond the sector's conventional financing methods.

TEB is adept in producing financing solutions for export commodities such as grains, edible oils, synthetic lubricants, plastic raw materials, chemicals, fruit concentrates and mineral ores such as iron, copper and chromium. TEB customers' financing needs in both domestic and international markets in this area can be precisely addressed at every stage from initial procurement to final collection.

With its licensed warehousing activities which commenced in early 2013, TEB was the first bank to offer structured commodity financing credit in Turkey. The Bank has provided credit facilities by accepting product certificates as collateral issued against commodities being held in the first licensed warehouse in Turkey. In July 2017, the necessary infrastructure for borrowing against electronic product certificate (ELUS) has been finalized, and customers' demands for financing began to be fulfilled.

Another solution TEB offers to exporters is rediscount credit opportunities the Central Bank of Turkey allocates to Turkish exporters.

### **Foreign trade trainings**

TEB provides its customers with specialized consultancy services related to their foreign trade and investment activities. In addition, TEB also works with sectoral and regional exporters' associations, chambers of commerce and industry, organized industrial zone directorates and similar organizations to provide practical foreign trade training and seminars on foreign trade issues that are designed to meet the particular needs of firms in different parts of the country.

Towards the end of 2019, Incoterms 2020 trainings and seminars has been concentrated upon. These

trainings which drew great interest will continue in 2020.

## LARGE CORPORATES

Large corporates relationship management is conducted by a team at Headquarters within the Corporate Banking service network.

This structure is the extension of the model implemented by BNP Paribas International Retail Banking organization in various countries.

Beyond traditional banking transactions, such as working capital credits, cash flow and foreign trade transactions, of large corporate companies which were established and grew in Turkey and differentiated themselves in terms of revenue, geography and diversity of financial transactions, Global Relationship Managers are equipped for and in charge with handling the coordination of services to meet these companies' strategic needs such as debt and equity capital markets, financial markets, project financing, mergers and acquisitions.

## CASH MANAGEMENT

TEB Cash Management will continue its efforts in 2020 to be recognized as the first bank that comes to mind.

TEB has been awarded in a number of international competitions thanks to its constant improvements in innovative products in cash management.

TEB was granted the "Turkey's Cash Management Bank of the Year" award for the sixth time in 2019, at one of the most prestigious award programs of international finance and banking world, Asian Banking & Finance. TEB received this award based on the opinions of judges from world's top international consulting firms: KPMG, Deloitte Consulting and Ernst & Young Advisory.

TEB ranked as third in "Market Leaders" category in the Euromoney Global Cash Management Survey organized by Euromoney Magazine which is an influential publication in the world's financial community.

TEB organized the fifth event of the TEB Cash Management Academy in 2019 with "sustainability in economy" theme which aims to share current developments and trends with its corporate customers. The event hosted a large number of participants and achieved a high level of satisfaction and included panel discussions on all aspects of

economic sustainability particularly sales, collection and supply processes. TEB Corporate Banking Assistant General Manager Gülümser Özgün Henden who made a presentation at the event emphasized the fact that the way to create value in sustainability goes through innovation and new technologies and she suggested the companies to update their business models frequently by taking the changes into consideration. She also mentioned that the Banks' influence area is to create awareness among its customers, to support innovation, to provide environment friendly financing solutions and achieve paperless banking by supporting digitalization.

Along with BNP Paribas, TEB provides special cash management solutions to global customers requiring a single global solution for all their subsidiaries around the world involving efficiency and control in their collection and payment processes. TEB will continue to offer products and services for its international customers which are fully integrated with BNP Paribas' global cash management system in the following years.

### **Significant advantages and conveniences in cash management for multinationals**

In partnership with BNP Paribas, TEB develops cash management implementations for its global customers requiring a single global solution for their operations that may be scattered all around the world.

In 2019, customers were presented many specially-designed products and solutions allowing them to achieve greater efficiency and control in the conduct of national and international payment and collection processes related to their existing or planned operations in Turkey. TEB will continue to deliver products and services that are fully integrated into BNP Paribas' global cash management system to its multinational customers in the years to come.

### **Cross-selling activities through powerful synergy**

With its cross-selling culture focused on "creating value for all of the stakeholders" strategy, Corporate Banking adopts a customer-oriented approach in its product and service processes.

In 2019, TEB continued to provide end-to-end solutions to corporates at all business lines, including their whole ecosystem with a holistic approach offering TEB Group's range of financial and non-financial products and services.

TEB Corporate Banking aims to create value for its customers, primarily the ones who need investment banking products and services, by taking advantage of strong international network and product line of BNP Paribas Group. In order to achieve this goal, TEB Corporate Banking provides the following services:

- support for commercial and investment activities
- local and international resources for the funding of foreign trade activities
- financial advisory
- M&A advisory
- project finance facilities
- public offerings.

In addition to the synergy developed with BNP Paribas, Corporate Banking conducts cross-selling and business development activities together with the Bank's other business lines, in order to create value for corporates in all areas of their interests such as agricultural banking, consumer finance, housing finance projects, payment systems with card and POS services, solutions for dealers, corporate finance and salary agreements.

TEB's domestic and international product and service variety stands out in its services provided through its affiliates as well:

- TEB Arval offers its international experience to the fleet management sector as a solution partner for Corporate Banking customers' fleet management activities and provides fleet rental services to more than one million vehicles worldwide,
- BNP Paribas Leasing Solutions provides financial solutions to Corporate Banking customers for their investments in equipment and real estate,
- TEB Faktoring provides services in domestic and international factoring industry with an experience of more than 20 years and it has been awarded as the Best Export Factoring Company in 2019 for the 7th time by the world's largest factoring chain Factors Chain International.
- TEB Investment carries out mediating activities for its customers' public offerings, debt instruments, domestic and international transactions and provides investment consultancy services,
- TEB Portfolio provides alternative fund management services for its Corporate Banking

customers and many funds, in which it is the founder and director,

- BNP Paribas Cardif Pension offers a range of advantageous fast and high-quality services to its customers in meeting their group pension and insurance needs".

## BUSINESS DEVELOPMENT ACTIVITIES

Within the context of business development activities, major steps have been taken to develop customer base and collaborations with major non-governmental organizations, industry and trade exchanges have been realized.

Taking customer focus and customer satisfaction into consideration, joint business development activities were conducted with TEB Start-up Banking portfolio of start-up firms to provide support for corporate banking customers' Industry 4.0 and digital transformation processes. Successful work was carried on to improve service quality and efficiency with cooperation developed with BNP Paribas and business partnerships experienced in their fields.

Additionally, Loans with Interest Support were continued to be offered to corporate customers to decrease finance cost of their investment projects, and R&D and environmental investments in cooperation with the Undersecretariat of Treasury.

## PUBLIC BANKING

Public Banking Department continued its operations in 2019 in order to expand the scope of business with the public sector and to increase cooperation areas. As a result of the activities carried out, low-cost funding resources have been made available to public institutions.

It is intended to meet public sector's needs in foreign trade, structured trade finance, cash management, and alternative funding facilities with BNP Paribas' industry expertise and support for longer term and lower-cost funding.

In 2019, efforts have been made to develop relationships with new public institutions and satisfy their banking needs, as well as to make alternative funding facilities more accessible for public institutions in accordance with their medium and long term strategies, primarily through capital markets.

## SME BANKING GROUP

TEB carries out its SME Banking activities under its “consultant banking” approach since 2005.

TEB constantly improves the products and services it offers to SMEs within the scope of SME Banking activities and assists them with diverse solutions introduced in various areas such as growth and competition that represent the biggest challenges for SMEs.

Keeping a close eye on the changes and developments in economy and technology as well, the Bank provides guidance to equip SMEs with alternative perspectives, and to help them better prepare for the future business and production life.

In the field of SME Banking, TEB is organized to cover separate business lines to offer specialized service to its customers that require different products and services of a different scale. In addition to SME and Agricultural Banking, the Bank provides solutions to its customers with specialized structures in Start-up, Gold and Municipality Banking and support them with information, training and network opportunities in non-financial areas.

TEB carries out activities to offer digital solutions for customers to adapt to the changing world with its digital transformation department structured under SME Banking.

### **Guidance for SME’s technological transformation**

The progress in technology affects all sectors and digitalization of production and consumption processes modify the business conduct of all parties.

In the digitalization process where competition has acquired a whole new level, “value-added production” comes to the forefront, and it becomes critical that all businesses, big or small, adopt digitalization, and embed technology in their business conduct.

TEB carries out activities for helping the SMEs adjust to the digital transformation and for raising their awareness of this process. Focused on making a difference with financial and non-financial products and services, the Bank prepares the SMEs for the circumstances of the future, while working towards letting them get ahead of competition. In this context, TEB brought together Techno Start-

ups under TIM-TEB Start-up Houses and chambers of commerce and connected SMEs with start-ups in a common platform through special events.

While providing SMEs competitive advantages in global arena by offering them opportunities to access domestic software and hardware solutions they need in technological transformation, TEB is also offering new partnership opportunities for start-ups.

### **TEB SME Banking will offer services with its new service model in 2020.**

As the first bank in Turkey that comes to mind in SME Banking, TEB aims to provide service at appropriate level in correct segments while observing customer needs.

As the companies’ needs are getting diversified these days, the need for segmentation emerged. In its new structure, TEB segmented its customers in SME and SME Plus groups and updated its definition of SME.

Within the scope of its segmentation activities, customer representatives were supported with specific trainings suitable for their segments on cash management, foreign trade and financial markets. TEB aims to increase its contribution by providing advisory services for SMEs with its expert staff.

With this new strategic perspective, TEB offers services for companies with specific needs in a wide range of areas, from foreign trade to project financing, derivative instruments and supplier financing.

The Bank also re-designed its digital service model to include automatized credit processes with the purpose of providing faster daily banking services for small enterprises. This initiative will contribute to increase in customer number and customer satisfaction.

### **Financial assistant of our commercial customers CEPTETEB İŞTE is live.**

TEB conducts activities focused on offering new digital experiences to facilitate its customers’ daily financial needs.

The Bank held discussions with more than 100 firms during the development phase. Based on the results of

workshops organized with the participation of TEB employees and firm representatives, the new digital platform CEPTETEB İŞTE was launched which is designed for commercial firms to facilitate their daily banking transactions.

CEPTETEB İŞTE is the only platform in the industry designed specifically for commercial customers with rich transaction functions, a welcome screen that gives a summary of customer's products and daily financial status and with features such as a financial calendar and POS management.

#### **The first platform launched specific to commercial customers CEPTETEB İŞTE received BNPP Global Award**

CEPTETEB İŞTE made a difference in the industry and awarded with the first prize with the votes of participants at the IFS Rising Up event of BNPP among more than 40 projects in competition.

#### **Corporate Internet Banking is being renewed**

With CEPTETEB İŞTE, the new customer experience designed for mobile banking is planned to be transferred to Corporate Internet Banking. The Bank aims to update the Corporate Internet Banking to ease daily transactions of SMEs and increase their financial efficiencies.

#### **Support for SMEs with CGF credits**

TEB continued its support for SMEs who have difficulties in accessing finance and particularly in providing guarantees and became one of the leading private banks which intermediate in CGF credits in 2019.

During the year, manufacturing and exporting firms and investment credit requests were prioritized in CGF guaranteed credits provided for SMEs. In 2019, new products were added to the CGF credit product list as CGF SME VALUE, CGF COSME (in cooperation with Ministry of Treasury and Finance and European Investment Bank) and CGF ECONOMY VALUE which is indexed to inflation. With these new credit products, opportunities were provided for SMEs to access long-term credits with favorable interest rates without guarantees.

#### **Special fee packages for SMEs**

TEB continued to add new services to its innovative products specific to SMEs and offered 4 new fee packages for its customers' use in 2019. SME's

were provided an opportunity to benefit from favorable banking transaction fees with Micro, Macro, POS and Foreign Trade fee packages without having to pay extra fees for certain expenses during the year.

#### **Full support for export campaign**

TEB SME Banking works in full force for a stronger economy and a stronger export performance. In this context, the Bank signed a partnership protocol with TİM to provide exporters with financing opportunities with favorable terms and commercial support. With this protocol, TİM member firms were able to benefit from favorable interest rates for foreign currency credits made available for exporters and favorable currency rates for their currency purchase and sale transactions.

In addition to providing financial support, TEB SME Banking contributes to increase exporters' competitive strength in foreign markets through foreign trade trainings and free of charge advisory services in many areas delivered by its expert personnel.

#### **TEB SME Consultancy Program**

It is critical to provide guidance to the SMEs with respect to allocation of the funding they receive, as much as providing the financing they need when planning their resources.

TEB SME Consultancy Program which started in 2007 aims to equip branch customer representatives with additional skills to use towards the mission of being an SME consultant bank.

With the strategic perspective gained at this program, TEB customer representatives provide guidance to SME's on their journey of sustainable growth.

TEB SME Consultancy training program is delivered in two phases, namely guidance and expertise. Customer representatives who complete these two phases provide services to offer solutions to various customer segments by specializing in a wide range of areas such as domestic sales marketing, foreign trade, production management, technology and agriculture. TEB SME Consultants family continued to grow with new graduates in 2019.

## START-UP BUSINESS BANKING

### **Continuing to boost the entrepreneurial ecosystem**

TEB Start-up House model was developed to reach entrepreneurs all around the country, increase the number of tech start-ups, introduce their innovative business ideas to the economy and enable their healthy growth. The first house was launched in İstanbul in 2013 and the model was expanded all around Turkey with collaboration with Turkish Exporters Assembly (TİM).

With TİM-TEB Start-up House acceleration programs, start-up and scale-ups (Growth Stage) can get support on financing, access to public resources, offering their innovative services in both domestic and foreign platforms and growing their technology firms.

The project is Turkey's most extensive and comprehensive start-up initiative with 8 different programs offered to entrepreneurs.

TİM-TEB Start-up Houses carry on providing specific programs for technology companies at different stages such as incubation, acceleration and development to support their sustainability and rapid growth, steering the ecosystem at the same time.

### **TEB is the only bank among the 30 implementing institution of TÜBİTAK's BiGG Program**

TEB has been accepting applications from entrepreneurs as the only private financial institution among the accredited enterprises under TÜBİTAK's Young Enterprise (BiGG) Program. The Bank was one of the top enterprises to have intermediated the allocation of the highest amount of grants among 30 implementing institutions.

In 2019, 1,000 applications for technological business ideas were received from 64 cities in Turkey and the Bank supported entrepreneurs to turn these ideas into commercial structures and receive grants.

### **TEB listens to tech start-ups, brings together potential customers and investors.**

In 2019, TEB Start-up Banking brought start-ups and corporates together and facilitating the initiation of cooperation between parties.

Start-up2Corporate meetings and activities enabled companies to follow up technological trends and reach new technology products and services while start-ups had the opportunity to reach target customers. In 2019, new companies leading their industries were included in the program and start-ups in the portfolio had the opportunity to discuss potential partnership possibilities with more than 50 corporate firms.

### **TİM TEB Start-up House is getting global rapidly!**

### **TİM-TEB Start-up House is the first and only acceleration center from Turkey included in GAN**

After opening an office in San Francisco, USA to facilitate global operations of start-ups, TİM-TEB Start-up House became the first and only acceleration center from Turkey which was included in Global Accelerator Network (GAN) with operations at 120 cities in 94 countries and which will give start-ups the opportunity to meet with more than 100 prestigious accelerator centers.

GAN partnership provided the opportunity for TİM-TEB Start-up House participants to be included in GAN Ventures Global Investment network with more than 10 thousand start-ups and network offers and support from other global acceleration services within this network.

## AGRICULTURAL BANKING

### **Activities for the development of agricultural sector and meeting producers' needs**

TEB Agricultural Banking aims to stand by the producers with agricultural banking products which are aligned with the needs of the sector and producers, and designed according to the conditions and dynamics of agricultural production.

TEB Agricultural Banking continues to extend resources to support agricultural input finance as well as financing of investment projects for agricultural producers of all sizes and for producer organizations (associations, cooperatives and chambers) within the scope of its "consultant bank" mission.

TEB Agricultural Banking derives its competitive superiority from its long-term relationships with customers built on its specific financing types addressing different sub-production kinds, its expert team and strategic approach based on know-how.

Within this context, in 2019 collaboration was made with the agricultural chambers and development agencies of the areas and the problems of the regional agriculture and the solutions were discussed with all parties of agricultural production.

TEB continues its collaborations with various organizations to expand the use of “TEB Harman Kart” (TEB Harvest Card), which plays an important role in procuring essential inputs for farmers, with once-a-year payment term at harvest period and advantageous interest-free period. Through partnerships with industry leaders in the agricultural ecosystem during the year, manufacturers were supported by HARMAN POS and advantages were offered for their agricultural needs.

Additionally, TEB Agricultural Banking promoted its financial and non-financial products by attending domestic and international agricultural fairs and meeting with potential customers in 2019.

#### **Technological solutions from TEB to ease farmers’ lives**

With products and services in Agricultural Banking TEB continues to support Anatolia’s value, farmers. Operating with the mission of being the consultant of the farmer, TEB opened up its technological infrastructure for their use.

In this context, farmers can apply for Harman Card and TEB agricultural credits without coming to a branch via SMS.

#### **GOLD BANKING**

TEB continues to create value in Turkish jewelry industry with its expertise in gold and jewelry, with its accessibility and experience through innovative products which make a difference in that industry.

Providing solutions for the needs of customers in jewelry industry for more than 20 years, TEB has been supporting this industry with financial and non-financial products with a market share of 22% based on BRSA’s December data.

TEB Gold Banking offered a solution to the payment and maturity problems in purchases of gold for both wholesale and retail jewelers with the “Milyem Card” product it developed.

TEB Gold Banking offers a comprehensive service with a range of products including current/time

Gold Deposit Accounts, the Silver Deposit Account, Type B Gold Fund and the New Golden Age for individual and corporate customers wishing to make savings.

Besides the strength stemming from its market leadership position, TEB continued to maintain its close relationship with the jewelry industry by participating in the most critical gatherings of the sector as the main sponsor. In 2019, TEB continued its traditional support for the “Istanbul Jewelry Show” which is the world’s 5th biggest fair on jewelry.

#### **MUNICIPALITY BANKING**

##### **Number of municipalities and their subsidiaries that we partnered up with reached 600**

TEB Public Banking continued to be one of the most significant players in this area in 2019 with its products and services developed specifically for the needs of local administration.

With Public Banking approach, we provided municipalities easy access to financing and contributed to more rapid infrastructural investments.

Providing the first online/real time collection service within the scope of its cash management solutions, TEB offered a faster and easier service for citizens to make their payments to municipalities.

## RETAIL AND PRIVATE BANKING GROUP

In 2019, TEB Retail Banking continued to expand its customer base by offering innovative and digital products and services in line with its vision of being a 'customer-oriented bank'.

The Bank continued its activities in line with its digital transformation strategies to improve and develop customer experience and focused on developing service channels, financial products and service models through the implemented projects.

TEB Retail Banking defined its priorities for 2019 as digital transformation applications, personal loans, Marifetli Account, new customer acquisition and increasing the number of active customers in each segment. In line with this, the Bank focused on increasing the efficiency of its service models by automation and optimization and carry customer satisfaction to a higher level.

### Focus on customer satisfaction

With the vision and goal of being "The Most Recommended Bank" TEB continuously measures the customer experience and conducts its activities to perfect services provided to customers with design-oriented thought principles by putting people into focus.

With NPS (Net Promoter Score), TEB measures the experience of 240.000 customers annually asking about their experience and the level of recommending TEB to others upon their contact with TEB. With NPS and customer satisfaction surveys, "voice of customers" are analyzed by business units on a regular basis and improvements are made at the problem areas in customer experience as needed.

Number of contact points where TEB listens to the voice of customers increases continuously. The Bank carries on its technological investments in this context.

Solutions developed under the light of feedback from TEB customers resulted in more than doubling of customer satisfaction score which is monitored regularly since 2013. Improvement trend in transaction-based satisfaction score continued in 2019.

In 2019, a **Customer Experience Management Model** was designed as a result of a joint project with BNP Paribas International Banking Line. This

model was extended to be used by both TEB and other international retail banks of BNP Paribas.

Customer Experience Orientation training is being delivered by TEB Customer Experience Team to new hired branch employees. In this context, customer focus, TEB customer experience methodology and customer satisfaction measurement structure is being transferred to all employees.

The Bank, continues its investments in CRM, big data, analytics and real time interaction technologies to better understand customer needs and offer customized solutions at the right time based on customer expectations.

## RETAIL AND AFFLUENT (YILDIZ) BANKING

With its innovative retail banking approach, TEB aims to reach more customers through more channels. In doing so, rather than creating physical connection with customers, it facilitates convenient, fast and secure access to all banking transactions through digital channels.

Within the scope of this goal, all TEB Retail Banking products and services reached all customer segments with access to banking services throughout the year with an effective communication approach.

During 2019, the Bank carried out effective, continuous and multi-channel communication activities in credit and deposit products and this contributed to new customer gains.

TEB, acts with a banking approach creating solutions and providing services at the same quality through all channels.

### **Fastest growing bank of the industry in 2019 with consumer credits increasing by 73% to reach 10 billion.**

The Bank recorded a remarkable growth in consumer credits in line with the strategy defined at the beginning of the year by designing and implementing various strategic and tactical campaigns to increase its non-branch channels and new credit customers.

As the result of improvements made particularly in digital channels and call center and customized campaigns, share of non-branch channels in total production reached 50% in volume and 65 % in numbers.

With the credit campaign with “Welcome interest” designed to increase number of new customers, communication activities and consumer credits, the number of new customers exceeded 120 thousand.

Debt transfer and debt consolidation campaigns which started in mid-2019 and supported by communication channels were significant activities that contributed to consumer credit growth. With new improvements to be launched in 2020, TEB customers will be able to transfer their debts through digital channels without going to branches

TV advertising campaigns which are conducted in line with updated strategy and marketing actions throughout the year and which are updated continuously and consistently had significant contribution to be one of the most preferred banks in consumer credits.

With credit campaigns carried out at digital channels and effective marketing performance activities at digital media, number of customers using credit through digital channels increased by 3 times and number of credits used increased by 4 times in 2019.

TEB develops R&D projects with BNPP innovation platform on alternative credit evaluation techniques for those who do not have a credit note or have difficulties in accessing credit.

As a result of customer representatives in TEB branches reaching accurate target population determined by analytical CRM models with proper offers, campaign efficiency substantially increased.

#### **Effective solutions for vehicle credits**

One of the leading banks in vehicle financing, TEB continued to offer rapid solutions for vehicle credit needs in 2019 with a wide distributor network, contracted distributors and payment plans to meet customer needs.

Despite a stable market in automotive industry, TEB increased its market share to above 8.62% in 2019 and continued serving its customers.

TEB reached its contracted automobile distributors rapidly with its existing infrastructure and delivered its campaigns rapidly and accurately.

#### **Marifetli Account: the most preferred savings account by the account holders**

“Marifetli Account”, introduced by TEB to change Turkey’s savings habits, is a savings account with a daily term and provides account holders the flexibility of depositing or withdrawing cash at any time.

In 2019, with changing interest circumstances, Account holders showed more interest in Marifetli account and TL Marifetli Accounts grew by 59% in TEB savings accounts.

In 2019, Firsat Account, which is a sub product of Marifetli Account for affluent and private segment customers was launched. This new product was offered as an alternative to our customers who want to receive interest income at favorable rates while using their money when they need and benefiting from market opportunities.

Marifetli Account communication emphasizing the importance of savings continued in 2019 and new savings account customers were gained to contribute to TEB’s liability structure.

Marifetli Account offered favorable interest rates to savings account holders with attractive campaigns throughout the year. Marifetli Account contributed to a significant increase in the number of first-time customers of TEB.

In 2019, TEB put its signature on another innovation and changed its campaign structure in its saving products similar to Marifetli Account introducing 30+30 campaign which is a first in the industry. Within the scope of this campaign, customers who started using Marifetli Account for the first time and who uses only 2 of the 4 products offered are given the opportunity to benefit from a second welcome period and receive an additional 0.50% interest.

Marifetli Account is good alternative for foreign currency deposit savings as well as for Turkish Lira. Marifetli Account allows for application of daily interest to USD, Euro and GBP accounts, thereof became a product preferred by savings account holders.

TEB FX Platform which was launched in 2018 offering customers favorable foreign exchange rates for sale and purchase transactions got richer with new features in 2019.

There has been an increase in single customer use and savings holders were given the opportunity to benefit from favorable interest rates for their daily foreign currency transactions.

Global Youth Account which is a sub product of Marifetli Account offers a lower limit of 100 TL/EUR/USD/GBP to encourage youngsters' savings. By this account, youngsters earn income on savings of lower amounts and gain awareness on savings at an earlier age.

TEB took another step towards digitalization in 2019 and launched CEPTETEB MARİFETLİ ACCOUNT product. With this application, TEB customers can benefit from Marifetli Account features and interest rates via internet and mobile application.

TEB continued providing alternative products for deposit and savings account holders in 2019.

To increase Turkish Lira savings and to help increase attractiveness of TL, Inflation Indexed TL Based Time Deposit and TL Based Time Deposit Protected Against Inflation products were launched to protect customers' deposits against inflation in a period of reduced interest rates.

Inflation Indexed TL Based Time Deposit account offers to make a choice of returns from either a fixed TL interest rate determined for a maturity period or an inflation premium calculated using the consumer price index at the end of the maturity period.

TL Based Time Deposit Protected Against Inflation product provides protection against inflation for the future period rather than giving a fixed TL interest return to savings account holders. This product offers a rate calculated as annual change in consumer price index + risk premium and protects the principal amount losing value against inflation. Maturity is 1 year and offers a choice of interest payment in three-month periods.

In 2019, in addition to alternative products offered to Retail and Affluent Banking customers the Bank continued to differentiate its services. While increasing the services for following up developments such as market notifications, Customer Gatherings, TEB continued to provide services with favorable costs for FX, DCD and Eurobond transactions through new platforms on the investment side.

**As the basis of growth in Retail Banking, salary accounts constituted 33% of newly acquired customers in 2019.**

TEB mediates salary payments of numerous large corporate and public sector institutions with the

vision of being "the most preferred bank" in salary payments.

In 2019, special packages offered to customers with salary accounts are enriched with favorable credit terms, deposit rates and discount campaigns for a range of products and services from clothing to holidays organized through cooperation with various companies. Custom-tailored retention programs are developed for those customers whose salary agreements ended to allow them to make use of privileges TEB has to offer resulting in increased customer satisfaction.

**Number of pension account holders increased by 122% compared to 2018.**

TEB continued its operations with the goal of being the most preferred bank of pension account customers. The Bank offered customers who carry their pension accounts to TEB promotions amounting to TL 1,000 and as a result gained new customers and increased customer satisfaction.

To concentrate more on existing and new pension account customers, favorable rates for credits and special customer programs were implemented and with "Suggest a Retiree" campaign, advantages were offered to relatives and friends.

In customer satisfaction surveys, pension customers who receive services from TEB express their satisfaction from TEB and they were the first customer group that recommends TEB to their family and friends most.

**Partnerships with various organizations and institutions to support new customer gain in 2019**

In line with the goal of increasing the number of new customers, the Bank partnered up with management of apartments and building complexes and carried out activities for school payments and transferring parent accounts to TEB.

**Products and services tailored for specific needs of different occupations**

In 2019, TEB continued its close cooperation with different professional organizations or chambers such as the Bar, universities, veterinarians, dentists, pharmacists and chamber of medicine.

New partnership agreements were signed with various Bars in 2019. As of 2019 year-end TEB established partnerships with 22 Bars.

In accordance with the protocol signed with Turkish Pharmacists Association in 2018, TEB continued to offer special campaigns for pharmacists in 2019. With the special campaign for pharmacists, TEB offers a monthly contribution payment of TL 170 to pharmacists' individual pension accounts (BES) who open an account for the deposit of Social Security Institution (SGK) payments and who actively use TEB POS devices.

Commercial credits up to a limit of TL 60 thousand and consumer credits up to a limit of TL 40 thousand with Turkish Pharmacists Association's guarantee, free of charge money transfer and EFT via internet and mobile banking, free check book, account maintenance fee exemption for commercial accounts, cash register fee waiver for POS devices and favorable pricing in POS pricing are provided. All members of Turkish Pharmacists Association can benefit from these advantages TEB offers.

Focusing on university collaborations since 2015, TEB processed salary payments of 26 universities in 2019.

TEB provides services for accounts of management of more than 11 thousand apartment buildings and apartment complexes. Conducting joint projects with leading companies in apartment management, TEB became one of the the leading banks of apartment complex management with its strong structural support and digital solutions.

In 2019, TEB planned and launched both B2B and B2C projects with a leading start-up which has lots of new applications in building management business models. Behind all these activities was the motivation of reaching the customer outside the branch and bringing its customers together with solutions that ease their lives.

In 2020 TEB aims to be the major bank of an increasing number of customers from various professional groups by rising the number of similar cooperation and salary payments.

### **TEB Affluent (Yıldız) Banking**

#### **Asset size increase of Affluent Banking customers was 24 % in 2019**

TEB offers privileged services to medium- and upper-segment customers with products and services customized for their specific financial needs, priority service through all channels and solutions for their social lives via customer

representatives who have been specifically assigned to them. Additionally, TEB started to offer distant service approach through TEB Affluent (Yıldız) Banking personal customer assistants for customers who use branches less frequently.

Through the exclusive TEB Affluent (Yıldız) Line, the Bank's affluent customers enjoy the privilege to easily and quickly perform their transactions.

TEB Affluent(Yıldız) Line customers can withdraw cash with their TEB Bank Cards from BNP Paribas Group or other in-network banks' ATMs abroad without a charge.

Customers' lifestyles and needs are analyzed and advantageous services were offered to TEB Affluent (Yıldız) Priority Card holders aside from their financial needs, such as 10% restaurant bonus, 50% discount at airport parking, 50% discount at movies and theaters on weekends and free fast track service at airports through CEPTETEB.

Adopting a customer focused approach in 2019, TEB Affluent(Yıldız) Banking made use of various organizations to understand customers' needs and expectations and increase satisfaction, such as one on one meetings, surveys and other events.

In 2019, TEB Affluent (Yıldız) Banking started to work on renewing its value proposition presented to Affluent customers.

### **Effective service approach in bancassurance**

With the frame of ongoing powerful cooperation with BNP Paribas Cardif A.Ş. and Zurich Sigorta in bancassurance services, TEB offers insurance products in a wide spectrum and with an effective service approach.

Becoming an effective distribution channel in bancassurance, specifically in life insurance, banks continue to develop in other segments as well.

Based on December 2019 figures of the sector, 83,2% of life insurance premium and 14.8% of non-life premium are produced via banks.

As of 2019 year end, TEB's bancassurance premium production was TL 323,5 million in life and TL 208,7 million in non-life insurance contributing to Bank's commission income.

In 2019, TEB bancassurance continued providing services through its branches and alternative

distribution channels to meet their customers' needs on their insurance and individual pension accounts. While allowing for policy purchasing, monitoring and downloading from customer interaction center and internet banking, studies are carried out on diversifying the range of products offered through these channels and on digital solutions. Additionally, there is an approval infrastructure for proposal and notification forms through digital channels.

In addition to insurance products, communication and marketing campaigns were carried out to inform existing and potential customers of Private Pension System regulations and government contribution practices and to help them take advantage of them.

TEB is focused to further develop and improve its business processes in order to provide the best insurance and private pension services to its customers.

#### **Free-of-charge trainings for all at TEB Family Academy**

TEB Family Academy, established in 2012, continues its operations with 'Responsible Banking' approach. The Academy carries out systematic activities for the last 7 years to extend saving habits in the society and raise a financially literate generation.

At TEB Academy trainings which is open to everyone, whether a TEB customer or not, essential financial literacy information is provided on basic topics such as saving, budget management, proper use of credit and cards and investing.

In the last few years, 11 million elementary school students have been supported about financial literacy through arts and music courses in the curriculum within the frame of the "Social and Financial Education through Art" project implemented in collaboration with the Ministry of National Education and UNICEF. Additionally, with protocols signed with General Directorates of Lifelong Education and Vocational and Technical Education which are affiliations of Ministry of National Education, 7,5 million trainees and students had a chance to receive financial literacy trainings.

Having given one-on-one financial literacy trainings to 350 thousand people in 2019, TEB reached 19

million people so far in various fractions of the society through various partnerships.

#### **Digital Financial Literacy Program**

Taking its pioneering position in financial literacy a step further, TEB started Digital Financial Literacy Program for university students in 2018.

Within the frame of the program the Bank met with more than 6,500 students at more than 20 universities on trending subjects such as Blockchain, Fintech, coding and digital transformation. Online trainings were delivered to more than 250 thousand individuals.

The objectives of the program are, raising individuals who have a command of financial technologies, who save, manage their money efficiently, know how to evaluate financial advantages and technologies and who are economically strong, hence contributing to digital transformation.

#### **PRIVATE BANKING**

Providing private banking services since 1989, TEB is the first bank implementing private banking and wealth management services in real terms. TEB Private Banking has a pioneering approach that seeks to offer its customers different and alternative investment products besides existing products and services in light of its consultant bank concept.

TEB Private Banking develops solutions that are tailor-made and that will add value to assets by identifying customer needs and expectations through 11 Private Banking Centers and 4 in-branch corners all around Turkey. Combining TEB and BNP Paribas' global knowledge and experiences with its innovative approach, TEB Private Banking continues to provide products and services that make a difference.

TEB Private Banking received "Most Innovative Private Banking" award given by International Finance in 2018 and 2019 and "Best Private Banking in Turkey" award by Global Finance in 2019 for its digital applications and services which made a difference in the industry. The Bank also received "Best Private Banking in Turkey" award in 2019 at the World Finance Banking Awards which is organized by World Finance every year to reward the most successful banking services. Prominent applications and services of TEB Private Banking are summarized below.

## **CEPTETEB Private**

CEPTETEB application which enables TEB customers to perform their banking transactions easily from wherever they want was developed based on Private Banking customers' needs and provide services as CEPTETEB Private.

## **Mobile Approval**

With TEB Private Mobile Approval application, which is a first in the industry, processes for written bank orders and obtaining wet signature are digitalized enabling TEB to forward the orders to customers and receiving their approvals via CEPTETEB Mobile Banking and Internet Banking. With this project, operational workload, delays, courier/taxi/ telephone costs and risk of not being able to obtain the wet signature approvals are minimized. The process got more reliable with the digital solution leading to an increase in customer satisfaction.

## **Investments that Make a Difference and Openly Social Entrepreneurship Platform**

Supporting the entrepreneurship ecosystem with numerous private projects such as TEB Private Angel Investment Platform, TEB Private Investor Club, CXO Club-Managing the Future Club and TEB Fintech Future Four, TEB Private Banking initiated a new project on social entrepreneurship concept which is gaining popularity in the world, as well as in Turkey. TEB has signed a collaboration agreement with Ashoka, the world's first and leading social entrepreneurship network, and organized events called "Investments that Make a Difference" to bring together social entrepreneurs with potential investors and support sustainable business models. Within the context of this collaboration, "Social Finance Meetings" were organized with the objective of creating awareness on social finance concept, focusing on 'social entrepreneurship' with a vision to support these entrepreneurs in terms of social financing, resources and network.

Openly Açık Açık Social Entrepreneurship Platform which was launched within the scope of Investments that Make a Difference project with collaboration of TEB Private Banking, Openly Association, Ashoka Turkey and Prosumer Economy Society was established to define, support and encourage social entrepreneurship in Turkey.

## **TEB Private Meetings**

Within the scope of TEB Private Meetings, "TEB Private Economy Talks" are organized in various cities and at these events, latest developments in markets are shared with TEB Private Banking customers.

## **Sponsorships**

Besides financial activities, TEB Private collaborates with important institutions in sports and arts and continued its sponsorships for sports organizations in 2019.

Being a part of significant projects which contribute to sports tourism in different regions of our country since 2012, TEB Private Banking supported all sailing races of Turkish Offshore Racing Club (TAYK) as its sponsor in 2019.

The Bank continued its sponsorship to TEB Private Banking Bodrum Golf Tournament in Bodrum which is organized in September every year.

Aside from sports, TEB Private Banking continued its endorsement for art and has been the sponsor of the BASE event since 2017, which supports young artists from faculties of fine arts at various branches.

## **Investment Consultancy Services**

Through the Investment Consultancy model developed under the context of TEB Investments at the beginning of 2017, 5 specialty branches were launched in 4 cities and Investment Consultancy services were provided to TEB Private Banking customers residing in Turkey by a total of 15 investment consultants.

In this context, all types of investment opportunities are being monitored instantaneously all around the world and appropriate alternatives for their assets and savings are offered to customers who sign an Investment Consultancy agreement.

Through TEB Investment consultants who provide services to TEB Private customers, customers' investment profiles are reviewed and portfolio management model alternatives based on different risk levels are presented taking into consideration BNP Paribas Wealth Management's global market forecasts and investor profiles.

Starting from the second quarter of 2019, in order to benefit from international market opportunities and decreasing interest rates, products were launched to provide returns by issuing Structured Bonds with a minimum return guarantee.

TEB will continue to be a leader in the industry in products to increase returns which respond to customers' needs in the following period.

## **DIGITAL BANKING**

With its customer-focused and innovative perspective, TEB continued to invest in digital channels in 2019.

In 2019, 81% of TEB customers used digital channels. Number of customers using mobile banking reached 1,5 million and ratio of customers using online banking reached 60%.

CEPTETEB Digital Banking Platform continued its rapid growth and reached 930 thousand customers at 2019 year-end. Share of credit applications through digital channels reached 45% of sales and ratio of deposits in total volume reached 30%.

Visual designs of CEPTETEB Credit and Bank cards which offer a world of advantages to its customers were renewed.

To improve, facilitate and speed up its customers' foreign travel experiences, TEB offers Fast Track at IGA, TAV and SAW airports, free-of-charge cash withdrawal abroad and departure fee payments through CEPTETEB mobile banking application.

### **Investment in value-added technologies**

Aside from providing support for customers to develop and renew their technologies, TEB also focused on value added technologies for its customers and continued its investments in 2019.

TEB launched its personal banking assistant TELEPATI in 2019 which provide services via TEB and CEPTETEB web sites and started answering its customers' questions instantly.

TEB continued investing in TEB FX platform in 2019 which was launched in 2018 to provide services for both individual and corporate customers through its Digital Banking Platform CEPTETEB. "Set an alarm" and "Place an order" features which were added to TEB FX made the platform more effective and practical.

TEB Fon Danışmanım which was launched in 2019 helps customers to manage their savings easily through CEPTETEB Internet Branch. TEB Fon Danışmanım offers its customers the most appropriate fund distribution based on their investment preferences.

CEPTETEB started to provide a user-friendly banking experience designed for its commercial customers with CEPTETEB İŞTE in 2019. CEPTETEB İŞTE customers can perform many transactions such as daily banking transactions and cash management through mobile application without going to the branch.

### **Creating value through social responsibility projects**

With TEB My Tree project, the Bank prevents carbon emissions that would come out as a result of the vehicles used by customers going to the branch rather than using CEPTETEB Internet Banking Branch.

When the carbon emission prevented through internet banking reaches the level that will be produced by a tree, a donation is made to TEMA Foundation for one tree sapling.

So far, TEB My Tree has supported planting of 50 thousand trees on behalf of its customers.

### **Two new awards for CEPTETEB Mobile application in 2019**

CEPTETEB Mobile Application received the "Best Mobile Banking in Western Europe" award given by Global Finance Magazine. The application also won the Gold Prize in "Mobile Site ve Mobile Application" category at the 2019 Stevie International Business Awards.

## **ATM**

Having one of the youngest networks of ATMs in the industry, TEB offers 7/24 services with an ATM market share of 3.30% whether the user is a customer or not.

In 2019, TEB ATMs provided its services with their new user-friendly front-end.

All TEB ATMs allow for cash depositing and 88% have conversion feature (all cash deposited can be used in all withdrawal transactions). With the

developments planned for the first quarter of 2020, this rate is expected to reach 100%.

It is possible to withdraw foreign currency from 85% of TEB ATMs.

69 million transactions are realized through 1,728 ATMs annually.

TEB's Global ATM agreement enables the use of TEB cards for cash withdrawals at BNP Paribas ATMs in various countries as well as other banks' ATMs free of charge. This service is being offered in 6 continents at around 50,000 ATMs.

In addition to those, new channels are being set up for customers to perform their cash or other banking transactions through new ATM sharing collaborations.

With the partnership '3 Banks Single ATM' established with two leading banks in the sector, number of ATMs in TEB ATM network reached 7,718.

### **Open Banking operations**

TEB continued its operations within the scope of Open Banking in 2019 with two main programs: API and Fintech Collaboration programs. Open Banking is considered as the new station of financial system after digital banking.

Under API program, APIs of main banking services were defined such as account information, account movements, credit applications, interest rates and ATM/branch inquiry.

In terms of business development in start-up ecosystem, purchase and set up of "API Portal" is completed which will be used as the interface while working with TEB and content development process started.

Within the scope of Fintech collaboration, presentation of many innovative projects which will prepare TEB for the future were made to Bank units and approvals were obtained. Contracts were signed with some of the start-up partners and POC's are being continuing with others.

TEB started to share BNPP Opera Tech Venture program with start-up partners with promising future who completed successful projects. The process is being monitored closely so that BNPP subsidiaries operating in other countries can benefit from these start-ups as well.

## **PAYMENT SYSTEMS**

### **TEB continued its efforts in 2019 to facilitate payments of individual and corporate customers and develop new payment alternatives.**

TEB carries out activities to help customers perform their shopping transactions more easily, quickly and securely.

While providing a secure environment for card payments, cards are being developed with additional product features. Moreover, TEB continued its innovative activities to offer all types of payment alternatives to increase revenues of businesses.

In 2019 significant increases were realized in the volume of operations of cards and contracted merchants. Total volume of contracted merchants increased by 22% to reach TL 82 billion.

The Bank realized another achievement on usage of its cards abroad. TEB provides free withdrawal from 50,000 ATMs and free access to reach their accounts around the world. The Bank puts its signature on a successful result and reached a market share of 13% in transactions abroad at the end of the year.

In 2019, TEB Business Procurement Card was launched to ease B2B transactions, particularly aiming to provide solutions for cash collection processes of producers and distributor companies. TEB provides uninterrupted and secure service to card holders and contracted merchants all around the world thanks to its infrastructure.

Changes and improvements realized in credit and bank card segments in 2019 are summarized below:

- TEB-BONUS cooperation completed its 13th year.
- Available to all cardholders and being among the most ambitious flight programs, the Mile Program allows customers to fly with advance miles without collecting bonus points and miles.
- The use of TEB debit cards for purchases accounted for 17% of the total turnover of debit cards.
- In 2019, TEB Individual Credit Cards reached the highest level for the last five years in turnover market share.

- TEB had the highest growth in individual credit card revenues in the third quarter of 2019 in comparison with 2018 year-end.
- Average turnover of Commercial Credit Cards increased in 2019 by 10% YoY and market share has been realized as 3,98%
- With Contactless MasterCard Public Transportation application, card holders can use their bank cards, credit cards or mobile wallets in public transportation in cities selected for this project.
- TEB credit card customers were given the opportunity to make mobile payments with NFC compatible cell phones on all contactless POS devices, including public transport in certain cities. Number of contactless payments and card transaction volume has increased accordingly.

TEB keeps on increasing its POS solutions and packages offered for each segment.

Through acceptance of all popular cards via single bank and account, the Bank aimed to make the merchants' lives easier and add value to their businesses. This way, members are able to accept five card brands with one single agreement.

In the context of responding to sector-specific needs, the Bank expanded its service spheres by offering solutions and packages catering to customer needs and expectations, such as TEB Milyem POS for jewelers, Harman Card and Harman POS for the needs for farmers, Doctor POS for doctors and Professionals Packages.

In keeping with its consultant bank approach, TEB has been one of the banks that offered the most alternatives to businesses and led the sector through campaigns, which include opportunities intended for end-users and device variety.

In 2019, the number of banks with joint POS deals reached seven and the number of brands & models collaborated for cash registers reached 18.

Along with POS payment services, TEB provides support to member merchants with analyses and special reports which offers added value for business specific needs and expectations.

The following activities were realized to make merchants lives easier within the frame of digitalization:

- POS functions of CEPTETEB İŞTE were improved in 2019. Member businesses can perform their daily

banking transactions easily with a rich function set, through tools that can be used to easily follow up all POS transactions.

- New features were added to functional products that are already equipped with many features such as POS application via tablet, DCC, POS with a fixed fee, second end-of-day, sub-dealership system.

As of 2019 year end;

- TEB POS, providing services at nearly 119,000 points, offers member merchants shopping opportunities with installment and Bonus point redemption capability with nearly 50.000 POS devices with Bonus feature.
- TEB is ranked as third among the banks that do not have their own brands
- With 57,000 PRDs (Payment Recorder Device), cash register POS market share went above 4%.
- With 65,000 contactless POS/cash register, the Bank supports contactless payments particularly through solutions and communication campaigns at chain stores.
- In 2019, the POS volume of TEB closed in on TL 33 billion, and about 22% of the total turnover was generated within the scope of the Bonus Loyalty Program.
- TEB supports payment organizations which are the new players. The Bank continues its virtual POS activities with a number of payment institutions. Infrastructure studies are also being carried out for sub-merchant management. Approximately 60.000 sub-distributors were identified systematically.
- Sales in 7 different currencies were offered with TEB POS. Along with TL, USD, EUR, GBP; sales with Ruble (RUB), Riyal (SAR) and Japanese Yen (JPY) can also be made with TEB POS.
- POS agreements were signed with large corporate customers and chain stores renowned worldwide.

#### **Payment system collaborations increased in 2019.**

The Bank's market share in payment systems kept growing in 2019 with new agreements executed for the provision of infrastructure services subject to cash management processes with companies that began operations under the Law no 6493 on Payment and Security Settlement Systems, Payment Services and Electronic Money Institutions.

In this context, TEB added 4 new payment institutions within the scope of its collaborations in the area of bill payment systems, one of them being an affiliate of Turkey's leading telephone operator. The number of companies TEB provides services increased to 22 in 2019.

Operations under European Union Payment Service Directive 2 (PSD2) which came into effect in January 2018 were closely monitored and steps were taken towards new collaboration in this context.

TEB has been providing services to payment institutions who handle bill payment of Turkey's largest corporations. In 2019, TEB provided invoice collection services for Turkey's leading six electric distribution, two GSM and two natural gas distribution companies.

## MICROBUSINESS BANKING

### **Facilitating the lives of tradesmen with new products and fee packages**

TEB offers businesses the opportunity to manage and monitor fees for products and transactions with both product and fee packages appropriate for their banking needs.

Businesses can select the most appropriate package among different package alternatives including various product and transaction sets for transactions they use most. Transaction sets to serve customers' cash flow needs which include collection and payment products via check, POS, transfer and EFT are offered to TEB customers in 3-month, 6-month and annual packages.

### **24/7 service for tradesmen with Patron Card**

The Bank's Patron Card product provides tradesmen and small enterprises with the opportunity to quickly access credit facilities with a single card through alternative distribution channels.

TEB customers can access their full limits in commercial installment loans, seasonal loans, overdraft accounts and company credit cards over a single card with the TEB Patron Card and can meet their commercial loan needs with terms of up to 36 months from TEB ATMs and the TEB Corporate Internet branch on a 24/7 basis.

Bills, cheques, social security contributions and HGS label charges (bridge and road tolls) can be paid on time with the overdraft account linked to the Patron Card, saving them a trip to the branches.

The Patron Card offers businesses operating in the tourism sector seasonal loan payment options.

They are able to make their loan repayments in May-October period in two installments in line with their cash flows.

The TEB Patron Card company credit card feature allows users to pay for purchases confidently and securely both in Turkey and abroad.

### **Financial convenience for tradesmen through agreements with more than 250 chambers**

TEB Microbusiness Banking works in cooperation with tradesman chambers which have a significant role in their industries.

Within the scope of collaborations with professional chambers and associations in 2019, TEB visited 250 chambers around the country. Convenient services were provided to professional chambers and their members such as free cash transfer and favorable interest rates.

### **Better service at digital channels**

In accordance with TEB's "your business is always with you" approach which aims to have its customers use of banking products and services easily, CEPTETEB İŞTE was launched.

Infrastructural developments are carried out to have TEB customers apply for credits without coming to the branch.

### **A bank as well as a guide for microbusinesses**

In addition to the financial solutions it offers to the customers, TEB also delivers guidance services designed to help them use the funding to grow their businesses. In this context, customer representatives working in branches go through special training programs to help microbusiness owners grow their business and give guidance on risk management based on their needs with customized analyses and roadmaps.

## WOMEN BANKING

According to McKinsey Global Institute 2015 Gender Equality Report, the global growth figures would go up by USD 12 trillion by the year 2025 provided that gender equality is achieved in business life.

Increasing women's participation in the business world and strengthening their presence in every

area is crucial in terms of the added value contributed to the economy.

### **Support to women with high economic potential**

In 2019, TEB continued its activities targeted to cater women business owners’.

In this context, the Bank is focused on providing support for financial and non-financial needs of women business owners for sustainable economic growth and aims to reveal the hidden potential of women bosses in keeping with its vision of being the “women’s consultant bank”.

TEB eases access to funding facilities. Generating guarantee and difficulties in obtaining credit take the first place in challenges women face who are either starting or growing their businesses. Solving these problems is highly important for preparing the stage for women where they can take part in the economy not only as consumers also as producers.

Within the scope of the protocol signed with EBRD (European Bank for Reconstruction and Development) TEB Women Banking provided a resource of Euro 50 Million to women entrepreneurs without guarantee.

TEB Women Banking offers advantageous prices in its banking products and services with fee packages designed particularly for women business owners.

In 2019, credit volume allocated for women business owners increased by 17%.

Women business owners who are in foreign trade or have a target to enter into foreign trade transactions were supported with special pricing and limits determined by Eximbank within the scope of the protocol signed with Eximbank in 2019.

### **Support for women with a variety of routes to access information**

TEB develops a number of quality solutions to provide the women business owners with the information they need to grow their businesses.

Structured in line with this objective, TEB Women Academy is a special program that offers women bosses training to build on their leadership and business management skills through workshops

and brings women bosses together with the inspiring women of the business world.

Aimed to contact women in various Anatolian cities, these events continued in 2019 in collaboration with local non-governmental organizations and TOBB (The Union of Chambers and Commodity Exchanges of Turkey) Women Entrepreneurs Board.

Approximately 6,000 women were reached through 36 Women Academies organized in 27 cities.

### **TEB meets women bosses’ coaching and mentoring needs.**

Worldwide research concluded that women display an increase in their self-confidence, awareness and use of skills when they receive coaching/mentoring.

TEB initiated Women Banking support programs in order to fulfill one of the most important needs of women bosses which is coaching and mentoring.

By this vision TEB is the pioneer bank that has started a program called by TEB Star Cluster project, with this project, TEB branch managers selected to extend support to women bosses were trained as “Enterprise Coaches” with a special curriculum. As being a first initiative under a Bank’s roof in Turkey, this project was intended to provide coaching to women bosses to solve the day-to-day problems they face and to take the actions necessary to grow their establishments.

With TEB Growth Academy which is a group coaching program, women business owners selected are included in a three-day special training program and leave the program with a 90-day business plan and business goals. Within the scope of this program, women entrepreneurs are provided both training and coaching services and they are encouraged to take steps toward growing their businesses with a systematic method and perspective.

### **Communication language designed with encouraging statements**

Besides special products and services for women bosses, the Bank also sponsors special events formulated on the basis of the women’s role in social life and leadership and conducts communication activities.

The advertising campaign of TEB with the title “Elalem Ne Der”, prepared for the International Women’s Day and aired on online and offline channels on 8 March 2018 was a great success.

Keeping its encouraging statement for women, the Bank highlighted the motto of Success does not have a Gender on 8 March 2019. This strong statement which inspires women received nice feedback and reached a level of more than 7 million access on online channels and more than 4 million viewings.

TEB puts forward its support to help women business owners in Anatolia and extend women entrepreneurship in Anatolia by providing training opportunities and sponsorships.

The Bank supported rewarding successful women entrepreneurs in Adana region by sponsoring İŞKAD Women Entrepreneurship Awards in 2019.

#### **TEB Women Banking received an award from EBRD**

European Bank for Reconstruction and Development (EBRD)

EBRD (European Bank for Reconstruction and Development) nominated projects of TEB Women Banking within the scope of financial or non-financial services among 52 different projects around the world under Environmental and Social Innovation category at its summit.

As a result of the evaluation process, TEB Women Banking received the “Gold Prize” leaving many projects around the world behind.

## ASSET AND LIABILITY MANAGEMENT

TEB is one of the first banks in Turkey to develop an “Asset and Liability Management” approach.

Since 2005, Asset and Liability Management and Treasury Group has managed interest rate, liquidity and structural exchange rate risks with the aim of maintaining a sustainable profit for the Bank.

The Group has adopted a management style based on sound, prudent and long-term strategies with its competent and experienced staff and the know-how developed in cooperation with the BNP Paribas Group.

In 2019, the Asset-Liability Management and Treasury Group continued to contribute to its subsidiaries to work efficiently in their respective fields within the boundaries set by compliance.

### Liquidity ratios kept within limits

In 2019, despite the economic and political risks, the Asset and Liability Management and Treasury Group exceeded its targets through proactive hedging strategies in interest rate risk management and contributed significantly to the Bank’s profitability.

The actions taken to secure funding diversity and funding maturity extension with the aim of reaching solid and consistent liquidity targets has continued to keep the liquidity ratios within limits.

### Close watch of global and local markets

The Group monitors the local and international markets closely to foresee the potential volatility in the market and so as to mitigate the structural risks in interest rate, FX and liquidity positions in the Bank’s balance sheet. The expertise that is required to be able effectively manage those risks is another strength of the Asset-Liability Management and Treasury Group.

The Group is in constant communication with all the business lines to ensure that the balance sheet is composed of assets and liabilities with the right cost structure and in line with the competition faced from the market. Periodical meetings and visits are scheduled to establish an efficient relationship with the branch network.

Asset-Liability Management and Treasury Group plays an important roles in modeling interest and

liquidity risks accurately, measuring the realizations and the decision-making processes of the Bank through reports prepared for matters under the Group’s responsibility.

### Diversified funding sources

In 2019, the Asset-Liability Management and Treasury Group aimed at creating a stronger and more consistent liquidity for the Bank by securing a broad base of deposits, which represents one of the main sources of funding. To this end, the Bank focused on Marifetli Account and a substantial growth has been recorded in that product.

In line with TEB’s targets in digital banking, the Asset-Liability Management and Treasury Group maintained its supportive stance for the pricing made through the CEPTETEB channel. For diversifying funding sources, the Group also initiated working on a cash flow based funding product towards securing long term funding from international markets. Particularly in the first half of the year, within the favorable market conditions, the frequency of TEB Bond issues has been increased in order to enhance product diversity.

### Collaboration of experience with BNP Paribas for effective liquidity and risk management

Information flow between specialist teams to adapt BNP Paribas know-how in modeling analyses to the requirements of Turkey by the TEB ALMT modeling team continued efficiently in 2019.

Competitive pricing of export loans and corporate loans have been enabled by the low-cost funding provided by BNP Paribas.

Additionally, work was carried out to adapt the liquidity and risk management policies implemented by the BNP Paribas Group to the Bank, and experiences were shared for a more efficient liquidity and risk management.

Specific activities were performed for intraday liquidity management and experiences were shared to effectively manage intraday liquidity under stressful situations. Efforts continue to adapt best practices within the Group to TEB.

**TEB Wholesale Pricing Department started to show its impact on the Bank's balance sheet**

Deposit pricing of upper segment corporate customers was centralized. Relations with this

customer group was emphasized and new customers were gained. As a result of these changes, processes became faster and more effective which had positive contributions to the Bank's profitability.

## CORPORATE INVESTMENT BANKING GROUP

Operating since 2011, TEB Corporate Investment Banking Group provides Turkish companies targeting strategic opportunities at home or abroad with consultancy support that will cater to such pursuits, and supports this service with loans and capital market transactions.

The main purpose of Corporate Investment Banking Group is to deliver customized international solutions with high added value to customers in a fast and effective manner. To this end, BNP Paribas' financial strength competency in global products is presented to the clients, which may result in opportunities of an international scale.

In 2019, the Group carried on with its customer-oriented activities in Global Markets, Large Corporate Groups, Large Corporate Financing Groups and Corporate Finance.

In 2019, TEB successfully sustained the acceleration it has gained despite the ongoing competition and toughening market conditions. In almost every borrowing and international market transaction realized by the targeted clients, BNP Paribas' wide range of products and geographical network has been efficiently utilized. In a year when corporate firms and financial institutions were inclined to diversify their resources, Corporate Investment Banking group offered international debt instruments to its customers and brought them together with international investors as in prior years.

Global Markets continued its operations in changing and developing global markets in a strong and sustainable growth trend in 2019. Using domestic and foreign markets effectively, it enhanced its position as a solution generating center with its staff experienced in managing currency, interest and commodity risks in a wide range of instruments such as spot, swap, options and structured derivative products. Following today's technologies closely, TEB focused on new generation digital solutions to carry customer experience to the highest level and TEB FX platform was launched. With this platform, Retail, Private, SME and Corporate Banking customers are provided the opportunity to perform transactions in more than 40 pairs of currency at market exchange rates as well as accessing market and economy news, setting up alarms and placing orders thus making use of market opportunities rapidly.

Large Corporate Groups Department, which was established to develop financial solutions tailored for large corporate clients, kept offering various structured products and funding alternatives to the pioneering companies in Turkey by making use of the BNP Paribas' worldwide network.

Acting as an intermediary in organizing the first Sustainability Indexed Credit for a corporate firm in Turkey, TEB set forth an innovative example. With this financing transaction, TEB exhibited its leadership in financial markets in sustainability area which is recently gaining importance.

Corporate Finance Department provided consultancy services in big infrastructure projects in 2019, helped private capital funds in Turkey with their business ideas thanks to the rich client portfolio of TEB and intermediated strategic investments.

### **TEB built a structure that meets all the customer needs in Investment Banking.**

The Corporate Investment Banking Group is a structure that combines TEB's power in the local market with BNP Paribas' financial strength, position in global finance markets, expertise and experience in capital markets, structured finance and consulting.

Capable of single-handedly responding to a corporation's all requirements in these areas; the Corporate Investment Banking is integrated into TEB's client portfolio and BNP Paribas' product range. This allows the Group to benefit from both the growing network of clients within TEB and the strong product specialists at BNP Paribas.

TEB will continue to stand by its customers in the following periods with qualified products and solutions by providing structured financing, capital markets, treasury solutions and strategic investment opportunities.

## TEB SECURITIES SERVICES

TEB Securities Services provides post-trade services for capital market instruments of its clients with its team of specialists at the TEB Head Office.

In cooperation with BNP Paribas Securities Services, which is Europe's largest custodian bank, the department creates solutions for post-trade needs pertaining to capital market instruments, which may arise subsequent to the investment decisions of financial institutions, institutional investors and issuers, with an innovative and meticulous approach.

Completing its 12th year in the industry, TEB Securities Services started to operate within TEB since 2007, and has been providing local custody and settlement services, that were at first originally established by BNP Paribas in Turkey back in the 1990s.

As part of BNP Paribas Corporate and Institutional Banking (CIB), TEB Securities Services serves with a consultancy approach in terms of market operations and new products.

TEB Securities Services provides the following services:

- Settlement and custody services for cash equities, government bonds and bills and other capital market instruments
- Collateral and cash management services for derivatives
- Securities borrowing/ lending transactions
- Outsourcing services for brokers
- Escrow and collateral management services
- Debt instrument, certificate and warrant issue-related operations and payment services
- Account operating services for issuers' central registry agency accounts
- Individual custody, collective portfolio custody and funding services for portfolio management companies.

### **TEB Securities Services sustained its successful performance in 2019.**

Sustaining its successful performance as in the previous years, Securities Services Department won new clients and managed the transactions of existing clients successfully in 2019.

TEB Securities Services ranked number one in the following surveys conducted by leading institutions and based on comments and ratings of clients:

- Global Custodian - Agency Banks in Emerging Markets (ABEM 2019)
- Global Investor Magazine – Sub Custody 2019
- Global Finance Magazine-Country Award, Annual Survey for World's Best Sub-Custodian Bank

### **TEB is the choice of clients that seek much more than a custodian bank.**

Having the global perspective with a pioneering and client-focused approach TEB remains the choice of clients seeking more than a custodian bank for post-trade services in capital markets.

TEB Securities Services closely monitors all the developments realized by regulatory bodies, namely Capital Markets Board of Turkey (CMB), Takas Istanbul (Istanbul Clearing, Settlement and Custody Bank Inc.), Borsa Istanbul (BIST) and Merkezi Kayıt Istanbul (Central Securities Depository of Turkey) from legal, technological and operational aspects. The department promptly responds to client needs on the securities services business with investments in new products and technology.

Making use of these developments as an opportunity to cooperate with clients and developing joint projects with them, the department stands out from the competition with its investments aimed at achieving operational excellence with priority given to helping its clients expand their businesses.

As a pioneering post-trade services provider, the objective of the department is to implement innovative solutions that will contribute to the development of the capital markets and the Bank.

To achieve this objective, collaborations continue with BIST, Takas Istanbul, Merkezi Kayıt Istanbul (MKK) and Turkish Capital Markets Association (TSPB).

### **Significant developments occurred in Turkey's capital markets in 2019.**

In 2019, long-awaited omnibus account structure for International Central Securities Depositories (ICSD) was launched.. With this change, omnibus account structure which allows beneficiaries

abroad to monitor and manage all their capital market instruments in an collective manner has been added to account types held under MKK.

Omnibus account structure is compatible with working principles of ICSDs. Using the account system adopted by these institutions all around the world for our country's capital market instruments will help increase the use of Turkish capital market instruments in international transactions as collateral and facilitate integration of domestic markets with international markets.

Within the frame of the approval obtained, domestic government bonds owned by non-resident institutions and funds can be included in omnibus accounts held at MKK. ICSDs are required to sign a service agreement with a bank holding a general custody license to conduct their transactions with MKK and other legal liabilities in Turkey.

TEB Securities Services which has the general custody license can provide account operator services in accordance with principles defined for ICSDs and omnibus accounts. The Bank started analysis and preparations for system developments to offer this service.

In 2019, market structure of Borsa Istanbul Stock Market changed. Stocks traded at Star Market and Main Market are classified under two groups, Group 1 and Group 2 based on similarities in size, depth and liquidity. Purposes of this new market structure is development of new products in capital markets, growth of capital markets and making maximum use of order processing and speed capacity.

#### **New product developments and collaboration efforts continued in 2019.**

As the central counterparty (CCP) services started to be provided in capital markets, TEB Securities Services conducted comprehensive evaluations with Takas İstanbul and the clients on the impacts of these changes on markets and services provided. Following these developments, TEB started preparations towards being a General Clearing Member in the BIST Equity Market.

TEB continues its efforts to support development and growth of this market by becoming the leading bank providing this new service.

The department also works in close collaboration with other TEB affiliates active in capital markets.

In particular, the services related to BIST Futures and Options Market offered in partnership with TEB Investment has brought considerable success.

Ongoing collaborations with professional organizations within the market continued in 2019. TEB Securities Services took part in the Content Committee of the Capital Markets Congress 2019 organized by TSPB and participated in the Congress at the highest level as a sponsor.

TEB Securities Services Department continued to provide collective portfolio custody and fund services for portfolio management companies in 2019.

Moreover, the Department is keen to develop Turkish Lira correspondence banking transactions given by TEB, particularly for

banks that already active in securities services activities.

## NEW PRODUCTS AND SERVICES

### CORPORATE BANKING GROUP:

TEB was granted the Bronze Stevie award at Stevie International Business Awards in New Product/Service category with development of Mobile-Ink Cash Flow Portal's second version.

TEB continues to make new investments to develop its existing cash management products while creating new products. In 2019, SWIFT GPI payment monitoring system was shared with customers via Corporate Internet Banking screen which allows the follow up of every stage of foreign currency transfer until it reaches the account of the receiver.

### SME BANKING GROUP:

#### **SME Banking Group will provide services with its new service model.**

As the first bank in Turkey that comes to mind in SME Banking, TEB aims to provide service at appropriate level in correct segments while observing customer needs.

As the companies' needs are getting diversified these days, the need for segmentation emerged. In its new structure, TEB segmented its customers in SME and SME Plus groups and updated its definition of SME.

Within the scope of its segmentation activities, customer representatives were supported with specific trainings suitable for their segments on cash management, foreign trade and financial markets.

TEB SME Banking aims to increase its contribution by providing advisory services for SMEs with its expert staff. TEB believes that it will differentiate itself in the industry with new cash management products it will offer its customers.

With this new strategic perspective, TEB offers services for companies with specific needs in a wide range of areas, from foreign trade to project financing, derivative instruments and supplier financing.

TEB SME Banking Group also re-designed its digital service model to include automatized credit processes with the purpose of providing faster daily banking services for small enterprises. This

initiative will contribute to increase in customer number and customer satisfaction.

#### **Financial assistant of commercial customers CEPTETEB İŞTE is live**

TEB continues to be by SMEs side as the bank producing solutions for both financial and non-financial needs of SMEs.

The Bank conducts activities focused on offering new digital experiences to facilitate its customers' daily financial needs in the changing world.

The Bank held discussions with more than 100 firms and based on the results of workshops organized with the participation of TEB employees and firm representatives, the new digital platform CEPTETEB İŞTE was launched which is designed for commercial firms to facilitate their daily banking transactions.

CEPTETEB İŞTE is the only platform in the industry designed specifically for commercial customers with rich transaction functions, a welcome screen that gives a summary of customer's products and daily financial status and with features such as a financial calendar and POS management.

#### **TİM-TEB Start-up House was the first and only acceleration center from Turkey to be included in GAN**

After opening an office in San Francisco, USA to facilitate global operations of start-ups, TİM-TEB Start-up House became the first and only acceleration center from Turkey which was included in Global Accelerator Network (GAN) with operations at 120 cities in 94 countries and which will give start-ups the opportunity to meet with more than 100 prestigious accelerator centers.

GAN partnership provided the opportunity for TİM-TEB Start-up House participants to be included in GAN Ventures Global Investment network with more than 10 thousand start-ups and benefit from acceleration services this network offers and support from other global acceleration services within this network.

### **Technological solutions from TEB to ease farmers' lives**

With products and services in Agricultural Banking TEB continues to support Anatolia's value, farmers. Operating with the mission of being the consultant of the farmer, TEB opened up its technological infrastructure for their use.

In this context, farmers can apply for Harman Card and TEB agricultural credits without coming to a branch via SMS.

### **RETAIL AND PRIVATE BANKING GROUP:**

In 2019, TEB put its signature on new projects which provide better service to meet Retail and Private Banking customers' needs.

With the partnership '3 Banks Single ATM' established with two leading banks in the sector, ATM network got wider. Another step in digitalization is taken and CEPTETEB Marifetli Account product is launched. At the same time TEB

started the 'welcome interest' credit campaign with an objective to increase new customers and gained 120 thousand new customers. TEB introduced its personal banking assistant TELEPATI in 2019 which provide services via TEB and CEPTETEB web sites and started answering its customers' questions instantly.

With the goal of being the most preferred bank of pension account customers, TEB offered customers who carry their pension accounts to TEB promotions amounting to TL 1,000. The Bank gained many new customers and maintained its assertion of being the bank of retirees.

Within the scope of Women Banking, TEB offers its products and services with more advantageous prices with fee packages designed specific for women business owners. Additionally, TEB started serving its customers via its new chatbot application called "Telepati". The application provides rapid service to customers in areas such as branch/ATM inquiry, frequently asked questions and product pricing.

## TEB FINANCIAL SERVICES GROUP

### TEB FAKTORİNG A.Ş.

One of the biggest players in its industry, TEB Faktoring A.Ş. (TEB Faktoring) provides export, import and domestic factoring products and services to corporate and commercial customers and SMEs.

In 2019, TEB Faktoring's business volume was TL 8,9 billion and its total assets were TRY 2,087,066 thousand, with 24% growth.

Affected by the slowdown of the economy starting with the second half of 2018, business volume of the factoring industry decreased by 11%. However, TEB achieved to maintain its business volume of prior year thanks to its effective service provided particularly in export factoring.

The Company had net income of TL 37,568 thousand in 2019. As of 2019 year end, TEB Faktoring's return on equity was 25.5%. Return on equity for the industry was 18% for 2019.

Economic recession, increase in input costs, increase in number of companies going for debt composition agreements with creditors due to difficulties in payment all affected the repayment of credits. In 2019, non-performing loan ratio (NPL) and cost of risk ratio were 5.92% and 2.47%, respectively, in the factoring industry. Focusing more on risk management, TEB Faktoring's NPL ratio and cost of risk ratio were 1.5% and 0.3%, respectively, which are well below the industry average.

In 2019, the total number of customers in TEB Faktoring's portfolio went up to 30,244. As of year-end, the company had 1,823 active customers, 16 branches and 113 employees.

TEB Faktoring remained among the leading factoring companies in Turkey and the world in terms of the export factoring business volume according to Factors Chain International (FCI), the world's biggest factoring chain. At the same time, TEB Faktoring was selected the best export factoring company of the world for the 7th time.

In 2019, TEB Faktoring was rewarded as the most admired company of our country.

With the aim of better serving its customers and helping them achieve success in challenging economic conditions with an efficient and effective

company management principle, TEB Faktoring focuses on digitalization and accordingly initiated many projects in this context in 2019. This allowed for risk management, increased efficiency and automation, which are the key elements of profitability.

Attracting more customers in 2019 through its investments in digital platforms and competencies developed in this area, TEB Faktoring aims to increase its use of digital platforms in factoring transactions starting with 2020 and provide more support to SMEs. The Company works on adding new digital partnerships in 2020 to the existing ones which started in 2019.

Within the frame of the contract signed with "hamilinden.com" which is the new solution partner of TEB Start-up House project, TEB Faktoring started to provide a new service to SMEs on digital platform. With this product, "hamilinden.com" members who want access to financing are given the opportunity to convert their invoiced receivables into cash at a favorable cost.

TEB Faktoring adopted "faster, cheaper, more reliable business" principles and in this context, it launched the Automated Decision (ADS) project in 2018 which enables parametric inquiry, calculates a scoring for customers/debtors via artificial intelligence embedded in the Decision Tree and generates automatic results for transactions which are in line with the pre-defined criteria. With this project, manual error risk is minimized, transactions became faster and realized at a lower cost. TEB Faktoring will launch Automatic Limit Allocation Project (ALA) in 2020 which will allow automatic conclusion of limit increase requests from customers based on same inquiry and scoring methods.

Supply Chain Finance, a product used extensively around the world, has been in the focus of the factoring sector since 2016. A digital platform was set up for this specific product in 2018 by the Association of Financial Institutions. This platform, called Supply Chain Finance System (SCF), brings together financial institutions, buyers and suppliers in the same electronic environment. SMEs using SCF platform had the opportunity to access lower cost financing. TEB Faktoring started to offer this product to its customers in 2019 and became the first company to use SCF platform in its industry.

It is anticipated that the positive trend which started during the second half of 2019 with the new economic program will continue in 2020.

Moreover, 2020 is expected to be a year when uncertainties will decrease and growth will increase.

Management of risks in economy, particularly in the domestic market, is becoming more critical. In today's economic environment, for healthy growth SMEs will need to focus on exports with more favorable conditions. Their most significant needs will be to open up to new markets, realize trade with companies in countries they do not know and which they cannot measure their risk while protecting their cash flow and equity. Factoring firms providing all these services will be their biggest supporters by providing factoring guarantee, finance and collection services.

TEB Faktoring achieved a first in the industry and signed a protocol with Turkish Exporters' Assembly together with TEB, to meet financing needs of exporter companies.

With this protocol, favorable interest rates will be offered to export foreign currency credits with maturities upto 1 year. At this period when maturities are getting longer, collectibility of receivables becoming more important and access to financing resources becoming more difficult, TEB Faktoring is offering a very important service and continues to provide support to building stones of our economy, SMEs and companies who turn onto exports.

## TEB PORTFÖY YÖNETİMİ A.Ş.

TEB Portföy Yönetimi A.Ş. (TEB Asset Management) has been operating in asset management sector since 1999.

As of year-end 2019, it is the 6th largest asset management company in Turkey, with TL 12,7 billion assets under management and 4.47% market share in the sector.

Under the new regulations, the Capital Markets Board of Turkey (CMB) authorized the Company to engage in asset management and investment advisory activities on 15 June 2015, and issued an authorization certificate numbered PYŞ/PY.22-YD.11/524.

The main activity of the company is to launch and manage mutual funds subject to the Capital Market Law and the provisions of applicable legislation.

One of the cornerstones of 2019 for TEB Asset Management was the agreement signed with ING Bank to acquire all shares of ING Portföy Yönetimi. In accordance with the resolution of Extraordinary General Assembly held on 31 May 2019, ING Bank A.Ş. transferred all of its shares in ING Portföy Yönetimi A.Ş. to TEB Asset Management.

On 26 July 2019, CMB gave permission for the facilitated merger transaction of TEB Asset Management's acquisition of ING Portföy Yönetimi A.Ş. as a whole with all assets and liabilities through winding up without liquidation method in accordance with articles 155 and 156 of the Turkish Commercial Code numbered 6102. The acquisition was realized on 16 August 2019.

Increasing its strength in the industry as a result of this merger, TEB Asset Management also signed an Investment Fund Distribution Agreement with ING Bank to distribute TEB Asset Management investment funds.

Another positive reflection of the merger was the transfer of management of NN Hayat Emeklilik funds, previously managed by ING Portföy, to TEB Asset Management.

TEB Asset Management also provides investment management services to institutional and retail clients in line with their risk profiles as a proxy under portfolio management agreements and investment advisory services to international funds.

As of 2019 year end TEB Asset Management had

- a 4.34% market share in the mutual funds market, with a total of TL 4,77 billion of assets,
- a 3.64% market share on the actively-managed mutual funds,
- a total of TL 4 million assets under management in its discretionary portfolio management business line,
- a total of TL 123 million assets under management in its institutional wealth management service business line,
- a 5.85% market share in the pension funds market, with a total of TL 7,5 billion assets
- a total of TL 386 million in international investment funds,

with a wide external distribution channel.

The synergies that TEB Asset Management generate by collaborating with BNP Paribas Asset Management, one of Euro Zone's leading asset managers, are accelerating the company's progress in becoming a global force. Thanks to this collaboration, TEB Asset Management continues to enter into strategic partnerships with many other international firms.

TEB Asset Management manages Parvest Turkey Fund, a leading Turkish equities based fund whose assets of TL 221 million are invested in the stocks of companies established in Turkey. TEB Asset Management also manages Japan-based Turkey Equity Mother Fund, whose assets amount to about TL 79 million.

Besides those two international funds mentioned above, TEB Asset Management provides investment advisory to other international funds which invest in Turkish equities with asset size of TL 86 million for which the company acts as consultant make TEB Asset Management Turkey's largest asset manager working for international clients..

TEB Asset Management designated 2019 as the year of digitalization and started to launch its projects in this context.

English version of TEB Asset Management web site which went on line in 2018, was launched. Additionally, within the scope of a project carried on with TEB, robo advisory system, 'My Fund Advisor' which establishes model portfolios based on fund customers' risk profiles with an algorithm was launched after testing and regulatory compliance processes.

In the forthcoming period, TEB Asset Management will continue to develop strategies to guide its investors in making the right investment choices with right timing, to work with domestic and international stakeholders in exploration of ways to increase its market share and to protect its clients as well as itself against volatility risks in the markets.

## TEB YATIRIM MENKUL DEĞERLER A.Ş.

Having started its operations in 1996, TEB Yatırım Menkul Değerler A.Ş. (TEB Investment) is engaged in capital market transactions under the Capital Market Law and the provisions of applicable legislation.

The company's licenses were reviewed and renewed by the Capital Markets Board pursuant to two Capital Markets Act communiqués of the Capital Market Law numbered 6362: Communiqué III-37.1 on principles regarding investment services and activities and their ancillary services ("Investment Services Communiqué") and Communiqué III-39.1 on the establishment and operation of investment institutions ("Investment Institutions Communiqué"). The company has been providing investment and ancillary services as a "broadly-licensed brokerage" since 13 November 2015.

The company currently provides the following investment services:

- Brokerage services (domestic and abroad)
- Portfolio intermediation services (domestic)
- Investment advisory services
- Issuance intermediation services
  - Underwriting
  - Best effort underwriting
- Custody services (Limited custody services)
- Introducing brokerage services.

TEB Investment is also licensed to provide introducing brokerage services to Türk Ekonomi Bankası A.Ş. by the resolution of Capital Markets Board dated 27 June 2016.

TEB Investment serves its clients at home and abroad with an extensive lineup of products and services through a variety of service channels that address the particular needs of different investor profiles. Accordingly, the company provides different client groups with the investment and trading services (equities, derivatives, mutual funds, bonds & bills, repo, etc.) as well as corporate finance and research services according to their requirements, and also intermediation services in debt issues and acquisitions to companies in the field of corporate finance.

Being a bank's intermediary institution, TEB Investment derives its primary advantage against the increasing competition in the sector from the research infrastructure at its disposal, which supports its extensive and efficient marketing

network. TEB Investment has been a company recognized with a number of awards in research in recent years.

TEB Investment is one of the few companies maintaining a good balance in the delivery of its extensive intermediation and research services to individual and institutional investors, alike.

TEB Investment distinguishes itself in the sector by virtue of:

- Experienced human resources capable of effectively serving both individual and institutional investors;
- Effective research services provided by a team of experienced research experts;
- Deep local market knowledge combined with its collaboration with a strong global partner, BNP Paribas;
- Effective use of technology.

TEB Investment collaborates with several units of the BNP Paribas Group. The company cooperates particularly in research, electronic transactions, customer acquisition activities and commodity custody transactions for corporations. There is intense collaboration also in Retail and Private Banking particularly concerning investment advisory, digitalization and new customer acquisition.

TEB Investment recognizes that digitalization , which has gained speed due to the accelerated consolidations in the aftermath of the recent CMB regulations coupled with the trends in technology will modify the sector's structure and business conduct. Carefully considering this fact, the company implemented the strategies it has formulated and concentrated on enriching the customer experience through service diversification in different segments. In 2019, as the first step of achieving these targets, transformation initiatives were continued in order to create a customer experience that puts effective employment of technology and research in the forefront, and to rebuild TEB Investment into a more efficient company with a higher level of digitalization.

The Company conducts activities to plan new products to be offered in the following period, particularly structured products and digital platforms.

Sharp fall realized in deposit interests which started with the interest reduction cycle down to

1200 base points initiated by the Central Bank caused an increase in household interest to capital markets in the second half of the year.

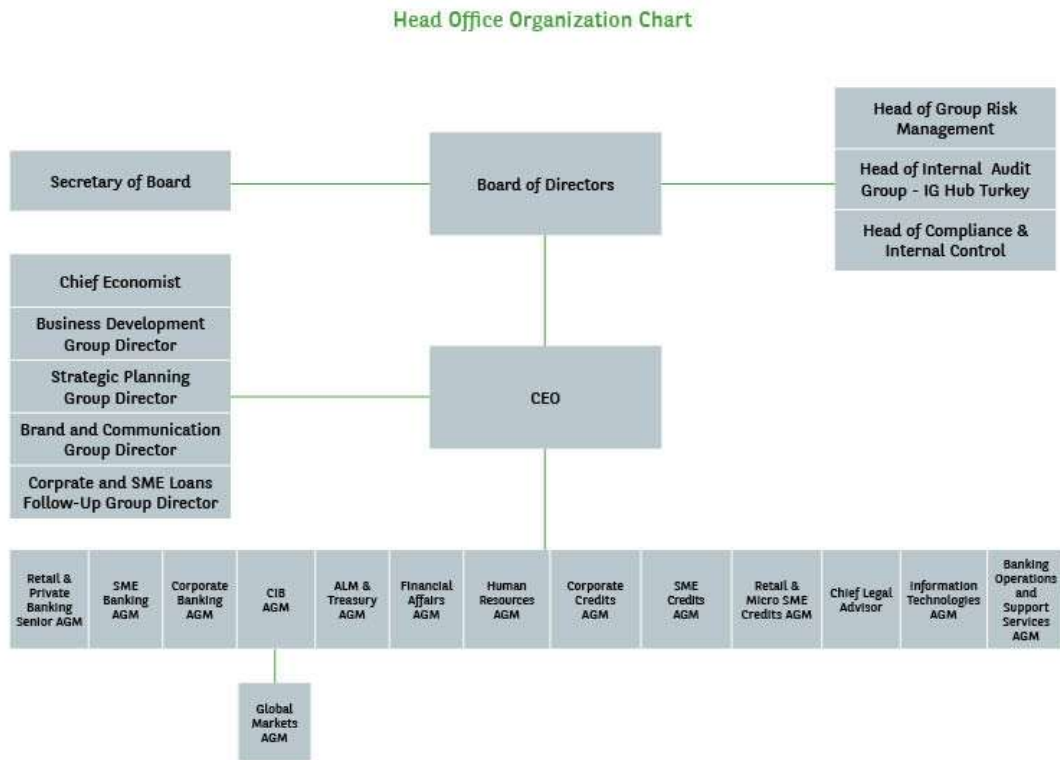
As a result of these developments, TEB Investments successfully achieved its budgeted targets for 2019.

At 2019 year-end, the company ranked 13 with a 2.30% share of the market for its trading volume worth TL 96,915 million in Borsa İstanbul Equity Market.

TEB Investment ranks 5th in Borsa İstanbul Derivatives Market with a 5.07% market share secured with a trading volume of TL 145,518 million.

## SECTION 2 - INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

### HEAD OFFICE ORGANIZATION CHART



## BOARD OF DIRECTORS

### Chairman and Members of the Board of Directors

Name-Surname	Title
Yavuz Canevi	Chairman
Dr. Akın Akbaygil	Deputy Chairman
Jean-Paul Sabet	Deputy Chairman
Ümit Leblebici	Executive Member and CEO
Nicolas de Baudinet de Courcelles (*)	Board Member and Chairman of the Audit Committee
Ayşe Aşardağ	Board Member and Deputy Chairman of the Audit Committee
Yvan L.A.M. DeCock	Board Member and Member of the Audit Committee
Sabri Davaz	Board Member and Member of the Audit Committee
Jacques Roger Jean Marie Rinino	Board Member
Özden Odabaşı	Board Member
Xavier Henri Jean Guilmineau	Board Member
François Andre Jesualdo Benaroya	Board Member

(\*) Alain Georges Auguste Fonteneau resigned effective 31 December 2018, and Nicolas de Baudinet de Courcelles has been appointed to fill the vacated membership effective 7 January 2019.

Yavuz Canevi, Chairman	
March 2015-present	TSKB, Board Member
2013-present	FERB Turkish - French Business Forum, Vice President
2001-present	FERB Turkish - Holland Business Forum, Board Member
2004-2010	NETAŞ, Board Member
1996-present	TEB A.Ş., Chairman of the Board of Directors
June 1995-present	IKV, Member of the Board
2001-2013	TEB Holding A.Ş., Board Member
2001-2010	Hedef Alliance A.Ş., Member of the Board
1993-2012	TSKB, Member of the Board
1989-present	FNSS Savunma Sistemleri A.Ş., Chairman of the Board
1991-1994	TÜSİAD, Member of the Board
1989-present	TÜSİAD, Member of High Advisory Council
1998-2011	TEB N.V. Holland, Chairman of the Board of Directors
1993-2005	Istanbul Stock Exchange, Deputy Chairman and Board Member
1989-2005	EUROTURK BANK Member of the Board
1987-1989	TURKEXIMBANK Chairman of the Board of Directors
1986-1989	Undersecretary of Treasury and Foreign Trade, Republic of Turkey Prime Ministry
1984-1986	Central Bank of Turkey, Governor
1980-1984	Central Bank of Turkey, Vice Governor
1979-1980	T. Garanti Bankası, Assistant General Manager in Charge of International Relations
1976-1979	Central Bank of Turkey, CEO of Foreign Exchange
1960-1975	Auditor, Ministry of Finance Georgia State University, USA, Faculty Member
1966-1969	University of Southern California (USC), USA, MA Economics
1956-1960	Ankara University, Faculty of Political Science, Department of Public Finance and Economics

<b>Dr. Akın Akbaygil, Deputy Chairman</b>	
1988-present	TEB A.Ş., Deputy Chairman
1986-present	TEB A.Ş., Credit Committee Chairman
2017 -2019	Ekonomi Yatırımlar Ltd. Board Member
March 2011-present	TEB Holding A.Ş., CEO
2005-present	TEB Faktoring A.Ş., Chairman
March 2011-March 2017	TEB Holding A.Ş. Board Member – CEO
February 2005– March 2017	TEB Mali Yatırımlar A.Ş. Board Member – CEO
April 2008 – March 2017	TEB A.Ş., Audit Committee Deputy Chairman
March 2013 – March 2016	TEB A.Ş., Independent Board Member
2011-April 2014	TEB N.V., Chairman
1999-2013	Ekonomi Bank IBU Ltd., Deputy Chairman
2011-2012	TEB Yatırım Menkul Değerler A.Ş., Chairman
2011-2011	Fortis Yatırım Menkul Değerler A.Ş., Board Member
1998-2011	TEB N.V., Deputy Chairman
October 2003– March 2011	TEB Mali Yatırımlar A.Ş. General Manager
2005-2010	TEB Finansal Kiralama A.Ş., Chairman
July 1998– February 2005	TEB Mali Yatırımlar A.Ş. Deputy Chairman
2004-2007	TEB Portföy Yönetimi A.Ş., Chairman
1997-2005	TEB Sigorta A.Ş., Chairman TEB Faktoring, Board Member
1996-2005	TEB Finansal Kiralama A.Ş., Board Member
February 1988– October 2003	TEB A.Ş. Deputy Chairman - CEO
2001-2002	Banks Association of Turkey, Deputy Chairman
1994-2001	Banks Association of Turkey, Board Member
April 1988– July 1988	İlkesan Yat. ve Gel. A.Ş., Deputy Chairman
March 1986– April 1988	İlkesan Yat. ve Gel. A.Ş., Board Member
June 1983– February 1988	TEB A.Ş., Board Member, CEO
May 1982– June 1983	TEB A.Ş., Board Member
1965-1982	Akbank T.A.Ş. Director of Foreign Affairs
1969-1973	Istanbul University, Faculty of Economics, Ph.D.
1967-1968	Istanbul University, Faculty of Economics, MBA
1962-1967	Istanbul University, Faculty of Economics, BA

<b>Jean-Paul Sabet, Deputy Chairman</b>	
January 2013-present	Deputy Head of International Retail Banking
2010-2012	BNP Paribas, International Retail Banking, Head of Turkey Zone
October 2010 - November 2010	TEB A.Ş., Audit Committee Member
June 2010-present	BNP Paribas Yatırımlar Holding Anonim Şirketi, Chairman
February 2011 - present	BNP Paribas Fortis Yatırımlar Holding Anonim Şirketi, Board Member
2010-present	TEB A.Ş., Deputy Chairman of Board of Directors TEB Holding A.Ş., Board Member BNP Paribas International Retail Banking, Turkey
2010-2015	BNL Banca Nazionale del Lavoro, Italy Board Member
October 2014-present	Bank Gospodarki Żywnościowej S.A., Board Member
April 2013-present	JSC "UkrSibbank", Board Member, Ukraine
2013-2015	BNP Paribas Polska SA, Chairman of the Audit Committee, Poland
August 1988-present	LDC, Board Member, France
2006-2009	Banca Nazionale del Lavoro/BNP Paribas Italy, C.O.O.
2004-2006	French Retail Banking Management Committee, Member Head of BNP Paribas Finance and Strategy Department
1998-2003	KLEPIERRE France, Board Member
1996-1998	Société Centrale D'Investissements, France
1973-1976	H.E.C. Ecole des Hautes Etudes Commerciales

<b>Ümit Leblebici, Executive Member and CEO</b>	
July 2017-present	FERB Board Member
May 2014-present	Banks Association of Turkey, Deputy Chairman
September 2013-present	TEB A.Ş., Executive Board Member and CEO
February 2013-September 2013	TEB A.Ş., Deputy CEO
2002-2013	TEB A.Ş. Assistant General Manager, ALM and Treasury Group
April 2013-September 2013	TEB Yatırım Menkul Değerler A.Ş., Chairman
2012-December 2014	TEB Portföy Yönetimi A.Ş., Chairman
2011-2012	TEB Portföy Yönetimi A.Ş., Board Member
1999-2002	TEB A.Ş. Director, Treasury Group
1997-1999	Osmanlı Bankası, Treasury Manager
March 1997 -July 1997	Ulusal Bank, Treasury Manager
1991-1997	Midland Bank, Treasury Manager
1988-1994	Istanbul University, MBA at Finance Major
1984-1988	Istanbul University, Faculty of Business Administration

<b>Nicolas de Baudinet de Courcelles, Member and Chairman of the Audit Committee</b>	
July 2019-present	TEB A.Ş., Chairman of the Audit Committee
February 2019 -present	BNPP Yatırımlar Holding A.Ş., Board Member
February 2019 -present	BNPP Fortis Yatırımlar Holding A.Ş., Board Member
January 2019 -present	TEB A.Ş., Board Member
2018 – 2019	TEB ARVAL Araç Filo Kiralama A.Ş., Deputy Chairman
December 2018 -present	TEB Faktoring A.Ş., Board Member
December 2018 -present	TEB Yatırım Menkul Değerler A.Ş., Board Member
1998– 2019	BNP PARIBAS Compliance Group Corporate and Investment Banking Financial Security Chairman
1981 - 1984	Sciences Po / Economics and Finance

<b>Ayşe Aşardağ, Member and Deputy Chairman of the Audit Committee</b>	
March 2017-present	TEB A.Ş., Deputy Chairman of the Audit Committee
2016-present	TEB Faktoring A.Ş., Deputy Chairman
2016-2017	TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2012-2017	Ekonomi Yatırımlar Ltd., Board Member
2012-present	TEB Yatırım Menkul Değerler A.Ş., Deputy Chairman TEB Finansman A.Ş., Deputy Chairman
2011-2016	TEB Faktoring A.Ş., Board Member The Economy Bank N.V., Board Member
2011-December 2014	TEB Portföy Yönetimi A.Ş., Board Member
2010-present	TEB A.Ş., Board Member
2009-present	TEB Sh.A (Kosovo), Board Member
2003-2013	Ekonomi Bank Offshore Ltd. Board Member
2001-present	TEB Holding A.Ş., Budget and Financial Control Coordinator
2010-2011	Fortis Bank A.Ş., Board Member
2009-2010	TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2008-2009	TEB ARVAL Araç Filo Kiralama A.Ş., Deputy Chairman, Etkin Temizlik Hizmetleri A.Ş. Chairman
2007-2010	TEB Tüketici Finansman A.Ş., Deputy Chairman
2007-2009	TEB Sh.A (Kosovo), Deputy Chairman
2007-2008	TEB Sigorta A.Ş. Chairman TEB İletişim ve Yayıncılık Hizmetleri A.Ş. Chairman Etkin Personel Taşımacılık Hizmetleri A.Ş. Chairman Etkin Temizlik Hizmetleri A.Ş. Chairman TEB Tüketici Finansman A.Ş. Board Member TEB ARVAL Araç Filo Kiralama A.Ş. Board Member
2007-2010	TEB UCB Konut Danışmanlık A.Ş., Chairman
2004-2010	Ege Turizm ve İnşaat A.Ş., Deputy Chairman
2001-2009	TEB Finansal Kiralama A.Ş. TEB Faktoring A.Ş. TEB Yatırım Menkul Değerler A.Ş. Auditor
2001-2010	TEB A.Ş., Auditor
2001-2007	TEB Sigorta A.Ş., Board Member TEB Portföy Yönetimi A.Ş., Auditor
1995-2001	TEB A.Ş., Budget and Financial Control Director
1994-1995	University of Glamorgan, Lecturer in Accounting
1987-1994	Price Waterhouse, Istanbul, London, Audit Unit
1992	Institute of Chartered Accountants in England and Wales, ACA
1982-1987	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department, BS

<b>Yvan L.A.M. De Cock, Member and Member of the Audit Committee</b>	
September 2016-present	BNP Paribas Fortis, Advisor to the CEO
May 2013-present	BNP Paribas Yatırımlar Holding A.Ş., Board Member
	BNPP Fortis Yatırımlar Holding A.Ş., Board Member
February 2013-present	TEB A.Ş., Audit Committee Member
December 2012-present	TEB A.Ş., Board Member
2011-September 2016	BNP Paribas Fortis, Head of Corporate and Public Banking
2012-present	BNP Paribas Fortis Factoring Director
2011-2013	TEB Holding A.Ş., Board Member
2011-2017	Fortis Private Equity Belgium Director
2006-2011	CEO Fortis Bank Turkey
2002-2006	CEO Fortis Bank UK
1999-2002	Head of Global Corporate Banking at Fortis Bank
1994-1999	Head of Corporate Banking North Centre Area, Belgium, Générale de Banque
1988-1994	Head of Trade Finance Group, Générale de Banque
1984-1988	Export Manager, Générale de Banque
1982-1984	Legal Adviser, Nat. Delcredere Dienst
1978-1982	Lawyer at Winderickx and Associates
1983-1986	HUB-EHSAL, Master of Finance
1974-1977	Katholieke Universiteit Leuven, Master of Law

<b>Sabri Davaz, Member and Member of the Audit Committee</b>	
February 2017-present	TEB Sh.A., Board Member and Chairman of the Audit Committee
2013-present	TEB A.Ş., Audit Committee Member
2013-2016	TEB Sh.A., Board Member, Audit Committee Member
2012-present	TEB A.Ş., Board Member
2011-present	TEB Holding A.Ş., Chief Advisor to the Chairman
2000-2011	BRSA Chief Sworn Bank Auditor BRSA Vice Chairman BRSA Consultant
1997-1998	Undersecretariat of Treasury, Vice President of the Board of Sworn Bank Auditors
1989-1997	Undersecretariat of Treasury, Sworn Bank Auditor
1985-1989	Undersecretariat of Treasury, Assistant of Sworn Bank Auditor
1998-2000	Boston University, Financial Economics Master
1980-1984	Ankara University, The Faculty of Political Science

<b>Jacques Roger Jean Marie Rinino, Member</b>	
March 2016 -present	TEB Sh.A., Chairman of the Board of Directors
2016 – 2019	TEB A.Ş., Chairman of the Audit Committee
March 2014-present	TEB A.Ş., Board Member
2001 - 2014	BNP Paribas, Head of Risk, International Banking
1998-2001	BNP Paribas, Head of Risk, Emerging Markets
1992-1997	BNP Paribas, Head of Commercial Banking Group, Greater China Hong Kong Branch
1988-1991	BNP Paribas, Deputy Head of North America
1986-1988	BNP Paribas, Deputy Head of Middle East and Europe
1980-1986	BNP Paribas, Bank's representative in SE Asia (Indonesia and Singapore)
1977-present	BNP Paribas Group Head
1977-1980	BNP Paribas, Export and Project Finance Department
1970-1974	DESS (Master 2) Paris University, Pantheon-Sorbonne, France

<b>Özden Odabaşı, Member</b>	
March 2017-present	TEB A.Ş., Board Member
1998-2016	The Economy Bank N.V., CEO
1997-1998	FB Finansbank Suisse S.A., CEO
1994-1997	Finansbank Holland N.V.
1987-1993	Finansbank A.Ş., Marketing Director/Assistant General Manager
1986-1987	BNP-Akbank A.Ş., Marketing Manager
1984-1986	Citibank N.A. İstanbul, Customer Representative/Marketing Manager
1983-1984	Mobil Oil Türk A.Ş., Internal Control Assistant Manager
1981-1982	Northern Illinois University, MBA
1980-1981	Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration, Master's Degree
1976-1980	Middle East Technical University, Faculty of Administrative Sciences, Department of Business Administration, Bachelor's Degree

<b>Xavier Henri Jean Guilmineau, Member</b>	
December 2018-present	BNP Paribas IRB Head of Retail and SME Banking
January 2018- December 2018	TEB Arval Deputy Chairman
January 2016-present	BNP Yatırımlar Holding A.Ş. Board Member BNP Paribas Fortis Yatırımlar Holding A.Ş. Board Member
January 2016- December 2018	TEB Faktoring A.Ş. Board Member TEB Yatırım Menkul Değerler A.Ş. Board Member
December 2015-present	TEB A.Ş., Board Member
2009-2015	CEO Asia BNP Paribas Cardif
2013-2015	BNP Paribas Cardif, Executive Committee Member
2009-2015	Paris Management Consultant-Taiwan, Chairman of the Board of Directors
2009-2015	Bank of Beijing Cardif Life JV-China, Vice Chairman of Board of Directors
2009-2015	BNP Paribas Cardif TCB Life Insurance JV-Taiwan, Member of the Board of Directors
2009-2015	BNP Paribas Cardif Life Insurance JV-Korea, Member of the Board of Directors
2005-2008	Head of Central and Eastern Europe, BNP Paribas Cardif
2002-2005	Retail Development Manager, Bank of The West (USA)
1998-2002	Head of Mission, General Inspection, BNP Paribas Group
1993-1998	Head of North Agribusiness Center, BNP Paribas France
1996-1997	Lille 1 University, Business Administration, Certificate of Competency, Diploma of Specialized Higher Education
1989-1993	National School of Engineering in Agriculture and Food Industries, BS Degree in Agricultural and Food Industries
1987-1990	Nancy 1 University, Technology University Degree in Applied Food and Biological Industries
1983-1986	Nantes Academy, Secondary School Baccalaureate Diploma in Math and Natural Sciences

<b>François Andre Jesualdo Benaroya, Member</b>	
January 2018-present	TEB A.Ş., Board Member
October 2017-present	BNP Paribas -IRB, Head of Central & Eastern Europe/Turkey
July 2014-September 2017	BGZ BNP Paribas (Poland), Vice Chairman of the Board
November 2011-June 2014	BNP Paribas -IRB, Head of Retail
November 2007-October 2011	UKRSIBBANK BNP Paribas Ukrain, Vice Chairman of the Board
August 1992-January 1994	Republic of France National Institute of Statistics and Economic Studies / National School of Statistics and Economic Administration
September 1989-July 1992	Republic of France Ecole Polytechnique/ Engineering

## EXECUTIVE MANAGEMENT

### General Manager, Assistant General Managers and Their Responsibilities in the Bank

Ümit Leblebici	Executive Member and CEO	
Gökhan Mendi	Senior Assistant General Manager	Retail and Private Banking Group
Ali Gökhan Cengiz	Assistant General Manager	SME Banking Group
Mustafa Aşkın Dolaştır	Assistant General Manager	Financial Control (Affairs) Group
Dr. Nilsen Altıntaş	Assistant General Manager	Human Resources Group
Gökhan Özdil	Assistant General Manager	Corporate Credits Group
Ali İhsan Arıdaşır	Assistant General Manager	SME Credits Group
Osman Durmuş	Assistant General Manager	Retail and Micro SME Credits Group
Melis Coşan Baban	Chief Legal Advisor, Secretary of the Board of Directors	Head of Legal Affairs
Mehmet Ali Cer	Assistant General Manager	Information Technologies Group
Kubilay Güler	Assistant General Manager	Banking Operations and Support Services
Ömer Abidin Yenidoğan	Assistant General Manager	Corporate Investment Banking
Akil Özçay	Assistant General Manager	Global Markets
Tuğrul Özbakan	Assistant General Manager	Treasury & ALM
Gülümser Özgün Henden	Assistant General Manager	Corporate Banking

### Managers of Internal Systems

Hakan Tıraşın	Head of Internal Audit
Nimet Elif Akpınar	Chief Risk Officer
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer

Ümit Leblebici, Executive Member and CEO	
July 2017-present	FERB Board Member
May 2014-present	Banks Association of Turkey, Deputy Chairman
September 2013-present	TEB A.Ş., Executive Board Member and CEO
February 2013-September 2013	TEB A.Ş., Deputy CEO
2002-2013	TEB A.Ş. Assistant General Manager, ALM and Treasury Group
April 2013-September 2013	TEB Yatırım Menkul Değerler A.Ş., Chairman
2012-2014 Aralık	TEB Portföy Yönetimi A.Ş., Chairman
2011-2012	TEB Portföy Yönetimi A.Ş., Board Member
1999-2002	TEB A.Ş. Director, Treasury Group
1997-1999	Osmanlı Bankası, Treasury Manager
March 1997 -July 1997	Ulusal Bank, Treasury Manager
1991-1997	Midland Bank, Treasury Manager
1988-1994	Istanbul University, MBA at Finance Major
1984-1988	Istanbul University, Faculty of Business Administration

<b>Gökhan Mendi, Senior Assistant General Manager, Retail and Private Banking</b>	
October 2016-present	TEB Yatırım Menkul Değerler A.Ş., Board Member
October 2013-present	TEB A.Ş., Senior Assistant General Manager, Retail and Private Banking
June 2013-present	Interbank Card Center (BKM) Board Member
May 2012-present	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member Fortis Bank Personeli Güvenlik Vakfı, Board Member
2011-2013	TEB A.Ş., Assistant General Manager, Retail and Private Banking
2011-March 2016	TEB Yatırım Menkul Değerler A.Ş., Board Member
2011-2014	TEB Portföy Yönetimi A.Ş., Board Member
2011-2012	TEB Tüketici Finansmanı A.Ş., Deputy Chairman
2007-2011	Fortis Bank A.Ş., Head of Retail Banking & Bancassurance, Board Member
2003-2007	Finansbank, Retail Banking Assistant General Manager, Finans Sigorta A.Ş., Finans Portföy & Finans Yatırım, Board Member
2001-2003	Finansbank, NL, Consumer Banking, Assistant General Manager
1999-2001	Citibank Inc. Plc. London, Head of Business Development
1998-1999	Citibank N.A., Istanbul, Credit Cards Marketing Director
1996-1998	Citibank N.A., Istanbul, Sales & Marketing Manager
1996-1996	Beiersdorf Chemical, Sales & Marketing Manager
1992-1996	British Petroleum Istanbul, Marketing Services & Product Manager
1991-1992	British Petroleum Istanbul, Marketing Services Manager
1990-1991	British Petroleum Istanbul, Assistant of Engineering Manager
2000-2002	London Business School, Executive MBA
1987-1988	Istanbul University, MBA
1983-1987	Istanbul Technical University, Civil Engineering

<b>Mustafa Aşkın Dolaştır, Assistant General Manager, Financial Control Group</b>	
March 2019-present	Ekonomi Yatırımlar Ltd., Board Member
March 2018-present	TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2016-present	BNP Paribas Cardif Emeklilik A.Ş., Board Member
2016-present	BNP Paribas Cardif Sigorta A.Ş., Board Member
2016-present	BNP Paribas Cardif Hayat Sigorta A.Ş., Board Member
2008-present	TEB A.Ş., CFO
2007 February-November	TEB Arval/Faktoring/Leasing, CFO
1998-2007	The Economy Bank N.V. Amsterdam, Deputy CEO and Member of the Execution Committee
1994-1998	Finansbank (Holland) N.V., CFO
1992-1994	Commercial Union Hayat Sigorta A.Ş., CFO
1990-1992	Finansbank A.Ş. Istanbul, Group Head, Subsidiaries
1986-1989	Arthur Andersen & Co. Istanbul, Lisbon, London and Cambridge Offices, Senior Auditor
1985-1986	The Central Bank of the Republic of Turkey, Specialist
1984-1985	Istanbul Technical University, Management Engineering Lecturer, Operational Research
1983-1986	Istanbul Technical University, Master Degree in Management Engineering
1979-1983	Istanbul Technical University, Management Engineering

<b>Dr. Nilsen Altıntaş, Assistant General Manager, Human Resources Group</b>	
April 2018-present	TEB Sh.A Board Member
2005'ten bu yana	TEB A.Ş., Assistant General Manager, Human Resources Group
2003-2005	Inovasyon Bilişim Danışmanlık ve Eğitim Hizmetleri (Innovative-HR), Founder, Management and Human Resources Consultant
2000-2002	Eczacıbaşı Holding A.Ş., Human Resources and Corporate Communications Coordinator and Member of the Executive Board
1995-2000	Eczacıbaşı Holding A.Ş., Human Resources Coordinator
1990-1995	STFA Holding A.Ş., Organization and Human Resources Coordinator
1987-1990	STFA Holding A.Ş., Investments and Economic Analysis Manager
1979-1987	TÜBİTAK - Marmara Scientific and Technical Research Institute, Chemical Technologies Group, Research Specialist
1987	Boğaziçi University, Associate Professor
1980-1983	Istanbul Technical University, Ph.D. in Industrial Chemical Engineering
1980-1982	Copenhagen University, Chemical Engineering, Doctorate, Denmark
1977-1979	Boğaziçi University, MS in Chemical (Process) Engineering
1973-1977	Boğaziçi University, BS in Chemical Engineering

<b>Gökhan Özdil, Assistant General Manager, Corporate Credits Group</b>	
September 2017-present	TEB Faktoring A.Ş., Board Member
March 2016-March 2017	TEB Faktoring A.Ş., Board Member
2011-present	TEB A.Ş., Assistant General Manager, Corporate Credits Group
2005-2011	Fortis Bank A.Ş., Corporate and Commercial Banking Credits Assistant General Manager
2008-present	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Executive Vice President Fortis Bank Personeli Güvenlik Vakfı, Executive Vice President
2007-2008	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member; Fortis Bank Personeli Güvenlik Vakfı, Board Member
2007-2008	Fortis Bank A.Ş., Retail Banking Credits Assistant General Manager
2005-2007	Fortis Bank A.Ş., Credits Group Assistant General Manager
2004-2005	Türk Dış Ticaret Bankası A.Ş., Credits Group Assistant General Manager
1996-2004	Türk Dış Ticaret Bankası A.Ş., Branch Manager
1992-1996	Türk Dış Ticaret Bankası A.Ş., Assistant Branch Manager
1989-1992	Türk Dış Ticaret Bankası A.Ş., Internal Audit Group, Inspector
1987-1989	Türk İş Bankası A.Ş., Head Office
1981-1986	Middle East Technical University, Economics

<b>Ali İhsan Arıdaşır, Assistant General Manager - SME Credits Group</b>	
March 2019-present	BNP Paribas Finansal Kiralama A.Ş., Board Member
December 2018-present	TEB A.Ş., Assistant General Manager - SME Credits Group
October 2018 - December 2018	TEB A.Ş., Credits Advisor
November 2016 - October 2018	Anadolu Bank A.Ş., Assistant General Manager, Credits Allocation
January 2008 - November 2016	TEB A.Ş., Credits Monitoring Director / Credits Director / SME Credits Allocation Director
August 2003- December 2007	TEB A.Ş., South Anatolia Commercial Credits and Credits Allocation Supervisor
August 2002- August 2003	TEB A.Ş. Gazipaşa Bulvarı Branch Corporate Banking Branch Manager
June 2002- August 2002	TEB A.Ş., Commercial Banking Marketing and Product Development Manager
June 1996 - June 2002	TEB A.Ş. Adana Branch Commercial Marketing Manager
August 1993- May 1996	Pamukbank A.Ş. Corporate Marketing Manager
1987 - 1992	Boğaziçi University Economics and Administrative Sciences Faculty, Department of Economics

<b>Osman Durmuş, Assistant General Manager - Retail and Micro SME Credits Group</b>	
March 2018 - present	TEB Yatırım Menkul Değerler A.Ş., Board Member
August 2017-present	TEB Sh. A. Board Member
2008-present	TEB A.Ş., Assistant General Manager, Retail and Small Business Credit Group
1998-2008	HSBC Bank A.Ş./Demirbank T.A.Ş., Head of Retail and Small Business Credit and Risk Group
1997-1998	Yapı Kredi Kart Hizmetleri A.Ş., Head of Credit Cards and Risk
1994-1996	Yapı Kredi Bankası A.Ş., Unit Manager, Retail Banking Accounting Department
1990-1993	Yapı Kredi Bankası A.Ş., Specialist, Retail Banking Accounting Department
1988-1990	Yapı Kredi Bankası A.Ş., Chief Assistant, Accounting Department
1986-1987	Yapı Kredi Bankası A.Ş., Rihtim Branch, Clerk
1982-1986	Marmara University, Faculty of Press and Media, Journalism and Public Relations Department

<b>Melis Coşan Baban, Chief Legal Advisor, Board General Secretary, Assistant General Manager</b>	
2008-present	TEB A.Ş., Assistant General Manager, Legal Affairs
2005-present	TEB A.Ş., Chief Legal Advisor, Board General Secretary
2000-2005	Pekin & Pekin Law Firm, Partner
1998-2000	Pekin & Pekin Law Firm, Senior Lawyer
1993-1998	Postacıoğlu Law Firm, Lawyer
1996-1997	Columbia University, New York, USA, Master of Law (LL.M.)
1989-1995	Istanbul University, Law School, Law Degree

<b>Mehmet Ali Cer, Assistant General Manager, Information Technologies Group</b>	
May 2012-present	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member Fortis Bank Personeli Güvenlik Vakfı, Board Member
2011-present	TEB A.Ş., Assistant General Manager, Information Technologies Group
February 2011-November 2011	TEB A.Ş., Infrastructure Management, Group Director
2010-2011	Fortis Bank A.Ş., Information Technologies, Director
2000-2010	TEB A.Ş., Infrastructure Management, Director
1997-2000	Demirbank A.Ş., Software Development, Manager
1995-1997	Metters Industries, Senior Software Engineer
1993-1995	Southern Illinois University, Graduate Assistant
1990-1992	Türkiye Kalkınma Bankası A.Ş., System Analyst
1993-1996	Southern Illinois University, Computer Engineering (Master Degree)
1985-1990	Hacettepe University, Department of Computer Engineering

<b>Kubilay Güler, Assistant General Manager, Banking Operations and Support Services</b>	
2017-present	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Deputy Chairman
2014-present	Interbank Card Center (BKM), Head of Security Committee
2013-2017	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., Board Member
2012-present	TEB A.Ş., Assistant General Manager, Banking Operations & Support Services
2011-2012	Finansbank A.Ş., Assistant General Manager, Internal Control Unit
1999-2011	Finansbank A.Ş., Assistant General Manager, Operations & Alternative Distribution Channels
1995-1999	Citibank N.A., Assistant General Manager, Operations
1994-1995	AKK (INTERBANK) Manager
1989-1995	Netbank (Marbank), Manager, Credit & Marketing Department
1985-1989	İmarbank, Management Trainee, Card Sales & Operations Department
1983-1985	Akbank A.Ş., Exchange Department Specialist
1978-1983	Middle East Technical University, Faculty of Economic & Administrative Science, Public Administration

<b>Ömer Abidin Yenidoğan, Assistant General Manager, Corporate Investment Banking</b>	
October 2014-present	TEB A.Ş., Assistant General Manager, Corporate Investment Banking
September 2014-present	TEB Portföy Yönetimi A.Ş., Advisor to the Board
2003-2014	TEB Portföy Yönetimi, CEO
March 2011 - March 2018	TEB Yatırım Menkul Değerler A.Ş., Board Member
2013-2015	TKB BNPP IP JSC & LLC (Saint Petersburg - Russian Federation), Board Member
2010-2014	Corporate Governance Association of Turkey, Board Member
2001-2003	TEB Retail Banking, Marketing Director
2000-2001	TEB Portföy Yönetimi A.Ş., Marketing Assistant General Manager
1997-1999	TEB Yatırım Menkul Değerler A.Ş., International Capital Market Assistant Manager
1995-1996	Citibank Turkey, GCB
1994-1995	University of Nottingham, Financial MBA
1989-1994	Marmara University, BA in Political Sciences (French)

<b>Akil Özçay, Assistant General Manager, Global Markets</b>	
March 2015-present	TEB Yatırım Menkul Değerler A.Ş., Board Member
2012-2013	TEB Yatırım Menkul Değerler A.Ş., Chairman of the Board
2012-2013	TEB Portföy Yönetimi A.Ş., Board Member
2011-present	TEB A.Ş., Assistant General Manager, Global Markets
2011-2012	TEB Portföy Yönetimi A.Ş., Chairman of the Board
2011-2012	TEB Yatırım Menkul Değerler A.Ş., Deputy Chairman
2011-2011	Fortis Portföy Yönetimi A.Ş., Chairman of the Board
2009-2013	TEB Sh.A., Board Member
2008-2011	TEB A.Ş., Chief Advisor to the CEO
2007-2008	CBRT Internal Audit, Chief Audit Executive
2005-2007	Rutgers, The State University of New Jersey, Master
2004-2007	CBRT New York Representative Office, Chief Representative
2001-2004	CBRT Markets Department, General Director
1998-2001	CBRT Markets Department, Assistant General Director
1996-1998	CBRT Open Markets Operations, Manager
1995-1996	CBRT Banking Supervision, Manager
1994-1995	CBRT Markets Department, Foreign Exchange Transactions, Manager
1977-1981	Ankara University, Faculty of Political Sciences

<b>Tuğrul Özbakan, Assistant General Manager, ALM &amp; Treasury</b>	
June 2015-present	TEB A.Ş., Assistant General Manager, ALM & Treasury Group
2013-2015	TEB A.Ş., Group Director, ALM & Treasury Group
2008-2013	TEB A.Ş., Director, ALM
2007-2008	TEB Portföy Yönetimi A.Ş., Assistant General Manager, DPM and Fund Management
June 2007-July 2007	TEB A.Ş. Financial Markets Director
2005-2006	TEB Portföy Yönetimi A.Ş., Board Member
2005-2006	Varlık Yatırım Ortaklığı A.Ş., Board Member
1996-2006	TEB A.Ş. Director, Financial Markets
2004-2009	Istanbul Marmara University, Ph.D. in EU Economics
1999-2002	Istanbul Bilgi University, Business Administration (MBA)
1991-1995	Stanford University, Palo Alto, USA, BA in Economics

<b>Gülümser Özgün Henden, Assistant General Manager, Corporate Banking</b>	
March 2018 - present	BNP Paribas Finansal Kiralama A.Ş., Board Member
November 2015-present	TEB A.Ş., Assistant General Manager, Corporate Banking
2015-November 2015	TEB A.Ş., Group Director, Corporate Businesses
2011-2014	TEB A.Ş., Sales Director, Corporate Banking
2003-2011	TEB A.Ş., Commercial Banking, Sales, Marketing and Product Development Director
2001-2003	Garanti Bankası A.Ş., Senior Manager, Commercial Banking
2000-2001	Osmanlı Bankası A.Ş., Manager, Corporate Banking
1995-2000	Finansbank A.Ş., Manager
1992-1995	Garanti Bankası A.Ş., MT
1987-1992	Middle East Technical University, Business Administration

<b>Hakan Tıraşın, Head of Internal Audit</b>	
2006-present	TEB A.Ş., Head of Internal Audit
2004-2005	TEB A.Ş., Assistant General Manager, Organization, Banknote Markets and Support Services and Secretary General
1992-2004	TEB A.Ş., General Secretary
1989-1992	TEB A.Ş., Internal Audit, Inspector
1973-1989	Akbank, Branch Manager and Inspector
1972-1977	Istanbul Academy of Economics and Business Administration

<b>Birol Deper, Head of Compliance and Internal Control, Consumer Relations Coordination Officer</b>	
March 2016-present	TEB Sh.A., Board Member
April 2015-present	Banks Association of Turkey-Risk Center, Board Member
September 2013-present	TEB A.Ş., Consumer Relations Coordination Officer
2012-present	TEB A.Ş., Head of Compliance Group and Internal Control Group
2011-April 2013	TEB Portföy Yönetimi A.Ş., Auditor
2010-2012	TEB A.Ş., Compliance and Regulation Director
2008-2012	TEB A.Ş., Banking Regulation Director
2007-April 2013	TEB Cetelem Tüketici Finansmanı A.Ş., Auditor
2006-2008	TEB A.Ş., Banking Regulation Manager
2001-2006	Banking Regulation and Supervision Agency, Certified Bank Auditor
2007-2010	Galatasaray University Institute of Political Sciences-MBA
1996-2000	Ankara University, Faculty of Political Sciences, Department of Business Administration

<b>Nimet Elif Akpınar, Head of Group Risk Management</b>	
July 2017-present	TEB A.Ş. Head of Group Risk Management
July 2017-present	TEB Yatırım Menkul Değerler A.Ş., Board Member
2010-2017	TEB A.Ş., Credit Risk Director
2003-2010	TEB A.Ş. Operational Risk-BASEL II and Credit Risk Supervisor/ Credit Risk Manager
2000-2003	TEB A.Ş. Credit Allocation Supervisor
1995-2000	TEB A.Ş. Internal Audit, Inspector /Assistant Inspector
1991-1995	Istanbul University, Faculty of Economics, Department of Economics

<b>Ali Gökhan Cengiz, Assistant General Manager, SME Banking</b>	
March 2019-present	TEB A.Ş., Assistant General Manager, SME Banking
2016 - 2019	TEB A.Ş., Group Director, Corporate Banking Sales Management
2004 - 2016	Akbank T.A.Ş. Division Head
2003 – 2004	Dışbank TA.Ş. Branch Manager
2001 - 2003	Citibank A.Ş. Branch Manager
1995 – 2001	Interbank Branch Deputy Manager
1993	Oklahoma City University MBA
1986 - 1989	Hacettepe University, Department of Economics

## COMMITTEES OF TÜRK EKONOMİ BANKASI A.Ş

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

As of 31.12.2019 the Board of Directors have accepted 189 resolutions. The Board Members and Committee Members have participated into respective meetings at sufficient levels.

### SENIOR EXECUTIVE COMMITTEE

Monitoring and surveillance of TEB and TEB Group's operational performance on behalf of TEB's Board of Directors and in accordance with its directions.

#### Chairman

Jean Paul SABET, Vice Chairman of the Board of Directors

#### Deputy Chairman

Dr. Akin AKBAYGİL, Vice Chairman of the Board of Directors

#### Members

General Manager

Committee meets as required.

### CREDIT COMMITTEE

The Credit Committee is responsible to evaluate and approve loans within its authorization limits.

#### Chairman

Dr. Akin AKBAYGİL, Vice Chairman of the Board of Directors

#### Deputy Chairman

Jacques Roger Jean Marie RININO, Board Member

#### Members

Özden ODABAŞI, Board Member  
Nicolas de BAUDINET de COURCELLES, Board Member  
General Manager

#### Alternate Members

Sabri Davaz, Board Member  
Ayşe Aşardağ, Board Member

Committee meets every week.

## RISK COMMITTEE

Responsibilities of the Committee: To audit and assess risk policies

#### Chairman

Jacques Roger Jean Marie RININO, Board Member

#### Deputy Chairman

Dr. Akin AKBAYGİL, Vice Chairman of the Board of Directors

Committee meets every month.

### AUDIT COMMITTEE

Responsibilities of the Committee:

- On behalf of the Board of Directors to supervise the efficiency and adequacy of the Bank's internal systems,
- To supervise compliance with the provisions hereof concerning internal control and with the internal policies and implementation procedures approved by the Board of Directors and to make proposals to the Board of Directors in relation to measures which it is considered necessary to take,
- Together with the top-level management and the independent auditors, to evaluate the results of independent audit, the annual and quarterly financial statements and related documents and the independent audit report,
- To evaluate the independence of the rating institutions, the independent audit institutions, including those which carry out audits of information systems and the valuation institutions with which the Bank will sign contracts and of their presidents, directors, auditors, managers and employees, in their activities related with the Bank and the sufficiency of the resources that are allocated.

#### Chairman

Nicolas de BAUDINET de COURCELLES, Board Member

#### Deputy Chairman

Ayşe AŞARDAĞ, Board Member

#### Members

Yvan De COCK, Board Member  
Sabri DAVAZ, Board Member

Committee meets at least every three months.

## SELECTION AND COMPENSATION COMMITTEE

Responsibilities of the Committee:

- Establishing a compensation policy that is aligned with the scope and structure of the Bank activities, its strategies, long-term goals and risk management structures, the BRSA's "Regulation Amending the Regulation on the Banks' Corporate Governance Principles" and "Guide on Best Compensation Practices in Banks" published in the Official Gazette issue 27959 dated 9 June 2011 that prevent taking excessive risks and that contribute to effective risk management.
- Determination, monitoring and supervision of remuneration implementations (including salaries, performance bonuses, premiums, awards and fringe benefits).
- Annual submission to the Board of Directors the proposals with respect to the evaluation of remuneration policy and implementations under the risk management.
- Determination of the criteria for payments of performance bonuses based on performances of the Bank, business line/group and employees and announcement of such criteria to the employees and regular review of such criteria according to the determined standards and special duties and responsibilities.
- Review of compensation criteria at least once a year.

### **Chairman**

Jean Paul SABET, Vice Chairman of the Board of Directors

### **Deputy Chairman**

Dr. Akin AKBAYGİL, Vice Chairman of the Board of Directors

### **Regular Attendant**

General Manager

Committee meets as required.

## COMPLIANCE COMMITTEE

Responsibilities of the Committee:

- To supervise of compliance policies and practices.
- To monitor the changes in legislation.

### **Chairman**

Nicolas de BAUDINET de COURCELLES, Board Member

### **Deputy Chairman**

Dr. Akin AKBAYGİL, Vice Chairman of the Board of Directors

### **Members**

Sabri DAVAZ, Board Member

Yvan L.A.M. DE COCK, Board Member

Committee meets as required.

## CORPORATE GOVERNANCE COMMITTEE

Responsibilities of the Committee:

To oversee compliance with corporate governance principles, undertake improvement efforts in this area and submit proposals to the Board of Directors.

### **Chairman**

Dr. Akin AKBAYGİL, Vice Chairman of the Board of Directors

### **Deputy Chairman**

Yavuz CANEVİ, Chairman of the Board of Directors

### **Members**

Jacques Roger Jean Marie RININO, Board Member

Xavier Henri Jean GUILMINEAU, Board Member

Yvan L.A.M. DE COCK, Board Member

Sabri DAVAZ, Board Member

Committee meets as required.

## ASSETS AND LIABILITIES COMMITTEE

Responsibilities of the Committee:

- Regarding TEB Group's Financial Markets activities; evaluation of industry developments and expectations, determination of strategies, evaluation of markets and the strategies to be adopted and the comparison of risk sizes to be taken,
- To review of financial indicator reports,
- To discuss expectations and developments in the domestic and international markets,
- To review of the general presentation of marketing groups,
- To review of ALM's presentation in terms of deposits and credit structure,
- To examine the funding cost and spread improvement for business segments,
- Evaluation of analysis of the Bank's weekly balance-sheet, income and expense, profit and loss statement.

### **Chairman**

General Manager

### **Deputy Chairman**

Assistant General Manager, Assets and Liabilities Management and Treasury

### **Members**

Deputy Head of Corporate Investment Banking  
Senior Assistant General Manager, Retail and Private Banking Group  
Senior Assistant General Manager, SME Banking Group and Deputy General Manager  
Assistant General Manager, Corporate Banking  
Assistant General Manager, Financial Control Group  
Assistant General Manager, Fixed Income  
Assets and Liabilities Management Director  
Chief Economist  
Chief Investment Advisor

Committee meets bi-weekly or as required.

## NEW PRODUCT COMMITTEE

Responsibilities of the Committee:

Within the scope of the Regulation of New Product, Activity and Organization to make decisions about products, activities and organizations which are defined as "newly".

### **Chairman**

Head of Compliance Group and Internal Control Group

### **Deputy Chairman**

Assistant General Manager of Product Owner Segment

### **Members**

Data Management Director  
Core Banking Operations Director  
Business Process Director  
Business Solutions Director  
Head of Legal Affairs, Secretary of the Board  
Contracts, Legal Counseling and Projects Director  
General Accounting Director  
Group Chief Risk Officer (and/or manager delegated according to the role)  
Executive Tax Director  
Customer and Product Safety Director  
Representative of Compliance Division  
Customer Rights Coordination Manager  
Representative of Legislation Division

Committee meets when the new products, activities and organizational change for customers are on the agenda.

## MARKET AND LIQUIDITY RISK COMMITTEE

### Responsibilities of the Committee:

- To monitor market risks and derivative risks,
- To review market and customer derivative risk policies and submit to the Board of Directors,
- To examine stress scenarios and if necessary, to make proposal to the Board of Directors for amendment,
- To review market risk limits and recommend to Board of Directors,
- Discussion of necessary topics by Financial Markets, / Treasury, Financial Affairs and Group Risk Management,
- To monitor the liquidity of the Bank; to analyze and follow-up borrowing capacity and other possible funding sources in order to avoid any default risk,
- To analyze and monitor the interest rate exposure of the Bank,
- To review the limits regarding both interest and liquidity risks and recommend to Board of Directors,

- To prepare guidelines and policies for interest rate and liquidity risks and recommend to Risk Policies Committee,
- Recommendation of interest, liquidity, market and counterparty credit risk measurement methods to the Risk Policy Committee.

### **Chairman**

General Manager

### **Deputy Chairman**

Group Chief Risk Officer

### **Members**

ALM & Treasury Assistant General Manager  
Financial Affairs Assistant General Manager  
Financial Markets Assistant General Manager  
Financial Markets Trading Director  
ALM Director  
Treasury Director  
Market Risk, Operational Risk and General Provisions Director

Committee that meets on a monthly basis or as required

## INFORMATION ON TRANSACTIONS CONDUCTED WITH RELATED PARTIES

The Bank is involved in various transactions with the risk group to which TEB is included (related parties) and these are carried out for commercial purposes and at market prices. Loan transactions

with related-parties and their share in the Bank's total credit risk as of 31 December 2019 and 31 December 2018 were as follows:

%	31.12.2019	31.12.2018
Share in total cash loans	0.72%	0.19%
Share in total non-cash loans	1.27%	1.24%
Share in total cash and non-cash loans	0.86%	0.46%

Detailed information about the risk group to which TEB is included has been prepared in accordance with the "Communiqué on Financial Statements and Related Explanations and Footnotes Announced to the Public by Banks" and published

in Section 3, of the "Annual Report" and was also included in the financial statements as of 31 December 2019 and Section 5, Article VII.1 of the Independent Audit Report.

## ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

Company Title	Scope of Support Services Taken	Explanation of the Service
FU GAYRİMENKUL YATIRIM DANIŞMANLIK A.Ş.	Operational Services	Service Agreement Regarding Mortgage Processes
PRONET GÜVENLİK HİZMETLERİ A.Ş.	Security	Off Site ATM Alarm Systems Leasing and Service Agreement
E-KART ELEKTRONİK KART SİSTEMLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	Credit Card Purchases	Purchasing Credit Card Plastic and Chip Agreement
GENOM BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TİC. A.Ş.	Software (Others)	Human Resources Update and Telephone Support Service
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	Call Center	Update Address Search Service
ECZACIBAŞI BİLİŞİM SAN.VE TİC.A.Ş.	Software (Banking)	Electronic Foreclosure Management System Software Licence Agreement
COLLECTÜRK ALACAK YÖNETİMİ VE DANIŞMANLIK ANONİM ŞİRKETİ	Operational Services	Legal Prosecution Collection Search
ERETİM BİLGİSAYAR HİZMETLERİ VE DANIŞMANLIK LTD.ŞTİ.	Software (Banking)	Campaign Management Tool License and Implementation Agreement
RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞİT.TİC.LTD.	Software	RISKTRK Software, Procurement, Warranty and Maintenance Agreement
ECZACIBAŞI BİLİŞİM SAN.VE TİC.A.Ş.	Software (Banking)	Ebiflow Payment Order System Licence and Service Agreement
VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD.ŞTİ.	Operational Services	POS Remote Install Agreement
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	Marketing	External Call, Credit Card Sales and Marketing
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA GÜVENL.HİZM.AŞ	Operational Services	Central Bank of the Republic of Turkey (CBRT) Cash Withdrawal Agreement
PAYTEN TEKNOLOJİ ANONİM ŞİRKETİ	Operational Services	Cyber POS Services
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ	Archiving	Archives Service Agreement
GÜZEL SANATLAR ÇEK BASIM LTD.ŞTİ.	Operational Services	Cheque Printing Services Agreement
DİEBOLD NİXDORF TEKNOLOJİ ANONİM ŞİRKETİ	Software (Others)	Software Maintenance Agreement
ECZACIBAŞI BİLİŞİM SAN.VE TİC.A.Ş.	Software (Banking)	Mobilink Maintenance Agreement
KONUT KREDİSİ COM TR DANIŞMANLIK A.Ş.	Operational Services	Retail Loan Product Marketing
CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ ANONİM ŞİRKETİ	Call Center	External Call and Telemarketing Service
IBM GLOBAL SERVICES İŞ VE TEKNOLOJİ HİZMETLERİ VE TİCARET LİMİTED ŞİRKETİ	Information Technologies	Emergency Situation Services
SUPERONLINE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ	Information Technologies	Electronic Communication Service Framework Agreement
SİSTAŞ SAYISAL İLETİŞİM SAN TİC A.Ş.	Software (System)	GVP Maintenance Agreement
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş.	Software (Banking)	SWIFT Alliance System
PRONET GÜVENLİK HİZMETLERİ A.Ş.	Security	Alarm Monitoring Centre Subscription Agreement
MATRİKS BİLGİ DAĞITIM HİZ.A.Ş.	Software	TEB Private Banking Ipad Application
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ	Operational Services	Scan Data Entry Outsourcing
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ	Operational Services	Service Agreement Regarding Mortgage Processes
KEY YAZILIM ÇÖZÜMLERİ ANONİM ŞİRKETİ	Software	Appraisal Software Agreement
NETAS TELEKOMÜNİKASYON A.S.	Operational Services	Network Maintenance Agreement
BDH BİLİŞİM DESTEK HİZM.SAN.VE TİC.A.Ş.	Software	Hiring Staff For Information Systems
MATRİKS BİLGİ DAĞITIM HİZ.A.Ş.	Software	Mobile Practice Development and Maintenance Agreement
MASTERCARD PAYMENT TRANSACTION SERVICES TURKEY BİLİŞİM HİZMETLERİ A.Ş.	Operational Services	Printing and Enveloping Agreement
FOREKS BİLGİ İLETİŞİM HİZ.A.Ş.	Software	Service Facilitation
MOR TEKNOLOJİ YAZILIM İLETİŞİM BİLİŞİM DANIŞMANLIK VE ENERJİ SAN TİC. LTD. ŞTİ.	Software	Central Bank of the Republic of Turkey (CBRT) Interface System Integration and Maintenance Support System
BNP PARIBAS SECURITIES SERVICES	Software (Others)	Abs Custody Software Contract
COMMENCİS TEKNOLOJİ ANONİM ŞİRKETİ	Software (Banking)	Pozitron Mobile Banking Agreement
ETCBASE YAZILIM VE BİLİŞİM TEKNOLOJİLERİ A.Ş.	Software (Banking)	Software

İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	Operational Services	Company Operation Center Service Agreement
RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞİT.TİC.LTD.	Software	Software, Market Risk Reporting Module Agreement
TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SAN.A.Ş.	Security	Private Safety Agreement
SECURITAS GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	Security	Private Safety Agreement
NCR BİLİŞİM SİSTEMLERİ LTD.ŞTİ.	Operational Services	ATM Hardware-Software Maintenance and Repairing Services Agreement
MT BİLGİ TEKNOLOJİLERİ VE DIŞ TİCARET A.Ş. KARBİL YAZILIM VE BİLİŞİM TEKNOLOJİLERİ TİC.A.Ş.	Operational Services	Cash Register POS Agreement
BNP PARIBAS S.A./FRANCE	Software (Others)	Software Development, Maintenance and Support Service
KARTNET BİLGİSAYAR SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Capv 2.1 Maintenance and Repairing Services Agreement
VERISOFT BİLGİ İŞLEM TİCARET VE SANAYİ ANONİM ŞİRKETİ	Software	TEB POS Machine Software Implementation On Cash Register Machines Agreement
HUGIN YAZILIM TEKNOLOJİLERİ ANONİM ŞİRKETİ	Operational Services	Payment Registration Equipment Service Agreement
R2 SERVİS ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Payment Registration Equipment Service Agreement
POSTA VE TELGRAF TEŞKİLATI ANONİM ŞİRKETİ.	Operational Services	Credit Applications and Repayments from PTT Branches
ARÇELİK A.Ş.	Operational Services	Cash Register POS SLA Area Service
EKSİ BİR ARTI BİR YAZILIM DANIŞ. SAN. VE TİC. A.Ş.	Software	Branch Cash Optimization Software Rental Agreement
D.T.P.BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.	Software	E-Invoice Project
HOBİM DIGİTAL ELEKTRONİK HİZMETLER A.Ş.	Operational Services	Purchasing Credit Card Extract Printing and Enveloping Service
KEYTORC TEKNOLOJİ HİZMETLERİ VE DANIŞMANLIK ANONİM ŞİRKETİ	Operational Services	Test Consultancy Service Agreement
KİBELE İLETİŞİM SİSTEM VE SERVİSLERİ TİC LTD.ŞTİ.	Software	Hardware and Maintenance Agreement
ONUŞ ORTAK NOKTA ULUSLARARASI HABERLEŞME SİSTEM SERVİS BİLGİSAYAR YAZILIM DANIŞ.VE DIŞ TİC.LTD.ŞTİ.	Software	Software
İŞ ZEKASI YAZILIM DANIŞMANLIK HİZMETLERİ TİCARET ANONİM ŞİRKETİ	Software	Real-Time Campaign Management Program Agreement
FİNANCIAL ENGINEERING ASSOCIATES, INC.	Software	Finalyse Software Agreement
TÜRKKEP KAYITLI ELEKTRONİK POSTA HİZM.SAN.VE TİC.A.Ş.	Software	Registered E-Mail Licensing Services
İSEMARKET BİLGİSAYAR YAZILIM VE DANIŞMANLIK LİMİTED ŞİRKETİ	Software	Secure Login Software Maintenance for the Internet Branch
KARTNET BİLGİSAYAR SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	POS Network Maintenance Agreement
KURYE NET MOTORLU KURYECİLİK VE DAĞITIM HİZMETLERİ A.Ş.	Operational Services	Commodity Delivery Agreement
AKTİF İLETİ VE KURYE HİZMETLERİ ANONİM ŞİRKETİ	Operational Services	Commodity Delivery Agreement
AUSTRIA CARD TURKEY KART OPERASYONLARI A.Ş.	Operational Services	Personalization of Cards With Chip and Magnetic Stripes
PLASTİKKART AKILLI KART İLETİŞİM SİSTEMLERİ SAN.VE TİC.A.Ş.	Operational Services	Personalization of Cards With Chip and Magnetic Stripes and Raw Card Supply Outsourcing Agreement
İNGENİCO ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.	Operational Services	Practice Development, Technical Support, Update and Maintenance Agreement
VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD.ŞTİ.	Operational Services	Practice Development, Technical Support, Update and Maintenance Agreement
BNP PARIBAS SA / HEAD OFFICE	Software (Others)	Cortex
AKTİF İLETİ VE KURYE HİZMETLERİ ANONİM ŞİRKETİ	Operational Services	Courier Services Under Robin Project
E-KART ELEKTRONİK KART SİSTEMLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Metamorfoz TEB HCE
3-D BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TEKNİK SERVİS ANONİM ŞİRKETİ	Software	NICE Sound Recording Maintenance Agreement

SİSTAŞ SAYISAL İLETİŞİM SAN. TİC. A.Ş. SESTEK SES VE İLETİŞİM BİLGİSAYAR TEK.SAN.TİC.A.Ş.	Software (System)	Voice-Signature and Voice-Guide Agreement For Call Center
360 TRADING NETWORKS	Software	Exchange Trading Platform
İNGENİCO ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş	Operational Services	Cash Register Machines - Field Services
İNFINA YAZILIM A.Ş.	Software (Banking)	Finbase Mail Inflex Module - Maintenance
D.T.P.BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.	Software	E-Archive Integration
MARO ULUSLARARASI BİLGİ TEKNOLOJİLERİ DANIŞMANLIK GELİŞTİRME DESTEK HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	Software (Others)	Consultancy, Appraisal and Labor Agreement
DATA MARKET BİLGİ HİZMETLERİ ANONİM ŞİRKETİ	Operational Services	Hiring Staff For Information Systems
SESTEK SES VE İLETİŞİM BİLGİSAYAR TEK.SAN.TİC.A.Ş.	Software	Speech Analytics
SİSTAŞ SAYISAL İLETİŞİM SAN. TİC. A.Ş.	Software	Call Me Licence and Maintenance Services
DATA MARKET BİLGİ HİZMETLERİ ANONİM ŞİRKETİ	Operational Services	Service Procurement Agreement
İNFINA YAZILIM A.Ş.	Software	Fund Operations and Collective Custody Agreement
32 BİT BİLG.HİZM.SN.VE TC.LTD.ŞTİ.	Software	Otass Integration Software Maintenance
PANAROMA Bilişim TEKNOLOJİLERİ SANAYİ VE TİCARET A.Ş	Operational Services	Payment Recording Device Installation and Service Agreement
32 BİT BİLG.HİZM.SN.VE TC.LTD.ŞTİ.	Software	Exchange Rate Broadcasting Development Service Procurement
EKSİ BİR ARTI BİR YAZILIM DANIŞMANLIK SANAYİ VE TİCARET A.Ş.	Software	Cash Management Cost Optimization
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA GÜVENL.HİZM.AŞ	Operational Services	Service Procurement Agreement
LİNK TERA BİLGİ TEKNOLOJİLERİ A.Ş.	Operational Services	Hiring Staff For Information Systems
ARTGE TEKNOLOJİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş	Software	Face Recognition System Project
İŞ ZEKASI YAZILIM DANIŞMANLIK HİZMETLERİTİCARET A.Ş.	Operational Services	Hiring Staff For Information Systems
ÇÖZÜMEVİ YÖNETİM DANIŞMANLIĞI VE BİLGİSAYAR YAZILIM TİCARET ANONİM ŞİRKETİ	Software	Çözümevi Hyperion Application Maintenance
PLANİST BİLİŞİM HİZMETLERİ VE DANIŞMANLIK TİC. LTD. ŞTİ.	Operational Services	Hiring Staff For Information Systems
OBSS TEKNOLOJİ ANONİM ŞİRKETİ	Software	Software
BNP PARIBAS SECURITIES SERVICES	Software	Acetp Software Agreement
METAMORFOZ BİLİŞİM TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	Software	Smart Watch Application Software and Maintenance (HCE Phone and Smart Watch)
CREDE DANIŞMANLIK VE DIŞ TİC. A.Ş.	Operational Services	Legal Entity Intelligence Automation
İLKER KAYA	Operational Services	Point of Sale Credit
DATAPARK İÇ VE DIŞ TİC LTD ŞTİ	Operational Services	Point of Sale Credit
KADİR SEVİMLİ	Operational Services	Point of Sale Credit
PANOMİ MOBİLE PAZARLAMA TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
HMR İLETİŞİM İNŞAAT TAAHHÜT TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
EMİN ULAK - GÜNCEL İLETİŞİM	Operational Services	Point of Sale Credit
SONER KAV	Operational Services	Point of Sale Credit
GAZİOĞLU MOBİLYA DAYTÜKETİM MAL İNŞTİC LTD ŞTİ	Operational Services	Point of Sale Credit
SERKAN AKSOY	Operational Services	Point of Sale Credit
ŞENPAZAR TİCARET ALIŞVERİŞ MERKEZLERİ LTD.ŞTİ	Operational Services	Point of Sale Credit
VNS HALI MOB.TİC.LTDŞTİ.	Operational Services	Point of Sale Credit
UŞAK İLETİŞİM MÜHENDİSLİK İNŞAAT SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
ESRA HATİPOĞLU - ARI ISI SİSTEMLERİ	Operational Services	Point of Sale Credit
İÇKALE BİLİŞİM DAĞITIM İLET.VE TEL.TUR.İNŞ.İTH.İHR.A.Ş.	Operational Services	Point of Sale Credit
RİDVAN DEMİRTAŞ DEMİRTAŞ TİCARET	Operational Services	Point of Sale Credit
AKFA ENERJİ SİSTEMLERİ SANAYİ VETİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit

TUNAHAN ELEKT.KUY.TEM.TEKS.VE DERİ SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YILMAZ ALTUN	Operational Services	Point of Sale Credit
EMRE MOBİLYA DAYANIKLI TÜK MALL GIDAİNŞ S V T LTD ŞT	Operational Services	Point of Sale Credit
MEHMET-EMİN-ERSİN İŞBİLİR ADI ORTAKLIĞI	Operational Services	Point of Sale Credit
BALCI BEYAZ EŞYA MOBİLYA VE MOTORLU ARAÇLAR İNŞAAT TİCARET ANONİM ŞİRK	Operational Services	Point of Sale Credit
KUTUP PAZARLAMA VE TİCARET AŞ	Operational Services	Point of Sale Credit
ÖZANADOLU 2 TELEKOMİNİKASYON İNŞ.TAR.HAY.GID.İTH.İHR.TİC.VE SAN.LTD.ŞT	Operational Services	Point of Sale Credit
FASİH AYDEMİR- AYDEMİR HONDA BAYİİ	Operational Services	Point of Sale Credit
METİN GÜNEŞ	Operational Services	Point of Sale Credit
AHMET TİMUR ÖNCÜL TAHSİN ÖZKIR ADI ORTAKLIĞI	Operational Services	Point of Sale Credit
ENGİZ DAYANIKLI TÜKETİM MALLARI İNŞ.TEKS.SAN. TİC.LTD. ŞTİ.	Operational Services	Point of Sale Credit
ONUR TEKNİK	Operational Services	Point of Sale Credit
SUTEK SU TEKNOLOJİLERİ VE POMPA SİST. PAZ. SAN. VE TİC. LTD.ŞTİ.	Operational Services	Point of Sale Credit
KOÇKAN YAPI MALZ.TİC.VE SAN.AŞ.	Operational Services	Point of Sale Credit
KARABAĞLAR MOBİLYA LPG GAZI DAY TÜK MAL VE KUY TİC LTD ŞTİ	Operational Services	Point of Sale Credit
AZURA DAY.TÜK.MAL.TEKS.GIDA TUR.İNŞ.İTH.İHR.PAZ.SAN.VE TİC.LTD. ŞTİ.	Operational Services	Point of Sale Credit
TAŞ-KAR DAY.TÜK.MAL.BEYAZ EŞ.TAM YED.PAR.BÜRO.MLZ.İNŞ.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
TİNK EĞİTİM HİZMETLERİ VE DANIŞMANLIK ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
VARDAR DAY.TÜK.MAD.SAR.TUR. İTH. İHR. SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
NİSAN ELEKTRİK EV GEREÇLERİ TEKSTİL ELEK KOZM OTO YAY TİC PAZ A.Ş.	Operational Services	Point of Sale Credit
BİEV DAYANIKLI TÜKETİM ÜRÜN.MOB.TEKS.KONF.ELEK. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ASKARACA DAYANIKLI TÜKETİM MALLARI SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
BAYER ISI SİSTEMLERİ YAPI MÜHENDİSLİK TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
AS ELK.VE MAK.SİS.İNŞ.SERVİS VE BAKIM İŞL.TAŞ.PET.ÜR.TRZ.LTD.ŞTİ	Operational Services	Point of Sale Credit
ÖZ DAYANIKLI TÜK.ML.MOB.TRZ.İNŞ.NAK.İTHİHR.PAZ.GID.SAN.V E TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
BODRUM ÇÖZÜM MÜH.ISIT.SOĞ.SİS.İNŞ.TAAH.İTH.İHR.SAN.TİC.LTD. ŞTİ.	Operational Services	Point of Sale Credit
GÖKALP GRUP MEKANİK DOĞALGAZ TESİSAT MÜH İNŞ SANAYİ VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
KARAASLAN DAYANIKLI TÜKETİM MALLARI SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
SİNGER HASAN DAYANIKLI TÜK.MAL.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
JERİYAN MÜHENDİSLİKİNŞ TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ER-PA İNŞ.TURZ.TELEF.OTO VE YED.PAR.GIDA VE HAY.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ORUÇOĞLU DAYANIKLI TÜKETİM MALLARI TEKSTİL İNŞAAT SANAYİ VETİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
VERDE MÜH.İNŞ.DİŞ TİC.PAZ. SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TÜRKÜN YAPI VE TESİSAT MALZEMELERİ SAN.VE TİC.A.Ş.	Operational Services	Point of Sale Credit
ÖNDERLER TESİSAT İNŞAAT TAAHHÜT HAFRİYAT SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ES TEKNİK MÜHENDİSLİK DOĞALGAZ İKLİMLENDİRME SANAYİ VE TİCARET LİMİTED	Operational Services	Point of Sale Credit
LAPATYA YURT HALI MOBİLYA DEKOR.DAY.TÜK.MAM.İNŞ SAN.VE PAZ.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
BOTES KLİMA TAAHHÜT SAN. VE TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit

ERCANLAR DAY.TÜK.MAL.KIR.TUR.TİC.SAN.LTD.ŞTİ	Operational Services	Point of Sale Credit
DEMAY ELEKTROMEKANİK TEKNİK SİS. MAD.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TOKCAY MAKİNA SAN.VETİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ŞANIVAR TEKNİK MALZEME MÜHENDİSLİK TAAHHÜT VE TİCARET A.Ş.	Operational Services	Point of Sale Credit
HAN ISI İNŞ.İTH.İHR.SAN.VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ALPAZ DAYANIKLI TÜKETİM MALLARI SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ALENSİ AL.EN.SİS.IS.SOĞ.İNŞ.VE TAH. SAN VE TİC. LTD.ŞTİ.	Operational Services	Point of Sale Credit
GARANTİ SU BOBİNAJ DALGIÇ POMPA SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜMÜŞCÜ ELEKTRONİK DAY.TÜK.MAL.PAZ.İNŞ.GİD.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
GALERİ YANKI DAY.TÜK.MAL.İNŞ.TAAH.TUR.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MGS ISITMA SOĞUTMADOĞAL GAZ İNŞAATSAN.VE TİC.LTD.Ş	Operational Services	Point of Sale Credit
ZENİKS MÜHEN DOĞA ASAN SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ATALAY MÜH.ISİ SİSTEMLERİ ÜRETİM SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
ERGÜVENOĞLU İNŞ VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
C.E.S COŞKUN MÜH.İNŞ. ELEK. DAY.TÜK.MAL. VE GIDA TİC.İLET.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GAS TERM MÜH TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ALDEMİR ISITMA VE SOĞUTMA TES.TİC.TAAH.VE MÜH.HİZM.LTD.ŞTİ	Operational Services	Point of Sale Credit
ÇAĞDAŞ ISI VE END.MAM PAZ VE TİCLTD ŞTİ	Operational Services	Point of Sale Credit
ÖZ ENGİN DOĞALGAZ MÜH.HİZ.İNŞ.TAAH.TAR.MAK.VE TES.İM.AK.NAK.SAN.LTD.ŞT	Operational Services	Point of Sale Credit
SAYGIN MÜHENDİSLİK TAAHHÜT İNŞ. TUR.DOĞ.SİST.DEM.ÇEL.EN.SAN.TİC.LTD.ŞT	Operational Services	Point of Sale Credit
ÜN-SAL MAKİNE MÜHENDİSLİK TAAHHÜT SERVİS VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İRFAN POMPA MOTOR NAKİL VASİT MAK.İNŞ.TUR.SAN VE Tİ.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EZER TESİSAT TAAHHÜT VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
ISISAN ISITMA VE KLİMA SAN.A.Ş.	Operational Services	Point of Sale Credit
TÜRKOĞLU İKLİMLENDİRME SİSTEMLERİ TAS. REK.İNŞ. TAH.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
KARLI İKLİMLENDİRME MÜHENDİSLİK LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
İSTANBUL MS MÜH AS DOĞGAZ PET.SİH TES VE ISI SİS DENHİZ SANTİC LTD ŞTİ	Operational Services	Point of Sale Credit
YÜKSEK DAYANIKLITÜKETİM MALZ.TİC VE PAZ LT ŞT	Operational Services	Point of Sale Credit
İKLİMCİ MÜHENDİSLİK İKLİMLENDİRME SİSTEMLERİ SANAYİ VE TİCARET LİMİTED	Operational Services	Point of Sale Credit
ÖZMEN DAYANIKLI TÜKETİM MALLARI İNŞ. GIDA NAK. TUR.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
ÖRSA İNŞAAT YAPI MALZEMELERİ TURİZM TİC LTD ŞTİ	Operational Services	Point of Sale Credit
BOSS MÜHENDİSLİK SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
ARGE ISITMA VE SOĞUTMA SİSTEMLERİ İNŞ MÜH SAN VE TİC LTD. ŞTİ	Operational Services	Point of Sale Credit
ARNA MÜHENDİSLİK MEKANİK İNŞ. TAAH. İKLİMLENDİRME SAN.VE TİC.LTD ŞTİ	Operational Services	Point of Sale Credit
EKOTEK KLİMA MEKANİKTESİSAT SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
TEMPUS İKLİMLENDİRME SİSTEMLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
NARMANLAR DAY.TÜK.MAL.İNŞ.AKAR.OTO.TUR.TARIM.HAY.SA N. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BRD MOTOR İNŞAAT OTOMOTİV GIDA VE TURİZM SANAYİ TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit

YETGİNLER DAY. TÜKETİM.MAM.KUY.OTOMOTİVSAN.VE TİC. LTD.	Operational Services	Point of Sale Credit
İSTANBUL MOTOSİKLET LTD. ŞTİ.	Operational Services	Point of Sale Credit
DAYTONA MOTORLU ARAÇLAR KAFE İŞLETMECİLİĞİ SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GAZİANTEP MOTOR SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
AYDIN MOTORLU ARAÇLAR SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
LAM MÜHEN.İSİ SİSTEMİNŞT.TİC.VESAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TROİA MOTORLU ARAÇLAR İNŞAAT TURİZM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
TURANOĞLU KARA DENİZ VASITLARI VE YAN SAN.İNŞ.TUR.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
SERKAN DAY.TÜK.MAL.TEK.SERV. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MOTOÇARŞI MOTORLU ARAÇLAR SANAYİ VE TİCARET LİMİTEDŞİRKETİ	Operational Services	Point of Sale Credit
DAVARCI MÜH.MİM.İNŞ.TUR.NAK.TAAH.TİC.SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TAŞYÜREK MOTORLU ARAÇLAR TİCARET VE PAZARLAMA TURİZM LTD.ŞTİ.	Operational Services	Point of Sale Credit
KILIÇKAYA İKLİMLENDİRME VE DAY.TÜK.MAL GIDA TUR.İNŞ.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
BAYDAR MOTOSİKLET BİSİKLET SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
MERSİN 3A MÜHENDİSLİK TAAHHÜT PROJE VE TİCARET LTD ŞTİ	Operational Services	Point of Sale Credit
KARADAYI DAYANIKLI TÜKETİM MALLARI MOBİLYA REK. İNŞ.TUR.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
GÖKÇEK ENDÜSTRİ ÜRÜNLERİ TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
ORTA TURİZM VE OTOMTİC LTD ŞTİ.	Operational Services	Point of Sale Credit
ALSANCAK OTO İNŞAAT SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
TEKYILDIZ BİSİKLET MOT.ARAÇ. DERİ MAM.TEKS. GIDA SAN. VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
TURCAN EĞLENCE TUR.VE REKLAMCILIK İŞLETMELERİ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
CEKETÇİLER OTO AL SAT.İNŞ.GIDA MİM DEKO.SAN VE TİC LTD.ŞTİ.	Operational Services	Point of Sale Credit
OĞUZHAN İLETİŞİM VE DİŞ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BİSMİL KARDEŞLER OTOM İNŞ NAK TARIM HAYVANCILIK SAN VE TİC LTD.ŞTİ	Operational Services	Point of Sale Credit
KOYUNCU DENİZCİLİK RENT A CAR OTO SAT.VE SER.HİZ.TUR.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
TRENDTEK TELEKOMÜNİKASYON VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
MNR MOTOR PAZ.SER.VE TİC.LTD.	Operational Services	Point of Sale Credit
KARGILI MOBİLYA VE İNŞAAT TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
DÜNYA OFİS BİLİŞİM DANIŞ.YAZ.ELEKT.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İLKNUR BİLGİSAYAR	Operational Services	Point of Sale Credit
SAYIN İLETİŞİM	Operational Services	Point of Sale Credit
MUSTAFA ÖZDEN	Operational Services	Point of Sale Credit
RAİF CİHAN TAYAT	Operational Services	Point of Sale Credit
FERDİ GÖKTAŞ	Operational Services	Point of Sale Credit
YUNUS POLAT	Operational Services	Point of Sale Credit
ALİ FUAT IŞIK	Operational Services	Point of Sale Credit
ŞENER BAYDAR	Operational Services	Point of Sale Credit
UŞAK MOBİL MARKET İLETİŞİM ELEKTRONİK SANAYİ VE TİCARET LİMİTED ŞİRKET	Operational Services	Point of Sale Credit
HÜSEYİN ÜRKÜT	Operational Services	Point of Sale Credit
MUSTAFA ALTINTOP	Operational Services	Point of Sale Credit
SUAT GÜNDOĞAN SUAT İLETİŞİM	Operational Services	Point of Sale Credit
TÜMEV DAYANIKLI TÜKETİM MALLARI VE GIDA MAD.PAZ.NAK.İNŞ.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YILDIZ MOTOSİKLET AKSESUAR SANAYİ VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit

ŞAKALAKOĞLU EĞİTİM HİZMETLERİ TURİZM İNŞ.VE NAKL.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
BUKA MAĞAZACILIK	Operational Services	Point of Sale Credit
ZEYNEP KALKANLI	Operational Services	Point of Sale Credit
MEKTEBİM EĞİTİM KURUMLARI TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
MUSTAFA DEMİR BOSTANCI DEMİR İLETİŞİM	Operational Services	Point of Sale Credit
2M İLETİŞİM HİZMETLERİ SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
AHMET KOÇYİĞİT	Operational Services	Point of Sale Credit
EFE İLETİŞİM DAYANIKLI TÜKETİM MALLARI LTD.ŞTİ.	Operational Services	Point of Sale Credit
CEPMODA İLETİŞİM HİZMETLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
MURATEL İLETİŞİM HİZMETLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
HİKMET TARIK ALTIKULAÇOĞLU	Operational Services	Point of Sale Credit
A E AZİZ DOSTUM İLETİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
MURAT BOZDAĞ	Operational Services	Point of Sale Credit
TEKNOMAR DAYANIKLI TÜKETİM TAR. HAY.BİL.İNŞ.GİD.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
HATİCE SARIDOĞAN	Operational Services	Point of Sale Credit
BULUTOĞLU DAY.TÜK.MAL.NAK.İNŞ.VE GİD.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ZİRVE İNŞAAT İLETİŞİM ELEKTRONİK TUR.GIDA SAN. VE TİC. LTD.ŞTİ.	Operational Services	Point of Sale Credit
DÜNYA OFİS BİLİŞİM DANIŞ.YAZ.ELEKT.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TUSE İLETİŞİM	Operational Services	Point of Sale Credit
ELİT HM DAYANIKLI TÜKETİM MALLARI TURİZM VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
TEKUĞUR DAY.TÜK.MAL.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GENÇER DAYANIKLI TÜKMAL PAZ ÖZEL EĞTİNŞ TAH SN LTD Ş	Operational Services	Point of Sale Credit
COŞKAN MOBİLYA TİCARET VE SANAYİ LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
GÖKSAM İLETİŞİM ELEKTRONİK DAY.TÜK.MLZ.SAN VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
AKTİF BİLİŞİM İLETİŞİM	Operational Services	Point of Sale Credit
COŞAR MOBİLYA SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÖZEL METİN SAN EĞİTİM HİZM.BİLG.GİD.İNŞ.SAN.VE TİC.LTD ŞTİ.	Operational Services	Point of Sale Credit
ATA YILDIZ İNŞAAT VEİNŞ MALZ TAAH GIDA PA SN T LTD Ş	Operational Services	Point of Sale Credit
ÖNDER ESEN / ESTEK	Operational Services	Point of Sale Credit
TAŞ-KAR DAY.TÜK.MAL.BEYAZ EŞ.TAM YED.PAR.BÜRO.MLZ.İNŞ.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
ATILLA YILMAZ	Operational Services	Point of Sale Credit
EFELER	Operational Services	Point of Sale Credit
DAY.TÜK.MAL.TAR.AL.İNŞ.TAAH.TUR.İTH.İHR.OTO M.SAN.VE TİC.LTD. ŞT	Operational Services	Point of Sale Credit
ÖZ GÖNÜL MOBİLYA EV TEKSTİLİ İNŞ. SAN. VE TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
CER TİCARET DAYANIKLI TÜKETİM MALLARI PAZARLAMA ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
ZÜHAL SEVİM KOŞAR	Operational Services	Point of Sale Credit
KARDEŞLER TİCARET-İSMET TAŞKAN	Operational Services	Point of Sale Credit
DOĞU VE BATI MOTORLUTAŞITLAR SANAYİTİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HAŞİM ŞEN	Operational Services	Point of Sale Credit
ADA TELEKOMÜNİKASYON İNŞ.SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KMR DAYANIKLI TÜKETİM MAL.SAĞ.HİZ.GIDA TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HULUSİ İLHAN- AK ÇARŞI ALIŞVERİŞ MERKEZİ	Operational Services	Point of Sale Credit

HAKİM PETROL VE EMRE İNŞAAT ORTAKLIĞI	Operational Services	Point of Sale Credit
TOZKOPARAN YAPI İNŞAAT DAYANIKLI TÜKETİM MALLARI SANAYİ VE TİCARET ANO	Operational Services	Point of Sale Credit
ÖZ SPOT- KEMAL ÖZ	Operational Services	Point of Sale Credit
MERAM MİMARLIK MÜHENDİSLİK MOBİLYA LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ALİ KEMAL KAYACAN	Operational Services	Point of Sale Credit
BEYAZ EV İNŞ.MÜH.DAY.TÜK.MAL.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
DEĞER BEYAZ EŞYA GIDA .EĞ.DAN.TAR.ÜR.SAN VE TİC LTD.ŞTİ.	Operational Services	Point of Sale Credit
HİKMET EV ALETLERİ SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
OKTAY DAYANIKLI TÜKETİM MADDELERİ GIDA EL. EV AL.PAZ.SAN.VETİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
MEHMET KORKUT	Operational Services	Point of Sale Credit
YAKIŞAN DAYANIKLI TÜKETİM MALLARI PAZARLAMA SAN VE TİC LTD.ŞTİ	Operational Services	Point of Sale Credit
BTA RESTORAN İŞLETMECİLİĞİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
MKC İLETİŞİM - MUSTAFA KÜRŞAT CEYLAN	Operational Services	Point of Sale Credit
ARTI İNŞAAT GIDA TURİZM LTD.ŞTİ.	Operational Services	Point of Sale Credit
ALTIN MOBİLYA TİCARET VE SANAYİ A.Ş.	Operational Services	Point of Sale Credit
YALÇIN AKAY - AKAY TİCARET	Operational Services	Point of Sale Credit
AKTEL GSM A.Ş.	Operational Services	Point of Sale Credit
AK-EL MOBİL İLETİŞİM HİZMETLERİ SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EŞREF YAVUZ	Operational Services	Point of Sale Credit
VEBSER İLETİŞİM İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
NETFORM İLETİŞİM İNŞAAT VE MOBİLYA SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
SÜERLER HAYAT DAYANIKLI TÜKETİM MALLARI GIDA İNŞ.TUR.	Operational Services	Point of Sale Credit
GÜLER İLETİŞİM İNŞ.TURZ.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MURAT ACAR	Operational Services	Point of Sale Credit
DOĞAN DAYANIKLI TÜKETİM MALLARI PAZARLAMA TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
TURGUT AKAR HALICILIK TUR.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YILDIZ İLETİŞİM	Operational Services	Point of Sale Credit
VEDAT BOZKURT	Operational Services	Point of Sale Credit
TEZCAN	Operational Services	Point of Sale Credit
EML.KOZ.MOB.DAY.TÜK.MAL.İNŞ.TUR.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MVG İLETİŞİM TEKNOLOJİ ÜRÜNLERİ PAZARLAMA ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
TURGAY İLETİŞİM DAY.TÜK.MAL VE TAŞ.SAN VE TİC LTD.ŞTİ.	Operational Services	Point of Sale Credit
ASYA HALI SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
SEZER ORT.HASAN	Operational Services	Point of Sale Credit
AHMET VAKKAS YILDIZ	Operational Services	Point of Sale Credit
ECS DAYANIKLI TÜKETİM MAL.MOB.HALI TEK.İNŞ.İTH.İHR.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÖZKONAK KUYUMCULUK SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
DERİN DAYANIKLI TÜK.MAL.TURZ.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
MACROCOM BİL.DAY.TÜK.MAL.GIDATEK.TUR.İNŞ.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
HAKAN ATIL	Operational Services	Point of Sale Credit
SİBEL BALIK	Operational Services	Point of Sale Credit
GÖNENÇ MOB.DAY.TÜK.MAL.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
CEM TİCARET	Operational Services	Point of Sale Credit
DENİZ İLETİŞİM	Operational Services	Point of Sale Credit
YILMAZER EV GEREÇLERİ İTHALAT İHRACAT SAN.VE TİC.A.Ş.	Operational Services	Point of Sale Credit
NURİ ATEŞ	Operational Services	Point of Sale Credit
GALERİ İRFAN AVM.DAY.TÜK.MAL.TİC.A.Ş.	Operational Services	Point of Sale Credit

OKM TELEKOM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
İSMAIL ŞAHİN	Operational Services	Point of Sale Credit
HALİDE KUNDAKCI	Operational Services	Point of Sale Credit
ESEPAY YAPI MALZEMELERİ İNŞAAT GIDA PAZARLAMA TİC. VE SAN. LTD. ŞTİ.	Operational Services	Point of Sale Credit
HÜSEYİN MURAT BOLLUCUOĞLU	Operational Services	Point of Sale Credit
KORKMAZ MOBİLYA VE ORMAN ÜRÜNLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
UYGUN TİCARET ŞAKİR UYGUN	Operational Services	Point of Sale Credit
ŞEKERCİLER HALI MOBİLYA TEKS.ELEKT.AV.ZÜC.MUT.DAY.TÜK.MAL.A	Operational Services	Point of Sale Credit
NEVAL BULUTTEKİN	Operational Services	Point of Sale Credit
SADIK SARI	Operational Services	Point of Sale Credit
GÜNCELL İLETİŞİM	Operational Services	Point of Sale Credit
PINAR İNŞAAT SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İBRAHİM KIZĞIN	Operational Services	Point of Sale Credit
ÇİŞİY TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
TOKDEMİR BİLİŞİM TEKNOLOJİLERİ İNŞAAT GIDA İTHALAT İHRACAT SANAYİ VE T	Operational Services	Point of Sale Credit
ABDULLAH AYDIN HALI VE EV ALET LTD ŞTİ	Operational Services	Point of Sale Credit
BİRİKİM BEYAZ EŞYA VE DAYANIKLI TÜKETİM MALLARI GIDA İÇ VE DIŞ TİC.A.Ş	Operational Services	Point of Sale Credit
CAN DEVECİ	Operational Services	Point of Sale Credit
YÜKSEL ŞAHİN	Operational Services	Point of Sale Credit
KEMAL UZEL	Operational Services	Point of Sale Credit
İSTRON İSKENDERPAŞAELEKT.OTOM.GIDASAN.TİC.LTD.ŞTİ .	Operational Services	Point of Sale Credit
LİZAY KUY.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
HALDİZ İNŞ. OTOMOTİV VE TİC.A.Ş.	Operational Services	Point of Sale Credit
AYSANLAR DAY.TÜK.MAL.EL.EŞ.MOT.OTO.İNŞ.TA.D.GAZSAN. VETİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ON MÜCEV.SAN.VE DIŞ.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ARELNET İLETİŞİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ÖMER BİLKAY	Operational Services	Point of Sale Credit
AKBAYIR ELEKTRİKLİ EV ALET HALI MOB VE TİC LTD ŞT	Operational Services	Point of Sale Credit
EGE BİRLEŞİM MOBİLYA İNŞ.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
DERYA İLETİŞİM BİLG.ELEK.TUR.VE REKL.HİZM.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ERİKCİLER MOBİLYA VE KANEPE SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
FATİH SAĞLAM	Operational Services	Point of Sale Credit
BURSA UĞURLU DAYANIKLI TÜK MAM SN TİC AŞ	Operational Services	Point of Sale Credit
MUSTAFA AKKOÇ MAKİNA SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
AHMET SEZEN	Operational Services	Point of Sale Credit
GÜRLEK İLETİŞİM VE BİLİŞİM LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ODAK PAZARLAMA İHRACAT İTHALAT MÜMESSİLLİK A.Ş.	Operational Services	Point of Sale Credit
VEYİSOĞLU SAN VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MERAL BEYAZ EŞYA MOBİLYA SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
GÖKHAN ÇOLAKOĞLU	Operational Services	Point of Sale Credit
HASAN ÇAVUŞOĞLU	Operational Services	Point of Sale Credit
ERHAN İLHAN	Operational Services	Point of Sale Credit
MURAT DEMİR	Operational Services	Point of Sale Credit
EROL YILDIZ-DOST İLETİŞİM	Operational Services	Point of Sale Credit
GENÇ MOB VE EV GEREÇLERİ KUYUMCULUK SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
KINIK MOBİLYA SANAYİ TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit

UYAR TİCARET	Operational Services	Point of Sale Credit
YCL BİLİŞİM ELEK SAN TİC LTD	Operational Services	Point of Sale Credit
GÜLSERİN BAYRAK-GÜLAY TİCARET	Operational Services	Point of Sale Credit
SEHER TÜZÜN	Operational Services	Point of Sale Credit
MARMARA SERAMİK ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
DÖNMEZ ELEKTRONİK	Operational Services	Point of Sale Credit
DUYGU KÖSEOĞLU	Operational Services	Point of Sale Credit
KADİR SALIK	Operational Services	Point of Sale Credit
MELİH BAĞIRGAN	Operational Services	Point of Sale Credit
FATİH BARBAROS	Operational Services	Point of Sale Credit
SEMİH GÜNGÖR	Operational Services	Point of Sale Credit
BÜLENT SERDAR MAMUR	Operational Services	Point of Sale Credit
ERSİN KIRGÖZ	Operational Services	Point of Sale Credit
SOYGÜR DAYANIKLI TÜKETİM VE İLETİŞİM PAZZARLAMA LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
İLKER HORASAN / ASLIM İLETİŞİM	Operational Services	Point of Sale Credit
MERVE İLETİŞİM	Operational Services	Point of Sale Credit
CİHAD KOCAŞAHAN	Operational Services	Point of Sale Credit
GÖKAY ŞEN	Operational Services	Point of Sale Credit
BAKİ BEYHAN-MERT İLETİŞİM	Operational Services	Point of Sale Credit
SERGÜR DAYANIKLI TÜKETİM MALLARI SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ARG ELEKTRONİK NAKLİYE BİLİŞİM TURİZM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ERKAN KÜÇÜK	Operational Services	Point of Sale Credit
OĞUZ MUHARREM SERTKAYA / İSTANBUL MERMER	Operational Services	Point of Sale Credit
LEVENT SUBAŞI	Operational Services	Point of Sale Credit
DENİZLİ GÜNNUR OTOMOTİV LTD ŞTİ.	Operational Services	Point of Sale Credit
BİRİKİM TELEKOMÜNİKASYON SİSTEMLERİ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EVYAŞAM TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HNS YAPI SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
FUNDA İNAM YEMELEK	Operational Services	Point of Sale Credit
SELÇUKLAR TİCARET DAYANIKLI TÜKETİM MALLARI PAZARLAMA ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
EMSA TEK ELEKT.EŞ.Gİ.HAYV.İNŞ.TAH.VE DAY.TÜK.MAL.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KÜTAHYA GÜLBEYLER İLETİŞİM TELEKOMÜNİKASYON KUYUMCULUK TEKSTİL TARIM H	Operational Services	Point of Sale Credit
HARUN ELEKTRONİK BEYAZ EŞYA LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
DAF İLETİŞİM SİSTEMLERİ	Operational Services	Point of Sale Credit
EREN AKADEMİ	Operational Services	Point of Sale Credit
SERHAT GENCAN	Operational Services	Point of Sale Credit
İSMAİL DEMİRELLİ	Operational Services	Point of Sale Credit
FATMA GENCAN	Operational Services	Point of Sale Credit
ERSİN YILDIZOĞLU	Operational Services	Point of Sale Credit
BURHANİYE KEMER İLETİŞİM İNŞ.TURZOTO KİR.GİD.İTH.İHR.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
SUNGURBEY EĞİTİM VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YILMAZ İLETİŞİM	Operational Services	Point of Sale Credit
EVRENKENT MÜHENDİSLİK MİMARLIK İNŞAAT DOĞALGAZ MÜŞ.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İSMAİL SERKAN TARKAN	Operational Services	Point of Sale Credit
MEHMET KONŞUK	Operational Services	Point of Sale Credit
MELEK BAŞ	Operational Services	Point of Sale Credit
ORPA MOBİLYA OTO. İNŞ. SAN. LTD.ŞTİ.	Operational Services	Point of Sale Credit
MUSTAFA ATEŞ	Operational Services	Point of Sale Credit
GÜVENER DAYANIKLI TÜKETİM MADDELERİ PAZARLAMA TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
SAADET HALI DAYANIKLI TÜKETİM MADDELERİ TİCARET SANAYİ ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit

ALTINBAŞ DAYANIKLI TÜKETİM MADDELERİTİC.VE SAN.A.Ş.	Operational Services	Point of Sale Credit
RADİKAL PAZARLAMA VE DIŞ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
BEYCELİ DAYANIKLI TÜKETİM MALLARI TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İRİŞ DAYANIKLI TÜKETİM MALLARI TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
KARDEŞLER DAYANIKLI TÜK.MAL.PAZ.İNŞ.TAAH.İH.VE İT.TİC. VE SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BERNA UYSAL- FUNDAGÜL ZEYTİNCİOĞLU ADI ORTAKLIĞI	Operational Services	Point of Sale Credit
GÜVEN EVİN DAYANIKLI TÜKETİM MALLARI AKARY.MOB.TAŞ.TİC.VE SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İPOİNT TEKNOLOJİ İLETİŞİM BİLİŞİM SERVİS ELEK.SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
VEYİSOĞLU DAYANIKLI TÜKETİM MALLARI İNŞAAT SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
MEHMET ALİ KURT	Operational Services	Point of Sale Credit
MERT DAYANIKLI TÜKETİM MALLARI SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İZMİR MOTOMARKET SERVİSİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
MERKEZ İLETİŞİM ELEKTRONİK KIRTAS.TEKS.GID.İNŞ.OTO.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ADO BİLİŞİM LABORATUAR MÜH.VE TES.CİH.İÇ DIŞ TİC.VE SA.LT.ŞT	Operational Services	Point of Sale Credit
BIZTECH MAĞAZACILIK HAB. TEK.SAN.VE TİC.A.Ş.TİC.	Operational Services	Point of Sale Credit
BURÇ SÜZEN	Operational Services	Point of Sale Credit
HALUK HAŞMET PARPUCU	Operational Services	Point of Sale Credit
PARK BERGAMA MAĞAZACILIK SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ABDULLAH ÖZDEMİR	Operational Services	Point of Sale Credit
HAKAN BEKEN	Operational Services	Point of Sale Credit
ONUR GÜNAY MOB.ELEK.ELEKTRONİK DAY. TÜKETİM MAL. SAN. VE TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
ÜÇYILMAZ TİCARET ELEKTRİK DAY.TÜK.MALL.TURZ.GID.VE OTOM.SAN.LTD.ŞTİ	Operational Services	Point of Sale Credit
DEMİRCAN TELEKOM	Operational Services	Point of Sale Credit
MEHMET EBREN	Operational Services	Point of Sale Credit
NİZAMLAR PETROL ÜRÜNLERİ DAY.TÜK.MAL.İNŞ.SAN.VE DIŞ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İLKER SAKİN/BEKO BAYİİ	Operational Services	Point of Sale Credit
RECEP ÖZKAN	Operational Services	Point of Sale Credit
SERHATLAR DAYANIKLI TÜKETİM MALLARI SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
KAAN ELEKTRONİK VE DAY TÜK MALL PAZ TİC	Operational Services	Point of Sale Credit
TURNACI ELEKTRONİK DAYANIKLI TÜKETİM MALLARI SANAYİ VE TİCARET LTD ŞTİ	Operational Services	Point of Sale Credit
SERHAT ERSAN	Operational Services	Point of Sale Credit
AİRPHONE İLETİŞİM DANIŞMANLIK DIŞ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
SADEDDİN TİCARET	Operational Services	Point of Sale Credit
BAYAR TEKNOLOJİ VE İLETİŞİM ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
KAYAOĞLU DAYANIKLI TÜKETİM MAL.MOB.İNŞ.TAAH.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GEZERLER DAYANIKLI TÜKETİM MALLARI KIRTASIYE VE İNŞAAT SAN LTD ŞTİ	Operational Services	Point of Sale Credit
EMİNOĞULLARI TEKSTİL GİY KUY TUR İNŞ SAN VE TİC L	Operational Services	Point of Sale Credit
YAŞAM TEKNOLOJİ ÜRÜNLERİ SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
BEL EĞİTİM A.Ş	Operational Services	Point of Sale Credit
KVK KURUMSAL SATIŞ VE PAZARLAMA ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit

MÜSLÜM DAMAR	Operational Services	Point of Sale Credit
SERAL DAYANIKLI TÜK.MALL.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
RÜZGAR TELEKOM ELEKTRONİK ALET.YAY.YED. PARÇA VE AKS.TİC.SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MARMARA GIDA GAZ AKARYAKIT İNŞAAT OTOMOTİV TAŞIMA.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HÜSEYİN KEYSAN KEYSAN İLETİŞİM	Operational Services	Point of Sale Credit
ELBİSTAN ELEKTRONİK İNŞ.TAAHHÜT KUYUMCULUK TEKS.SAN VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BEREKET TİCARET	Operational Services	Point of Sale Credit
GEMLİK PAŞA OTEL TURİZM KUYUMCULUK İNŞAAT GIDA SAN. VE TİC.A.Ş.	Operational Services	Point of Sale Credit
BAŞEL DAYANIKLI TÜK.MAL.ELEKT.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BULUTOĞLU DAY.TÜK.MAL.NAK.İNŞ.VE GID.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ŞARK-IŞIK HALI MOBİLYA TUR. TAAH. VE TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
DENTEK TEKNOLOJİ ÜRÜNLERİ SAN.VE TİCLTD.ŞTİ.	Operational Services	Point of Sale Credit
KAMİL DOĞAN	Operational Services	Point of Sale Credit
ENGİN MOBİLYA	Operational Services	Point of Sale Credit
BİLGE TİCARET DAY.TÜK.MAL.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HAYDAR SAĞLAM	Operational Services	Point of Sale Credit
VADULLAH MESUT GENCER-ONURLU İNŞ. İŞLERİ DAY.TÜK.MAL.TRAKTÖR BAYİLİĞİ	Operational Services	Point of Sale Credit
GÜVENEL DAYANIKLI TÜKETİM MALLARI İLETİŞİM BİLİŞİM SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
KAM İLETİŞİM TELEKOMÜNİKASYON İNŞAAT GIDA BİL.KUYUM.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
MARMARA ATILIM DAYANIKLI TÜK. MAL. PAZ. İTH. İHR. TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
ARİFE DEMİRCİ	Operational Services	Point of Sale Credit
ARSEY DAYANIKLI TÜKETİM MALLARI İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
MEHMET PİŞTAV	Operational Services	Point of Sale Credit
KARABAĞ DAYANIKLI TÜKETİM MAMÜLLERİ TİCARET VE SAN LTD ŞTİ	Operational Services	Point of Sale Credit
ZEKİ BEY DAY.TÜK.MAL.TEM.GID.İNŞ.TUR.OTO K.SİN.FİLM.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
NETSEL ELEKTRONİK VE İLETİŞİM HİZ.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KÜÇÜKSÜSLÜ İLET.HİZ.İNŞ.TAAH.TEKS.ÜR.T.İ.T.VE G.M.P.SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ARZU AVCI	Operational Services	Point of Sale Credit
KOBİHATTI BİLGİSAYAR VE YAZILIM HİZ SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
MUSTAFA DÖNMEZ DAY.TÜK.MALLARI ALIM SATIMI	Operational Services	Point of Sale Credit
DOĞAN HAFRİYAT SANAYVE DIŞ TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
ALİM G.S.M.TELEKOMİNİKASYON ELEKTRONİK TEKSTİL VEYAPI SAN. TİC.LTD ŞTİ	Operational Services	Point of Sale Credit
SANDIKÇI DAY.TÜK.MAL.PAZ.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YAKUP YILMAZ DAYANIKLI TÜKETİM MALLARI TEKSTİL İNŞ.SAN. VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
ÖRNEK MOBİLYA KUYUMCULUK SAN.TİC.LTDŞTİ.	Operational Services	Point of Sale Credit
DENİZ ALDEMİR	Operational Services	Point of Sale Credit
YASİN YURTSEVER	Operational Services	Point of Sale Credit
ÇETMEN MAĞAZALARI MOBİLYA DAY. TÜKETİM MALLARI OTO.SAN.VE TİC.A.Ş.	Operational Services	Point of Sale Credit
RECAİ BALTAŞ	Operational Services	Point of Sale Credit
MESUT ARSLAN	Operational Services	Point of Sale Credit
GÜRSES DAYANIKLI TÜKETİM MALLARI PAZARLAMA TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
SADIK KARABACAK	Operational Services	Point of Sale Credit
ERDOĞANLAR MOBİLYA SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TÜRKANLAR DAYANIKLITÜKE.MALL.PAZAR.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit

UZEL İLETİŞİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
UYAR DAYANIKLI TÜK.MALL.SAN.VE DIŞ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
PROTEL TEKNOLOJİ İLETİŞİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
FATİH ÜNAL	Operational Services	Point of Sale Credit
AYKUT MOBİLYA VE DAYANIKLI TÜK.MAL.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ASYILDIZ MÜCEVHERAT TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
NECMETTİN YILDIZ	Operational Services	Point of Sale Credit
BÜNYAMİN ALEMDAR	Operational Services	Point of Sale Credit
ZENNUR AYDÖNER	Operational Services	Point of Sale Credit
ÖZER EV ALETLERİ MOBİLYA DAYANIKLI TÜKETİM MALLARI İNŞAAT TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TEK TELEKOM TİCARET LTD. ŞTİ.	Operational Services	Point of Sale Credit
UGE AĞIZ VE DIŞ SAĞ.HİZM.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
İHSAN ORUÇ	Operational Services	Point of Sale Credit
İSKENDERÖĞLU TURİZM İNŞAAT NAKLİYAT GIDA SAN TİC LTD ŞTİ	Operational Services	Point of Sale Credit
AYHAN ÖREN	Operational Services	Point of Sale Credit
ŞAH BİLİŞİM TELEKOMÜNİKASYON ELEKTRONİK SANAYİ VE TİCARET LİMİTED ŞİRK	Operational Services	Point of Sale Credit
FATİH DİNÇ	Operational Services	Point of Sale Credit
VOLKAN CAN	Operational Services	Point of Sale Credit
OSMAN İNCE	Operational Services	Point of Sale Credit
ORHAN ERDEM DAYANIKLI TÜKETİM MALLARI İNŞAAT SANAYİ VE TİCARET LİMİTE	Operational Services	Point of Sale Credit
BURCU MOBİLYA	Operational Services	Point of Sale Credit
BABAHAN İLETİŞİM HİZM.EĞİTİM İNŞ.TAAH.GIDA SAN.VE TİC.LTD.ŞT	Operational Services	Point of Sale Credit
LEVENT DEMİR	Operational Services	Point of Sale Credit
BODRUMMAKEL PAZARLAMA MÜH. TİC. TURİZM İNŞ. EMLAK İTH. İHR. LTD. ŞTİ.	Operational Services	Point of Sale Credit
ÖZ CEYHAN ISI SİSTEMLERİ	Operational Services	Point of Sale Credit
NİŞLİ İLETİŞİM GIDA İNŞAAT TURİZM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
AKTİF EĞİ.-ÖĞR. BİL. İLE. TUR. GÜV. AKA .İÇ VE DIŞ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İBRAHİM ALGÜL	Operational Services	Point of Sale Credit
SETEL İLETİŞİM HİZM.DAY.TÜK.MAL.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KAMACI İLETİŞİM TEM.VE GIDA MAD.TUR.İN.OTO LTD.ŞT	Operational Services	Point of Sale Credit
FULOR MOBİLYA TEKSTİL KOZM.ÜR.İT.İHRS.V.T.LTD.ŞTİ.	Operational Services	Point of Sale Credit
DEHA TELEKOMÜNİKASYON VE ELEK.HİZ.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YAĞMUR İKLİMLENDİRME SİSTEMLERİ VE MÜHENDİSLİK SANAYİ VE TİC LTD.ŞTİ	Operational Services	Point of Sale Credit
EROL KÖSTERİT	Operational Services	Point of Sale Credit
HÜSEYİN YİĞİTOĞLU	Operational Services	Point of Sale Credit
HALİL HASIRCI-HASIRCIOĞLU AVM	Operational Services	Point of Sale Credit
MEHMET DİMEN EKİP HALI MOBİLYA VE YER DÖŞEMELERİ	Operational Services	Point of Sale Credit
ÇATALKAYA EV GEREÇLERİ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TEZ-CAN DAYANIKLI TÜKETİM MALLARI İNŞ.TAAH.PAZ.LTD.ŞTİ.	Operational Services	Point of Sale Credit
VEYSEL DANIŞ	Operational Services	Point of Sale Credit
EREN EKVATOR DA.TÜ.M.İN.TE.KON.GI.TU.EĞ.HİZ.LTD.ŞTİ.	Operational Services	Point of Sale Credit
SEMUSE İLETİŞİM HİZMETLERİ PAZARLAMA SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ÖZDEMİR HABERLEŞME TEKNOLOJİLERİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit

YİRMİALTIOĞLU DA.TÜ.MA.MO.PZ.TE.MT.VE MTZ AR.HY.İT.İH.SN.VE TC.LTD.ŞTİ	Operational Services	Point of Sale Credit
DENİZFENERİ ISITMA SOĞUTMA DOĞALGAZ İNŞ.SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
DENİZ KARAKILIÇ	Operational Services	Point of Sale Credit
SOYLU ALIŞVERİŞ MERKEZLERİ LTD ŞTİ	Operational Services	Point of Sale Credit
ELEKTRONİK MARKET PAZARLAMA VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
VOLKAN IŞIK SÜRÜŞ TEKNİKLERİ EĞİTİM VE ORGANİZASYON HİZMETLERİ ANONİM	Operational Services	Point of Sale Credit
DURAK HABERLEŞME SİSTEM.TELEKOMÜ.PAZARL.SANA.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
BARIŞ ORUÇ	Operational Services	Point of Sale Credit
OGUN KAYACAN	Operational Services	Point of Sale Credit
AHMET SERBES KUYUMCULUK VE EV AKSESUARLARI TİC.SAN.LTD.ŞTİ	Operational Services	Point of Sale Credit
NAHİT SERBES	Operational Services	Point of Sale Credit
SÜSLÜ KARDEŞLER KUYUMCULUK SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
ATEŞ MÜH. ISI İNŞ. TUR. SAN. TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
ATILIM MOBİLYA İNŞ.TEKS.SAN.VE DIŞ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MUSTAFA KAPLAN KAPLAN SARRAFI	Operational Services	Point of Sale Credit
ŞENGÜLLER A.Ş.	Operational Services	Point of Sale Credit
ŞENGÜLLER TELEKOMİNİKASYON VE DAY.TÜK.MAMÜL.PAZ.A.Ş.	Operational Services	Point of Sale Credit
MELEK DİKER	Operational Services	Point of Sale Credit
B VE B BİLİŞİM DANIŞMANLIK VE PAZ.HİZM.LTD.ŞTİ.	Operational Services	Point of Sale Credit
SERDAR-AKDOĞAN VE ORTAKLARI ADI ORT.	Operational Services	Point of Sale Credit
AKTAŞ ELEKTRONİK ENERJİ SİS.SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ABDULHALİK DEMİR	Operational Services	Point of Sale Credit
YASİN SORGUN	Operational Services	Point of Sale Credit
HÜSEYİN YAZICI	Operational Services	Point of Sale Credit
OZAN GÜLERER	Operational Services	Point of Sale Credit
EREM DAYANIKLI TÜKETİM MALLARI VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BABACAN DAYANIKLI TÜKETİM MALL.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜLMAR GIDA OTOM DAY TÜK MAL SN TİC LTD ŞTİ	Operational Services	Point of Sale Credit
PLATİN BEYAZ EŞYA TİCARET LİMİTED ŞİRKETİ.	Operational Services	Point of Sale Credit
UYSAL MÜHENDİSLİK DAY.TÜK.MALLARI VE MOB.PAZ.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KARUN İLETİŞİM HİZMETLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
MERVE ELEKTRONİK TİCARET TURİZM İNŞAAT TAAHÜT VE SANAYİ LİMİTED ŞİRKET	Operational Services	Point of Sale Credit
HASAN ÇİTİL	Operational Services	Point of Sale Credit
BAYRAMLAR MOB.VE DAY.TÜK.MAL.İNŞ.TİC.İMA. LTD.ŞTİ.	Operational Services	Point of Sale Credit
KARDESLER MOTOSİKLET İTHALAT İHR. LTD. STI	Operational Services	Point of Sale Credit
SABRİ ÖZTÜRK	Operational Services	Point of Sale Credit
ARTE MÜCEVHERAT SANAYİ VE TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
NURİ ALTINKAYA	Operational Services	Point of Sale Credit
MHC OTO.AKRY.İNŞ.TUR.TİC.LTD.Ş	Operational Services	Point of Sale Credit
ERKAN METE - EGE DOĞALGAZ ISIT.SOĞ.SİH.TES.MER.	Operational Services	Point of Sale Credit
SALİH TİCARET	Operational Services	Point of Sale Credit
EGE TEKSTİL KUYUMCULUK VE TELEKOMİN.TUR.TİC.İTH.İHR.LTD.ŞTİ	Operational Services	Point of Sale Credit
KARAHAN OTO VE İNŞAAT	Operational Services	Point of Sale Credit
ZAFER TUNÇ MOBİLYAORMAN ÜR.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit

ANKO MOB. DEK.İNŞ.TUR.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
YUSUF GÜZELSOY	Operational Services	Point of Sale Credit
ALİ DEMİR / BEYAZ EŞYA TİCARETİ	Operational Services	Point of Sale Credit
İSMET KUTLU	Operational Services	Point of Sale Credit
ELMACIOĞLU TÜKETİMMALLARI TİCARETANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
KEREM ULUDAĞ İLETİŞİM TEL.TUR.TAR.TAŞ.SAN.VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
HÜSEYİN YILMAZ	Operational Services	Point of Sale Credit
AŞKIN ÇINAR	Operational Services	Point of Sale Credit
ADNAN ÖZMEN ORT.	Operational Services	Point of Sale Credit
MEHMET ÇADIR	Operational Services	Point of Sale Credit
ZEYBEKLER TİCARET VESAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÖZSAĞLAM DAY TÜK MALPAZAR.SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KONEKS MOBİLYA	Operational Services	Point of Sale Credit
ARLI LASTİK DEMİR İNŞAAT SANAYİ VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MURAT SAĞLAM	Operational Services	Point of Sale Credit
A1 TEKNOLOJİ VE İLETİŞİM ÜRÜN.DAN.OTOM.İTH.İHR.LTD.ŞTİ.	Operational Services	Point of Sale Credit
MUSTAFA ÇOBAN ELK.BEY.EŞYA REKLAM ORG.İTH.İHR.SAN.VE TİC. LTD.ŞTİ.	Operational Services	Point of Sale Credit
BEYAZ ÇARŞI ELEKTRONİK PAZARLAMA LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
İNCEOĞLU DAYANIKLI TÜKETİM MALLARI HAYVANCILIK İNŞ. SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EMRE BİLGİSAYAR İLETİŞİM HİZMETLERİTİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜVENAL MOBİLYA	Operational Services	Point of Sale Credit
MKŞ DAYANIKLI TÜKETİM MALLARI TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
ŞUALAR DAYANIKLI TÜKETİM MAL.TEKS.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
TAŞPINAR HALI MOBİLYA TEKSTİL VE DAYANIKLI TÜKETİM MAL.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
KESKİNLER EV ALETLERİ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
UYSALLAR MOTORLUARAÇLAR SAN VETİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HİKMET KÖSEOĞLU	Operational Services	Point of Sale Credit
AHMET BEYHAN	Operational Services	Point of Sale Credit
ZÜBEYDE SAYGILI	Operational Services	Point of Sale Credit
SELAHATTİN BORAL	Operational Services	Point of Sale Credit
AFS ÇELİK DAY.TÜK.MAL. MOB.TEKS.İNŞ.TAŞ.TAR.HAY.SAN. VE TİC.LTD.ŞT..	Operational Services	Point of Sale Credit
VURALLAR DAY.TÜK.MAL.AKAR.İNŞ.TEKS.GID.TAR.ÜRÜN.SAN .VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
UZALDILAR DAYANIKLI TÜKETİM MALLARI TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
UMUT PAZARLAMA DAYANIKLI TÜKETİM MALLARI TEKSTİL TİC.SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ALİ EKBER EKİCİ	Operational Services	Point of Sale Credit
KUTLU KUY.İLT.TURZ.TEKS.GID.İNŞ.SN VE TC.LTD.ŞT	Operational Services	Point of Sale Credit
GÜLŞEN İPEK AYHAN İPEK MOBİLYA	Operational Services	Point of Sale Credit
ÖZTEKİN DAYANIKLI TÜK.MALL.PAZ.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
JİNEMED SAĞLIK HİZMETLERİ A.Ş.	Operational Services	Point of Sale Credit
ZENGİNLİ OTOMOTİV SANAYİ VE TİCARETLTD ŞTİ	Operational Services	Point of Sale Credit
SER İLETİŞİM VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
NİL TİCARET BURHAN YAPICI	Operational Services	Point of Sale Credit
KABİLLER DAYANIKLI TÜKETİM MALLARI TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KÜBRA İLETİŞİM ELEKT.EŞYA SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
REŞİT ŞAHİN	Operational Services	Point of Sale Credit
OTO HAKAN OTOMOTİV SANAYİ VE TİC LTDŞTİ	Operational Services	Point of Sale Credit

RIFKI RAFET UMAN	Operational Services	Point of Sale Credit
SEMRA UN	Operational Services	Point of Sale Credit
FENOMEN İLETİŞİM GIDA LTD.ŞTİ	Operational Services	Point of Sale Credit
MUSTAFA KAYA - İSTİKLAL ALIŞ-VERİŞ MERKEZİ	Operational Services	Point of Sale Credit
ARASTA MAĞ.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
İLKER KERİMOĞLU DAY.TÜK.MAL.	Operational Services	Point of Sale Credit
ÜZER KUYUMCULUK MÜCEVHERAT SANAYİ VE TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜNDÜZ BEYAZ EŞYA DAY. TÜK. MAL. TİC. LTD.ŞTİ.	Operational Services	Point of Sale Credit
AKSU MOBİLYA	Operational Services	Point of Sale Credit
EREN MOBİLYA MALZEMELERİ VE ORMAN ÜRN.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÖZGÜR İNŞ.DOĞALGAZ MALZ.PAZARLAMA	Operational Services	Point of Sale Credit
KUTLU BİLGİ EĞİTİM	Operational Services	Point of Sale Credit
TAÇ PORSELEN VE MUTFAK EŞYALARI PAZARLAMA DIŞ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ASYA İLETİŞİM EĞT.VEULAŞIM HİZM.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
CENGİZ TİCARET	Operational Services	Point of Sale Credit
EMEL KUYUMCULUK SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
TANCA TEKNOLOJİ ELEKTRONİK İNŞAAT SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ÖKMEN İLETİŞİM TEMİZLİK OTO İNŞ GIDASAN TİC LTD ŞTİ	Operational Services	Point of Sale Credit
YAVUZ HALI PAZARLAMAVE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HÜSEYİN KARAKAŞ	Operational Services	Point of Sale Credit
ESTEL İLETİŞİM LTD.ŞTİ.	Operational Services	Point of Sale Credit
SPORMOTO AŞ	Operational Services	Point of Sale Credit
FAHRİ DOĞAN	Operational Services	Point of Sale Credit
İNEGÖL META DAYANIKLI TÜK.MAL.MOB.İNŞ.GIDA SAN VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜLGÜN TELEKOMÜNİKASYON PET.ÜR.TAR.İNŞ.EML.İTH.İHR.SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ERDEM BUZKAN	Operational Services	Point of Sale Credit
AYNUR NİLÜFER PAK	Operational Services	Point of Sale Credit
TUANA DAYANIKLI TÜK.MAL.MOB.İNŞ.GIDASAN.VE TİC.LTD.Ş	Operational Services	Point of Sale Credit
BAYRAKTAR ELEKTRİK EV ALETLERİ MOBİLYA SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TUNA TİCARET HAKAN KALKAN-CEVDET BALMUMCU ADI ORTAKLIĞI	Operational Services	Point of Sale Credit
İHLAMUR DAYANIKLI TÜKETİM MALLARI SANAYİ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
DURMUŞ ALİ ÜMMETOĞLU	Operational Services	Point of Sale Credit
İSTMOBİL UFUK TANDOĞAN	Operational Services	Point of Sale Credit
YILMAZ AKİZ	Operational Services	Point of Sale Credit
AVKOM İLETİŞİM İNŞAAT TURİZM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ZAFER TEKSTİL İNŞAAT SANAYİ VE DAHİLİ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÜMİT SÜTHAN	Operational Services	Point of Sale Credit
KAYA DAYANIKLI TÜKETİM MAL.MOB.OTO.İNŞ.SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
CİHANGİR KARA	Operational Services	Point of Sale Credit
BOREL BEYAZ ESYA MOBİLYA SAN.VE TİC.LTD.ST.	Operational Services	Point of Sale Credit
ARS ELEK.DAY.TÜK.MAL.GERİ DÖN.İTH.İHR.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
SERVET GÜRBÜZ-ERAT İLETİŞİM	Operational Services	Point of Sale Credit
CİHAN AYAZ( CİHAN AYAZ) AYAZ	Operational Services	Point of Sale Credit
ÖRÜKLÜLER İLETİŞİM ELEKTRONİK PAZARLAMA LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
CÜNEYT SÜLLÜ	Operational Services	Point of Sale Credit
GÜLTEKİN İLETİŞİM	Operational Services	Point of Sale Credit

KÜÇÜK İLETİŞİM SİS	Operational Services	Point of Sale Credit
GÜVEN ELEKTRONİK	Operational Services	Point of Sale Credit
İSMAİL YILDIRIM EMEK MOBİLYA	Operational Services	Point of Sale Credit
GALERİ GÜRSER DAYANIKLI VE DAYANIKSIZ TÜKETİM MALLARI TİCARET A.Ş.	Operational Services	Point of Sale Credit
ZİRVE İNŞAAT İLETİŞİM ELEKTRONİK TUR.GIDA SAN. VE TİC. LTD.ŞTİ.	Operational Services	Point of Sale Credit
İLKAY BOZKAN	Operational Services	Point of Sale Credit
PUPA BİLİŞİM HİZMETLERİ TİCARET A.Ş.	Operational Services	Point of Sale Credit
AKKAŞLAR D.T.M. ELEK.VE ELEK.ÜR.PAZ.İLET.HİZ.İNŞ.SN.İÇ DİŞ TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
MEHMET EREN	Operational Services	Point of Sale Credit
AHMET BOYACI - BOYACI BİLİŞİM HİZMETLERİ	Operational Services	Point of Sale Credit
EMRE GEMİCİ	Operational Services	Point of Sale Credit
ÇAĞDAŞ OTOMOTİV PET. ÜRN.SAN. VETİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
AYTUR ZÜCCACİYE GİYİM TEKS.DAY.TÜK.MAL.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
CAN HALI MOBİLYA MEFR.DAY.TÜK.MAL.NAK.TİC.SAN.LTD.ŞTİ	Operational Services	Point of Sale Credit
UMUT TİCARET	Operational Services	Point of Sale Credit
İŞIK ELEKTRİK TELEFON BİLGİSAYAR DAYAN.TÜK.MAL.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KIBRISLIOĞLU İLETİŞİM DAYANIKLI TÜKETİM MALLARI SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
UĞUR GÖKHAN ÇAKIR	Operational Services	Point of Sale Credit
BİL-TEL BİLGİSAYAR VE İLETİŞİM SANAYİ VE TİCARET LTD ŞTİ	Operational Services	Point of Sale Credit
FATİH AKÇAY VE ORT	Operational Services	Point of Sale Credit
FEVZİ AYYILDIZ	Operational Services	Point of Sale Credit
SOMTAŞ SEVERLER OTOMOBİLCİLİK MOTORLU ARAÇLAR VE TİCARET ANONİM ŞİRKET	Operational Services	Point of Sale Credit
ENGİN ALTERNATİF EV MOBİLYA SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
SARIÇELİK KARDEŞLER DAY.TÜK.MALL.İNŞ.OTO.VE GID.PAZ.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
AKAY TEKSTİL ÜRÜN.TEM.İNŞ.DAY.TÜK.MAL.TİC.VE SAN.LTD.ŞTİ	Operational Services	Point of Sale Credit
ALTIN ELEKTRİK EV ALETLERİ TİC.SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ANLI DAYANIKLI TÜK MALL TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ALDEMİR DAYANIKLI TÜKETİM MALLARI TİC.A.Ş.	Operational Services	Point of Sale Credit
EKON DAYANIKLI TÜKETİM MALLARI İNŞAAT İLETİŞİM OTO.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜLPA DAYANIKLI TÜKETİM MALLARI KUY.İNŞ.MOB.TİC.VE SAN.LTD.ŞTİ	Operational Services	Point of Sale Credit
METİN ÇALIŞKAN-ÇALIŞKAN İLETİŞİM	Operational Services	Point of Sale Credit
ERKAN SERT ERYA İLETİŞİM VE SERVİS TAŞIMACILIĞI	Operational Services	Point of Sale Credit
EMEK DAYANIKLI TÜKETİM MAL PAZ SANVE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
ADA MODERN GEREÇLER DAYANIKLI TÜKETİM MALLARI TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
GÖKHAN YILDIZ	Operational Services	Point of Sale Credit
BAĞDAT DAYANIKLI TÜK.MALL. İNŞ. GIDA TİC. VE SAN. LTD.ŞTİ.	Operational Services	Point of Sale Credit
OSKO DAYANIKLI TÜKETİM MALLARI SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
RECEP ÜCAL	Operational Services	Point of Sale Credit
RAMAZAN KORKMAZ	Operational Services	Point of Sale Credit
SİNAN ALKAN	Operational Services	Point of Sale Credit
HÜSEYİN SÖNMEZ	Operational Services	Point of Sale Credit
SİLVANA ELE.İLET.TEK.GID.TUR.AV.ML.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ORHAN MEHMET ÇATALYÜREK ORT.	Operational Services	Point of Sale Credit
NEDİM DEMİR	Operational Services	Point of Sale Credit
YUSUF AKTOĞAN-AKTOĞAN İLETİŞİM	Operational Services	Point of Sale Credit

FATMA ÖZDEMİR	Operational Services	Point of Sale Credit
SAR ELEKTRONİK GIDA VE DAY TÜK MALLARI SANAYİ VE TİCARET LTD ŞTİ	Operational Services	Point of Sale Credit
KAHYAOĞLU YATIRIM PAZ.VE ÜRETİM A.Ş.	Operational Services	Point of Sale Credit
İLHAN DOĞAN	Operational Services	Point of Sale Credit
ZEKİ KARABUĞA-BİRCAN İLETİŞİM	Operational Services	Point of Sale Credit
SÜLEYMAN GİRAY	Operational Services	Point of Sale Credit
MURATHAN ÖZER TELEKOMÜNİKASYON SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
BRN İLETİŞİM SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÜVEN AL MOBİLYA TEKS.TUR.DAYN.TÜK.MAL.SAN.VE DIŞ TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EFSANE İLETİŞİM HİZM. DIŞ. TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
TUNA TEL.EL.EV ALET.VE DAY.TÜK.MAL.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÖKHAN PURCU	Operational Services	Point of Sale Credit
BİLGİSARAY BİLGİSAYAR SİSTEMLERİ TİCLTD.ŞTİ.	Operational Services	Point of Sale Credit
DENİZ ÖZTÜRK	Operational Services	Point of Sale Credit
ÖMER BÜRÇE	Operational Services	Point of Sale Credit
TAYFUN TİMUR	Operational Services	Point of Sale Credit
EGEMEN İLETİŞİM	Operational Services	Point of Sale Credit
KUZENLER İLETİŞİM LTD ŞTİ	Operational Services	Point of Sale Credit
MEHMET TÜFEKÇİ İNŞ.SİH.TES.VE DAY.TÜK.MAL.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
NCK MOBİLYA VE AKSESUARLARI İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
EMEL MÜCEVHERAT PERAKENDE SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
UĞURLAR PAZARLAMA TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
IŞIK MOTORSİKLET	Operational Services	Point of Sale Credit
YORULMAZLAR TİCARET	Operational Services	Point of Sale Credit
ZEKİ ALVER	Operational Services	Point of Sale Credit
MEHMET EKREM TURĞUT	Operational Services	Point of Sale Credit
REAL ÇAĞDAŞ TELEKOMÜNİKASYON TAAHHÜT SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ŞANLI MOBİLYA ELEKTRONİK EŞ.EV TEK.ZÜC.VE İN.ŞSAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
AYDIN UYANIK	Operational Services	Point of Sale Credit
KEŞİMALOĞLU KARDEŞLER TURİZM TİCARET LTDŞTİ.	Operational Services	Point of Sale Credit
ÖZ ÇINAR HALI DAY.TÜK.MAL.TEKS.TUH. KON.İNŞ.TURZ.GI.MOB.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
BÜYÜK ÖNCÜ DAYANIKLI TÜK.MAL.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
TONAY ATİK	Operational Services	Point of Sale Credit
SERDAR KARAKUZU	Operational Services	Point of Sale Credit
EKMEKCİOĞULLARI TEKS TURZ.İNŞ.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
YUSUF KIVILCIM	Operational Services	Point of Sale Credit
KÜÇÜKLER DAYANIKLI TÜKETİM MAL.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KARINCA İHTİYAÇ MADDELERİ İNŞAAT MADENCİLİK TİCARET VE SANAYİ ANONİM Ş	Operational Services	Point of Sale Credit
MNR BALIKESİR MOTOR PAZARLAMA SERVİS VE TİCARET LİMEDŞİRKETİ	Operational Services	Point of Sale Credit
UYARLAR DAY.TÜK.MALL.SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
SOMMAR SOMA MARKETÇİLİK PAZARLAMA TİCARET LTD.ŞTİ.	Operational Services	Point of Sale Credit
KEMAL ŞENGÜL	Operational Services	Point of Sale Credit
UĞUR KILIÇ MİM. İNŞ.TAA.NAK.ÖZE.EĞİ.SAĞ. VE TUR.SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
AY HAN DAY.TÜK.MAL.HALI MOB.VE İNŞ.SAN.TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
GÜVEN İLETİŞİM	Operational Services	Point of Sale Credit
GÜROLCAN DAYANIKLI TÜKETİM MALLARI SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit

HACI CUMALİ BOZDOĞAN	Operational Services	Point of Sale Credit
DEKOR MOBİLYA HALI ORMAN ÜRÜNLERİ NAKLİYE SAN VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
AYDIN İLETİŞİM	Operational Services	Point of Sale Credit
RECEP SAMİ KAYIŞ	Operational Services	Point of Sale Credit
NURETTİN ÖZKAN	Operational Services	Point of Sale Credit
ŞAHİN ÇALI	Operational Services	Point of Sale Credit
YAVUZATA DAY.TÜK.MALLARI İNŞ.SAN.VE TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
DEMİRLER ELEKTRONİK TELEFON İNŞAAT TAAHHÜT TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
ÖNCEL KLİMA VE ENERJİ TEKNOLOJİLERİ PET.ÜR.İNŞ.SAN. TUR.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÇORLU DAYANIKLI TÜKETİM MALL.İNŞ.SAN.VE.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
NESRİN TÜRK	Operational Services	Point of Sale Credit
ENİSE KASTACI	Operational Services	Point of Sale Credit
MUHAMMED EROĞLU - EROĞLU TİCARET	Operational Services	Point of Sale Credit
YUSUF KAHRAMAN-ANTAKYA ERAY ELEKTRONİK	Operational Services	Point of Sale Credit
MOTOTAŞ OTOMOTİV AŞ	Operational Services	Point of Sale Credit
FİKRET KAPUCU	Operational Services	Point of Sale Credit
CİHAT YAZICI	Operational Services	Point of Sale Credit
TADA İLETİŞİM TELEKOMÜNİKASYON GIDA REKLAM ORG.TEKS.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KIVRAK MOTOR OTO VE MAK.TUR.İTH.İHR.İNŞ.TUR.TAŞ.TİC.VE SAN. LTD. ŞTİ.	Operational Services	Point of Sale Credit
GALERİ BURAK MOBİLYA LTD.ŞTİ.	Operational Services	Point of Sale Credit
ÖZLER KARDEŞLER SAN.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
HAŞİM DEMİR	Operational Services	Point of Sale Credit
AHMET AKŞİT	Operational Services	Point of Sale Credit
AKYOL MİMARLIK İLETİŞİM İNŞAAT TUR.SAN.İÇ VE DIŞ TİC.LTD.ŞTİ	Operational Services	Point of Sale Credit
3 MİR YAPI İNŞAAT MÜHENDİSLİK MİMAR VE ELEKT SAN TİC LTD ŞT	Operational Services	Point of Sale Credit
SENETSEPET COM ALIŞVERİŞ MERKZ LTD.ŞTİ	Operational Services	Point of Sale Credit
DELİKANLI EV GEREÇLERİ SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
SAYIN TİCARET	Operational Services	Point of Sale Credit
DEMİRHAN DAYANIKLI TÜKETİM MALL.MOB.TUR.GIDA SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
CEYLANLAR İNŞAAT NAK. TAAH. TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EGEMEN ELEKTRİKLİ EV ALETLERİ PAZARLAMA ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
CANTEKBİL TEKNOLOJİBİLİŞİM ÜRÜN.EKTİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
GÖKHAN DOĞRU İLETİŞİM Bİ.ELEK.ÜR.SAT.DA.İTH.İHR.SAN.TİC.LT.	Operational Services	Point of Sale Credit
NEFES MOBİL İLETİŞİM İNŞAAT TİCARET ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
ATALAR TELEKOMÜNİKASYON VE İLETİŞİM GIDA TEKSTİL SAN. VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
KEREM CAN AYTAÇ	Operational Services	Point of Sale Credit
NET MOBİL LTD.ŞTİ	Operational Services	Point of Sale Credit
MEHMET DİRİK DAYANIKLI TÜK MAL GD TEKS SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
YAVUZLAR BEYAZ EŞYA DAYANIKLI LTD ŞTİ	Operational Services	Point of Sale Credit
İREM TURİZM MOBİLYA	Operational Services	Point of Sale Credit
ASİLLER DAYANIKLI TÜKETİM MALLARI SAN.VE TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
CYM DAYANIKLI TÜKETİM MALLARI İNŞAAT İTH. İHR. SAN. VE TİC. LTD. ŞTİ.	Operational Services	Point of Sale Credit
TAVİLOĞLU EV ALETLERİ TİCARET VE TURİZM NAKLİYAT LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
FARMET TEK.LTD ŞTİ	Operational Services	Point of Sale Credit
PENTA TAŞIT TİC.VE SAN.LTD.ŞTİ.	Operational Services	Point of Sale Credit

MUSTAFA KIZILBENT	Operational Services	Point of Sale Credit
ESER-FAYSAL ŞAHİN ORT.	Operational Services	Point of Sale Credit
RAGİP BİRCAN BİRCAN TELEKOM	Operational Services	Point of Sale Credit
KÜÇÜKLER ÇEYİZ DAYANIKLI TÜKETİM MALLARI İNŞAAT SANAYİ VE TİCARET LİMİ	Operational Services	Point of Sale Credit
AHMET AKSOY	Operational Services	Point of Sale Credit
BATIKAN HAZAR MIZRAK	Operational Services	Point of Sale Credit
İMO DAYANIKLI TÜKETİM MALLARI TİCARET LİMİTED ŞİRKETİ	Operational Services	Point of Sale Credit
HASURAN EV GEREÇLERİ PAZARLAMA SAN VE TİC LTD ŞTİ	Operational Services	Point of Sale Credit
SPLAZA SAY.TÜK.M.İN.T.SAN.VE TİC.A.Ş.	Operational Services	Point of Sale Credit
SCS AKSESUAR İLE.TELEK.ELEK. ELEKTRONİK İN.TAAH.İTH.İHR.TİC.LTD.ŞTİ.	Operational Services	Point of Sale Credit
EROL AKAR	Operational Services	Point of Sale Credit
YUCELER İLETİSİM	Operational Services	Point of Sale Credit
GB İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ	Operational Services	Point of Sale Credit
ERKAN AKŞİT İKİ MARTI İLETİŞİM	Operational Services	Point of Sale Credit

## PERFORMANCE BONUSES AND SALES PREMIUMS

Annual bonus pool is set on the basis of the profitability of the Bank, the results generated by the activity and achievements and also the (local and/or professional) sector practices. Payment of bonuses will only be considered if the Bank achieves 80% of the budgeted net profit at the end of the financial year.

TL 116,4 million in total has been set aside in the Bank's 2019 financial statements as provision for performance bonuses and sales premiums. Slated for payment in 2020, the amount splits as TL 101,2 million to be paid depending on the performances of the employees during the year and TL 15,2 million as sales premium in line with the sales realized by sales staff in 2019.

In addition, the deferred bonus amount, i.e. the bonus paid to employees in a later period than the period it is earned, is TL 22,7 million.

## FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR EXECUTIVES

The Remuneration policy of the Bank has been prepared in accordance with Banking Regulation and Supervision Agency (BRSA) “Corporate Governance Principles” and “Guideline on Banks’ Good Remuneration Practices” within the scope of proportionality principle, and in compliance with the content, structure and strategies of the Bank’s activities, its long-term targets, risk management structures and in compliance with the local regulation. Remuneration policy aims to prevent extreme risk taking and evaluates the contributions to the effective risk management.

Our Remuneration Policy is intended to encourage TEB to manage risks within the principles and parameters defined and approved by its Board of Directors.

The purpose of our Remuneration Policy is also to ensure that TEB can attract and retain competent and expert employees both in business lines and control functions that will help to fulfill its strategic objectives.

SECOM (Selection and Compensation Committee) is responsible for the preparation of Remuneration Policy on behalf of the Board of Directors and for ensuring its compliance with local regulations and BNP Paribas Group compensation policies provided that they are not contradictory to the local rules and regulations and TEB Policies as approved by TEB Board of Directors. Analysis and establishment of the rules of the RP will be conducted by SECOM with the involvement of Human Resources (HR), Finance, Risk and Compliance Management. After SECOM’s full review and acceptance, Remuneration Policy will be submitted to the Board of Directors for approval. Remuneration Policy is reviewed annually.

### **The main duties and responsibilities are as follows:**

- Formation of a written Remuneration Policy which is in compliance with the BRSA Regulation

- Determination, monitoring and supervision of remuneration implementations (including salaries, performance bonuses, premiums, awards and fringe benefits).
- Approval of the policy for Material Risk Takers that are defined by TEB General Management.
- Annual submission to the BOD the proposals with respect to the assessment of Remuneration Policy and implementations under the risk management.
- Determination of the criteria for the payments of performance bonuses to the employees based on the Bank’s performance, business line’s, and/or function’s performance and their individual performances and announcement of such criteria to the employees and regular review of such criteria according to the determined standards and special duty and responsibilities.
- SECOM considers the risk policy and other policy documents of the Bank in order to ensure the alignment of the Remuneration Policy with the current organization chart, reporting lines and separation of duties.
- Review of remuneration criteria at least once a year to ensure that the Remuneration Policy does not encourage excessive risk taking nor create conflict of interest between management control systems
- Preparation of SECOM organization chart, reporting levels, segregation of duties and remuneration policy in accordance with the risk policy and other policies of the Bank.

At the Ordinary General Assembly Meeting convened on 27 March 2019, a decision was taken not to pay an attendance fee to Board members in consideration of their roles.

During the period January-December 2019, any and all rights, interests and remunerations paid to our Board members and senior executives amounted to TL 44,124,897, and travel, accommodation and representation expenses amounted to TL 2,060,841.

Board members may be granted loans within the legally defined limits or may be remunerated depending on various criteria including the Bank’s performance, the positions they hold and the time they allocate.

## REMARKS ON INDEPENDENT AND PUBLIC AUDITS

In 2019 fiscal year, our Bank and its subsidiaries were externally audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. On the other hand, various audits were conducted at the Bank by regulatory public authorities such as the Banking Regulation and Supervision Agency (BRSA), the Ministry of Treasury and Trade.

## INFORMATION ABOUT LAWSUITS FILED AGAINST THE BANK THAT MAY POTENTIALLY AFFECT THE COMPANY'S FINANCIAL POSITION AND OPERATIONS AND ABOUT THEIR POSSIBLE OUTCOMES

935 lawsuits worth TL 10,693,841 in total were brought against the Bank during 2019. A total of 12,583 lawsuits brought in 2019 and previous years are currently in litigation. A provision of TL 51,155,466 had been set aside for these lawsuits as at 31 December 2019.

## ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED AGAINST THE COMPANY AND THE BOARD OF DIRECTORS MEMBERS ON ACCOUNT OF BREACH OF LEGISLATION

Administrative fines imposed against the Bank during the reporting period amounted to TL 71,490,264. There are no administrative or judicial sanctions imposed against the Bank's Board members.

## CHANGES IN EQUITY STAKE HELD IN SUBSIDIARIES

There were no changes in 2019.

## INFORMATION ABOUT DEALINGS WITH THE CONTROLLING COMPANY

There were no legal transactions that would benefit the controlling companies, which were steered directly or indirectly by the controlling companies, during 2019. All legal transactions between controlling companies and TEB were carried out in accordance with market practices, the principles of commercial prudence and integrity and the arm's length principle. The Company did not incur any loss by reason of these transactions and therefore, no compensation was necessary.

In 2019 there were no legal transactions, which were carried out at the direction of the controlling companies so as to benefit the controlling companies' subsidiaries. All legal transactions between the controlling company's subsidiaries and our Company were carried out in accordance with market practices, the principles of commercial prudence and integrity and arm's length principle. The Company did not incur any loss by reason of these transactions and therefore no compensation was necessary.

No measures were taken or avoided to the benefit of our Company's direct or indirect controlling companies since such measures were not necessary and therefore, no losses to the detriment of the Company arose.

No measures were taken or avoided to the benefit of the controlling company's subsidiaries since such measures were not necessary and therefore, no losses to the detriment of the Company arose.

## TEB HUMAN RESOURCES GROUP

TEB is a big family with its 9,000 employees. Happiness of each member of this big family is very valuable and important for TEB. Happy employees will bring happy customers and happy customers will bring sustainable success. Human resources lie at the heart of TEB's strategy to achieve its business goals.

### Our Strategic Priorities

- **Positive Management** for our Employees
- Equipping our employees with **new competences** the business world requires and **retaining** them.
- Increasing **efficiency** by **digitalizing** and effective use of **data**
- Penetrating **agility (practicality)** into our DNA
- Creating a human resource with a high level of **risk awareness** and risk management
- **Positive impact** for a better future (**CSR**)

### Key Principles

- 1. Trust, Respect & Transparency:** We value each other and adopt a culture based on trust, respect and transparency.
- 2. Responsibility:** We act responsibly towards all our stakeholders
- 3. Agility:** We treat our Bank as our own work place and act with an agile mindset
- 4. Discipline:** We comply with all rules and regulations and take our actions with a disciplined attitude.
- 5. One Bank/ We Culture:** We always think and act as One Bank

### Positive Management for our Employees

#### Together we create the Great Place to Work

TEB started its "Great Place to Work" journey in 2012 in line with its "Positive Management" approach and practices which value its employees. TEB was the first and only bank to make the list of "Great Place to Work-Best Employers of Turkey" in 2016. Moreover, **Top Employers Institute**, one of the most prestigious worldwide institutes that rates the HR policies and implementations of companies, has chosen TEB as one of the Top Employers of Europe and Turkey in 2019.

**TEB achieved to receive the Top Employer Turkey and Top Employer Europe Certificates for 7 years in a row.**

TEB continues to listen to its employees through its employee satisfaction survey called "**Global People Survey**". With inclusive and participatory human resource practices, the Bank informs its employees about all related subjects and includes them in decision making processes. We regularly get together with the "**Employee Sounding Board**" which was set up with the participation of 600 TEB employees who represent all groups and field teams across the Bank and we create the action plans together as a result of these meetings.

Each year, approximately 3,500 TEB employees from field and headquarter teams get together at **HR Roadshow Meetings**. At these meetings, results of the employee surveys are reviewed together, new practices are shared, feedbacks are received and questions are answered transparently.

#### **Employees who make a difference with their performances are selected and rewarded objectively.**

The aim of TEB Performance Management System is to keep TEB Group goals and strategies in line with the individual goals and business results, to direct the employees to the right targets and to ensure their development, thereby increasing organizational efficiency.

In addition to that, Performance Management System is the most significant tool in monitoring the development of employees' competences, preparation of their Development Plans, and gathering information related with Career Management, Compensation, Rewarding and Training systems.

Within the frame of this system, TEB's corporate goals are transferred from the top to bottom levels and translated into individual goals. Performance reviews are carried out based on objective criteria taking into consideration the realization of individual business goals employees' achievement of their competence targets.

Performance Management;

- Shows whether Critical Success indicators are realized, whether targets have been reached

- Ensures managers have an idea on their employees' performance, their successes are measured and recognized
- Helps identify the required competencies for successful business results and define strengths and development areas
- Ensures employees with high performance and high potential are selected to be included in Talent Management pool
- Creates an interactive platform where employees can give and receive feedback to and from their juniors, team members and managers with instant feedback system.

### **Transparent career committees**

Career committees at TEB that meet for promotions or mobilities are open to employee representatives who are not in managerial positions so that they can express their opinions. Thus, employees have a word in promotion decisions and they can observe that the process is conducted in a transparent way.

### **Local and international career opportunities**

The Bank offers TEB's future leaders both local and international mobility opportunities with the support of its strategic partner BNP Paribas.

In line with TEB's objective and transparent communication principle, all open positions at BNP Paribas and TEB Group are announced in the Bank and group companies and all employees have the opportunity to apply for these positions.

Accordingly, the main principle is to make appointments to manager and higher-level positions from internal resources. In 2019, 85% of appointments to managerial positions were made from internal resources.

### **Creating the Future Work Force with Continuous Development Opportunities**

To achieve the outstanding performance at TEB the main objectives are, to increase individual and team performances with processes and systems to continuously improve quality, to create a professional work environment and career opportunities for employees to develop their performances and competencies and to raise leaders of the future.

TEB employees who exhibit high performance and high potential are included in events where they have a chance to get together with senior

management, introduce themselves and share their opinions in an open and sincere environment.

For future leaders, Assessment Centers and Leadership Skills Development Programs are conducted to assess their managerial skills, to identify and improve their development areas in their career development journeys at TEB.

Within the scope of Talent Management, 72 talents attended Assessment Centers, 98 talents attended Leadership Skills Development Program and 325 talents participated in professional and personal development programs within the frame of their personal development plans.

### **TEB employees' digital muscles are pumped with TEB Digital Academy and Let's Get Digital**

The Bank focuses on preparing its employees to rapid transformation in business world and developing their competences required by the changing roles.

When developing the future leaders rather than supporting young talents to advance in a single area, TEB aims to support them in developing interdisciplinary competencies through mobility, building teams and collaboration; continuously updates its training and development programs.

TEB Digital Academy, launched in 2018, includes development programs designed for the needs of each business line. TEB Digital Academy provides opportunities for employees at all levels to follow new trends and new technologies and increases digital literacy. In 2019, 1,700 TEB employees attended these programs.

With the awareness of "high quality and trained workforce" being the most significant differentiating element of the finance industry, employees are being supported in their personal and professional development in the most effective way and mandatory trainings are delivered for local and global regulations under TEB Academy. In 2019, approximately 9,000 employees participated in those trainings and an average of 42 hours per employee was realized.

### **A work environment supporting innovation and entrepreneurship**

With its continuous efforts on innovation since 2007, TEB has been cited as an exemplar of innovation by the world-famous research company Gartner in its report "Creating and Expanding a

Culture of Innovation” in the finance industry published in 2008. Between 2013 and 2016, the Bank also received the European Financial Management Association’s (EFMA) “Most Successful Bank in Innovation Management” for four years in a row.

In 2014, TİM elected TEB as “Turkey’s Champion of Innovation Sources” in its assessment within the scope of InovaLiG.

### **We raise entrepreneur leaders at all levels**

TEB carried innovation to a step further in the industry since 2014 and started the Intrapreneurship Program.

With this program, the Bank creates an entrepreneurial culture within the organization and develops intrapreneurs who create and implement innovative projects that can change the Bank’s future. Through this program, existing business manners are changed and a work environment where employees can develop and implement their projects as entrepreneurs is offered. Additionally, employees are supported with training programs to strengthen their entrepreneurial muscles, mentorship and coaching is provided.

Idea Marathons and Hackathons organized within the scope of TEB Intrapreneurship Program brings together entrepreneur employees with entrepreneurs from outside (fintechs /start-ups) and mentors. The Program creates an environment where TEB employees can develop their projects receiving feedback from each other and can create prototypes for their business models in 48 hours.

At the TEB Intrapreneurship Program, which is at its fifth year in 2019, 200 projects were submitted by TEB employees who have an intrapreneur spirit. Intrapreneurs selected by TEB Innovation Committee consisting of executive managers were included in the acceleration program and received mentorship, coaching and training support to develop their projects as start-ups.

TEB Intrapreneurship Program received the Leadership Award in 2015 at Gamechangers Turkey which rewards the most innovative companies of Turkey.

### **TEB has a house of innovations: TEB HOME- Start-up Partnership Program**

As a joint working platform with the objective of accelerating innovation, TEB HOME prioritizes innovative projects coming from different channels and builds teams to implement these projects. Innovative methods are used while implementing the projects and partnerships with start-ups are formed. Projects under TEB HOME are not only implemented at TEB but also at other branches of the Bank’s strategic partner BNP Paribas. In 2019, 3 projects were implemented at the international platform.

Within the scope of the Home Program, TEB intrapreneurs are able to test and execute their ideas and projects with the help of start-ups using their competences and carry the agile world of financial technology start-ups into the Bank.

In such an environment, employees who can create solutions and take the initiative for transformation and whose entrepreneurship muscles are strengthened are being raised.

### **TEB’s innovation ecosystem grows day by day.**

#### **Future of products are designed with the youngsters and customers.**

Since 2007 in addition to its employees, TEB included its customers, students, start-ups, academics and suppliers in its innovation ecosystem. While the Bank’s products and services are re-designed together, innovation culture is being spread to a much wider population.

#### **TEB has been inventing for 12 years with TEB Open Innovation Competition**

In 2019, 12th TEB Innovation has been organized, which is one of the largest reflections of TEB’s innovation practices outside the Bank.

In 2018-2019 period, 15,944 applications were submitted to TEB Innovation Competition. 75% of the applications were from university students, 16% were from customers and 9% were from techno start-ups.

Finalists are invited to a special innovation and entrepreneurship camp to prepare for the competition. In addition to financial prizes, winners are offered career opportunities at TEB. Until today 12 finalists joined the TEB family.

### **TEB cares about youngsters.**

Through its practices, TEB provides a work environment where young talents can show their potential, develop themselves continuously and create added value.

With “My TEB My World” motto, TEB offers TEB employees and youngsters who want to join TEB family a successful, innovative, healthy, pleasant world which provides continuous development opportunities.

#### **Learning Together: TEB Idea Magicians (Fikirbazlar)**

We are in an age where we learn from each other. Being aware of that, TEB provides an environment that brings together experienced leaders and young TEB employees where they can develop projects on areas determined based on the Bank’s priorities.

**At TEB Design Atelier**, Masters, TEB’s experienced managers, get together with Apprentices, young TEB employees, to learn about Design Thinking methodology and develop innovative projects.

#### **A test drive at finance industry: Shortcut Internship Program**

Future leaders want to test the organization before they feel themselves a part of that organization. At TEB, university student who want a test drive are offered a Shortcut internship program with the “shortcut to career” motto. Shortcut provides students a professional work environment for 8 to 12 weeks where they can experience projects with TEB managers and employees.

In 2019, approximately 140 students had the opportunity for internship.

**Campus Gatherings** offer university students opportunities to meet with TEB managers and the finance world. In 2019, more than 10,000 students were reached through promotional activities, presentations, career festivals, manager conversations, elevator pitch and case studies and class participations.

TEB reaches university students through career activities at digital platforms as well. In this context, TEB provides guidance and opportunities to those who want to make a career in finance.

Digital platforms are frequently used at TEB’s recruitment processes in addition to traditional channels. The Bank recruits employees with online interviews when needed.

Approximately 355,000 applications were received and 3,150 job interviews were performed in 2019 in line with the Bank’s goals and strategies. Various selection and placement tools were used to make a selection based on the required competencies and 786 people joined the TEB family .

With our **One Day at TEB** activity, university students were invited to the Bank and given the opportunity to observe the daily life at TEB. In 2019, 150 students were hosted at TEB.

#### **TEB Innovation and Youth Summit**

At the 2019 Innovation Summit, which is bringing TEB talents together with new themes each time since 2007, university students were invited for the first time. The theme of this year was “My Mind is at My Future – Positive Impact for a Better Future” and approximately 500 students attended the Summit.

During the Summit, students had the opportunity to listen to inspiring presentations, discuss how they can contribute for a better future and also have career conversations with TEB managers.

Awards were presented during the Summit to innovative employees who submitted their ideas at Internal Innovation Competitions and customers, students, new graduates and techno start-ups who won prizes at TEB Innovation Competition.

#### **TEB is Setting up a Digital Incubation Center**

With the purpose of creating and developing a **Digital Talent Pool** that will enhance the Bank’s Data and Analytics competence, TEB prepared a special recruitment process and a training program (Digital, Data & Agile Academy) within the scope of its Digital Incubation Center activities.

The Bank organized “**TEB Young Engineers Meeting**” at 5 December World Engineers’ Day which was a first in the industry. The event took place with the participation of 80 students selected from 1,200 applications and these students were presented the opportunity to be candidates for analytic roles at TEB Digital Incubation Center.

### **The new address for agility: TEB Agile Studio**

IT Agile Studio was established to increase agility at TEB and launch projects more rapidly.

The objective is to extend this approach which started at TEB Information Technologies team to business lines and support functions, to increase cooperation within the organization and adopt agility as a new business manner.

### **Human focused digital applications are being created together.**

New employees starting at TEB participate a **pre-orientation program on digital platform** to have information about the Bank and its applications before actually starting their jobs.

TEB employees can easily access in-house career opportunities and human resources applications frequently used on their daily lives through mobile app **MobiliTEB**.

TEB answers questions of TEB employees and candidates through an interactive communication environment via **TEB HR Chat Bot** application.

### **Target of developing Human Resources with a high level of risk awareness and risk management**

“First Level Control” project was completed which had the objective of ensuring employees at all levels to manage risks that are related to their duties and responsibilities effectively. Moreover, activities are carried out to increase risk awareness of employees and provide them support in this area.

### **Acting for Goodness**

In 2019 TEB runners participated the Istanbul Marathon and Runatolia Marathon for the benefit of Non-Profit Organizations under the roof of Adım Adım organization. For those who do not

participate the marathons supported them with their donations.

As a result of its performance at these charity marathons since 2008, TEB has been recognized as one of the “Most Kind Hearted Companies”.

### **A family who enjoys being together**

TEB employees get together at events like “Leaders’ Cafe” where they can listen to senior managers’ knowledge and experiences, “TEB Talks” where experts share their inspiring career and success stories and “Innovation Talks” where most recent technological developments and trends are shared.

Employees can participate various activities in their areas of interest and get together with colleagues outside work at TEB Band, Turkish Music Choir, TEB Photography Club, TEB Chess Club, TEB Theater and TEB Scuba Diving Club.

Under the roof of **TEB Sports Academy**, in-house sports events are organized to keep employees healthy, to enhance team spirit and “we” awareness, to increase the sense of belonging of employees and to create social value within the scope of social responsibility. In the same context, employees are encouraged to participate in outside sports activities and represent the Bank in these organizations.

In 2019, TEB Sports Academy activities continued in football, volleyball, basketball, running and tennis branches. TEB Volleyball Team became the champion of Corporate Games in 2019.

### **One of a kind village in the industry: SAKLIKÖY**

At Saklıköy where TEB conducts its training and development activities, employees can also get together with each other and their families to socialize.

## SUMMARY OF BOARD DIRECTORS' REPORT PRESENTED TO THE GENERAL ASSEMBLY

### Distinguished shareholders, customers and employees

In 2019, even though global growth predictions were revised downwards, forecast revisions for Turkey were upwards. For the first time since 2001, we recorded a current surplus in 2019 and TCMB decreased interests parallel with the decreasing inflation trend. Growth trend which started at the last quarter of 2019 is expected to continue in 2020.

As of 31 December 2019, TEB's total assets went up by 11% to reach TL 107,4 billion in the January-December period, while the Bank booked TL 1,1 billion in net profit. Loans, which make up the most important indicator of TEB's support to the economy and its customers, accounted for 65% of its total assets in 2019.

Giving priority to risk management and asset quality, as always, our bank's total credits were TL 69,2 billion and deposits were up by 12% and reached TL 72,2 billion. Maintaining its stable growth along with its robust capitalization, TEB's shareholders' equity was TL 9,7 billion, while capital adequacy ratio was a strong 16.95%, well above the targeted ratio of 12%.

On 28 October 2019, TEB signed a syndicated loan agreement for EUR 306 million and USD 61,5 million with a maturity of 367 days which was participated by 22 leading banks from USA, Canada, Middle East and Asian countries. This syndicated loan was expected to be used particularly in financing of exports and provide a great contribution to Turkish economy and companies' growth. All-in-cost of the syndicated loan is Euribor+2.10% and Libor+2.25%, for Euro and USD portions, respectively.

While allocating 17% of live credits other than individual credits to financing of exports, TEB was ranked as 7th at the comparison made based on export credit volume. Within the scope of TİM's supporting the exports campaign TEB provided an advantageous credit package at a special cost of 350 million euro and at the same time continued to support importer customers with its solutions. In this context, TEB provides financing up to 5 years in import letters of credit with the support of its partner BNP Paribas.

Number of customers of TEB's mobile banking application CEPTETEB reached 930 thousand at the end of the fourth quarter. Ratio of customers who receive service from TEB's internet and mobile channels increased to 60%.

After CEPTETEB which is in operation to serve individual customers since 2013, TEB introduced CEPTETEB İŞTE mobile application to allow SMEs, Corporate and Microbusiness customers perform many of their financial transactions easily and rapidly. CEPTETEB İŞTE, which was developed based on customers' needs and expectations digitalized daily banking transactions of SMEs and all commercial companies responding to their specialized needs. With this application, TEB's commercial customers can easily perform their 'daily banking' transactions such as transfers, tax and bill payments, 'cash management' transactions such as cheque, note, credit and member firm functions and 'investment' transactions such as currency, gold and time deposits without going to the branch.

Supporting the start-ups and developing the Turkey's start-up ecosystem with its Start-up Banking activities since 2013, TEB assessed more than 6 thousand business ideas under TİM-TEB Start-up House and supported almost one thousand technological start-ups with 200 in 2019. With the addition of Scale Up to its start-up programs in 2019, TEB aimed to focus on start-ups which want to grow in global markets and to increase foreign trade success of Turkish entrepreneurs.

Having a Responsible Banking approach, TEB continues to raise an awareness of savings in society and contribute in raising a financially literate generation under the roof of Family Academy. As of 2019 year-end, with the TEB Family Academy, trainings were provided on digital financial literacy for 6,500 students at more than 30 universities and approximately 250 thousand people on online platforms. Moreover, by collaborating with various organizations, TEB provided financial literacy trainings to more than 350 thousand people by delivering classroom trainings and digital trainings at universities to contribute to financial literacy of every segment of the society.

TEB started providing services to its Retail and Private Banking Group customers via a new chatbot application, “Telepati”. The application rapid service to customers for branch and ATM inquiry, frequently asked questions and product pricing.

We hereby present the operating results and financial statements of TEB for 2019 fiscal year for your comments and review. On behalf of the Board of Directors and myself, I would like to thank you, our valued shareholders, our team, our customers and our business partners for accompanying and having confidence in us throughout our journey.

Sincerely,

**Board of Directors**

## PROFIT DISTRIBUTION PROPOSAL

TÜRK EKONOMİ BANKASI A.Ş. PROFIT DISTRIBUTION TABLE FOR THE YEAR 2019 (TL)		
1. Paid-in / Issued Capital		2,204,390,000.00
2. Total legal reserves (According to Legal Records)		398,567,853.49
Information regarding the privilege, if any privilege with respect to distribution of profit is stated in the articles of association		
3	Profit for the period	1,413,763,717.30
4	Taxes to be paid (-)	(343,409,681.23)
5	Net profit for the period ( = )	1,070,354,036.07
6	Losses related to the Previous Years (-)	0.00
7	Primary Legal Reserve (-)	(53,517,701.80)
8	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	1,016,836,334.27
9	Donations made within the year ( + )	
10	Net distributable profit (including donations)	
11	First Dividend to Shareholders	0.00
	- Cash	0.00
	- Share Dividend	0.00
	- Total	0.00
12	Dividend distributed to the holders of the privileged share	0.00
13	Dividend distributed to	0.00
	- The Members of Board of Directors	
	- Employees	
	- Other than Shareholders	
14	Dividend distributed to the holders of redeemed share certificates	0.87
15	Second dividend for the shareholders	0.00
16	Secondary Legal Reserves	0.10
17	Statutory Reserves	0.00
18	Special Reserves	9,394,345.91
19	EXTRAORDINARY RESERVES	1,007,441,987.39
20	Other resources planned to be distributed	0.00

DIVIDEND DISTRIBUTION TABLE						
	GROUP	TOTAL DIVIDENDS		TOTAL DIVIDENDS / NET PROFIT FOR THE PERIOD	DIVIDEND TO THE SHARE WITH A NOMINAL VALUE OF TL 1	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
NET	A	0.87	0.00	0.00	0.00	0.00
	B	0.00	0.00	0.00	0.00	0.00
	TOTAL	0.87	0.00	0.00	0.00	0.00

## SECTION 3 - ASSESSMENT OF FINANCIAL POSITION AND RISK MANAGEMENT

### THE AUDIT COMMITTEE'S ASSESSMENT OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ACTIVITIES DURING THE REPORTING PERIOD

The organization set up for the operation of internal control, internal audit and risk management systems at TEB was structured in accordance with the provisions of the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Evaluation" published in the Official Gazette dated 11 July 2014.

The mentioned structure is aligned with the scope and nature of the Bank's operations and possesses the quality and efficiency to respond to changing conditions.

Risk Management, Compliance and Internal Control and the Internal Audit Group report to the Board of Directors; independent of one another, these units worked in coordination and successfully completed their activities in 2019.

The Board of Directors has taken necessary action to approve important strategies and policies regarding control activities and to maintain an efficient internal audit system and risk management system.

The Audit System created encompasses all operations and units of the Bank and its subsidiaries. As at year-end, the Internal Audit Group was formed of 1 Group Head, 4 Assistant Group Heads, 5 Audit Managers, 4 Supervisor Auditors, 4 Senior Auditors, 28 Auditors, 9 Authorized Assistant Auditors, 18 Assistant Auditors, 1 Senior IT Auditor, 2 IT Auditor, 1 IT Assistant Auditor, 1 Internal Audit Group Support and Coordination Officer and 1 Executive Assistant.

The Board of Directors has taken all necessary action to make sure that the Internal Audit Group is able to audit all operations and units of the Bank and its consolidated subsidiaries without any restrictions.

Within the scope of 2019 unconsolidated and process audit activities, 191 branches were audited.

In addition to branch audits, inspections were conducted in a total of 32 different areas: 23 at the

Head Office, 7 at subsidiaries, 2 in IT. Besides these audits, Management Assessment was carried out, which covered banking and information technology processes.

The Compliance and Internal Control Group covers the Internal Control Division, Legislation Division, Compliance Division and IT Control Division, Subsidiaries Coordination Division and TRNC Compliance Division.

Internal control activities are arranged so as to cover basic control areas. According to the internal control organization, the Branches Control Department, Head Office Control Department, Finance and Treasury Transactions Control Department, Control Design and Support Department and IT and Support Department conduct the controls at branches and head office departments, respectively.

In accordance with Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks and MASAK regulations, regulatory and compliance functions are being conducted by Regulation and Compliance units under Compliance and Internal Control Group.

The activities of the Legislation Division are carried out in accordance with the requirements of applicable legislation and the Group's guidelines.

The aim of Risk Management system is to define, measure and monitor the Bank's risk exposure stemming from its operations and to make sure that these risks are controlled through the policies, guidelines and limits established.

Risk Management functions of the Bank and all subsidiaries are gathered under the Group Risk Management. Group Risk Management reports to TEB Group Boards of Directors via the Audit Committee at TEB A.Ş. and is responsible for carrying out the general monitoring, warning and recommendation functions on behalf of the Boards of Directors in line with the principles stipulated in this regulation. In accordance with the Board of Directors resolution 184 dated 29 December 2019, Group Risk Management will be required to not only report to Audit Committee but also to Risk Committee as well.

The Bank's Group Risk Management is organized in three divisions:

- Credit Risk Management,
- Rating Models Development,
- Market Risk, Operational Risk and Collective Provisions.

At the Bank's Board of Directors meeting held on 08 November 2005, a decision was passed to set up an Audit Committee responsible for the entire TEB Group companies in view of the provisions of Article 24 of the Banking Law no. 5411 and it was decided that the said committee should assume the powers of the members of the Senior Risk Committee set up at the Bank under Law no. 4389.

During 2019, the Audit Committee met 49 times. The Committee works committedly to monitor the risks on a consolidated basis across the entire Group, to create control points, to review documented procedures on the basis of activities, to provide the coordination among the Internal Audit Group, Risk Management, Compliance and Internal Control groups, to set up the internal control system of the same scope between the Bank and Group companies and to fulfil other liabilities in accordance with the Banking Regulation.

The Bank closely monitors and implements international best practices, as well as the new regulatory requirements regarding internal audit and risk management systems.

## EVALUATION OF FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

A review of TEB's financial statements that are drawn up in accordance with the regulations of the Banking Regulation and Supervision Agency (BRSA) reveals as follows:

TEB's after-tax profit for 2019 reached to TL 1,07 billion and the Bank posted a RoE of 11.50% in line with its strategies focused on profitability and productivity. Sustaining a consistent growth with its strong capital structure, TEB's equity was TL 9,7 billion and its capital adequacy ratio was realized as 16.95%, considerably higher than target ratio of 12%.

The Bank increased its asset size by 11% to reach TL 107,350 million in 2019 while credits which are the most important indicator of TEB's contribution to the economy and its customers became TL 69,2 billion constituting 65% of total assets.

While time deposits volume which meets a great portion of the Bank's funding requirement, total deposits as a percentage of liabilities became 67%. On the other hand, current deposits also increased to reach TL 16,8 billion and had a great contribution to the Bank in terms of funding costs.

As of October 2019, TEB signed a syndicated loan facility agreement with the participation of 22 international banks for the purpose of supplying a loan in the amount of EUR 306 million and USD 61,5 million with 367-days maturity. The syndicated loan was expected to be used particularly in financing of exports and provide a great contribution to Turkish economy and companies' growth. All-in-cost of the syndicated loan is Euribor+2.10% and Libor+2.25%, for Euro and USD portions, respectively.

## RISK MANAGEMENT POLICIES ACCORDING TO VARIOUS TYPES OF RISKS

### Credit Risk

Credit risk is the risk of a contracting party's defaulting in the performance of its contractual obligations and thus causing the other party to incur a financial loss. The TEB Group is exposed to credit risk basically through trading, trade finance, treasury and leasing activities but credit risk may also arise in other circumstances and due to other reasons.

One of the most prominent characteristics of the Bank is its conservative lending policy and solid asset structure that go hand in hand with a consistent growth strategy.

The authority to extend limits and allocate loans basically lies with the Board of Directors, which has delegated part of this authority to the Credit Committee and the General Manager in line with the principles and procedures set out by the BRSA. In turn, the General Manager has delegated part of his authority to Credit Groups and Business Lines jointly on the basis of rules approved by the Board of Directors.

Loans are extended within the limits defined for each debtor and group of debtors individually. Every customer that performs a transaction on credit must have a credit limit allocated by the relevant authorities and customers are systematically prevented from exceeding those credit risk limits.

Credit decisions are taken after loan proposals are first approved by a credit analyst together with the credit department and the related business line. Credit limits are allocated to borrowers identified as having the ability to generate cash flow, the ability to make repayments with the income generated on their business operations, reliable financial data, strong shareholder's equity and an administration and shareholding structure made up of people having high morality and business experience.

Concentrations of credit risk arise when a number of customers are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to fulfill contractual obligations to be similarly affected by changes in economic, political or other conditions. In general, the TEB Group attempts to control credit risk by monitoring credit exposures, limiting transactions

with specific counterparties, continually assessing the credibility and creditworthiness of counterparties, diversifying its lending activities to avoid undue concentrations of risks with individuals or groups of customers or industries and by obtaining necessary collateral when appropriate. The credit limits to be allocated are determined in accordance with the related counterparty's financial structure, certain qualitative criteria and the quality of any collateral to be provided.

Pursuant to the prudent policies the Bank adopts, the maximum credit limit that can be allocated to a customer is kept below legal limits, thus minimizing the risk of loan concentration. Limits set by the Board of Directors are regularly monitored and reported.

After a loan facility is offered, the Credit Monitoring Department monitors the customer's repayment capability and the sufficiency and adequacy of the collateral. In this way, any problematic loan is identified at an early stage.

The Bank uses an in-house credit rating system, named TEBCORE (TEB Counterparty Risk & Rating Evaluation), which consists of several rating models for corporate and SME customers engaged in the production, service, construction and precious metal sectors.

The ratings are used for the purposes of credit allocation and delegation, assessing TFRS 9 (Turkish Financial Reporting Standards) collective provisions, credit reporting, portfolio management and stress testing.

Group Risk Management reports to the Board of Directors and the Audit Committee on a regular basis presenting the Bank's risk concentrations, a breakdown of the Bank's loan portfolio by ratings, specific segments of the loan portfolio, large exposures, large non-performing accounts and impairment allowances as well as default and recovery rates.

The credit risks and limits related to financial institutions are determined by the Financial Institutions and Counterparty Risk Committee, which is a sub-committee of the Credit Committee. The limits and exposures set are monitored daily by the Group Risk Management.

Where a loan is granted subject to collateral being given, the Bank's policy is to require the collateral to be perfected before funds are advanced and to avoid currency and maturity mismatches. All collateral should be given in a legally valid manner and should be liquid in nature. In this context, real estate should be of a fast-moving nature.

The Bank classifies as non-performing any loan which is 90 days or more overdue as to either principal or interest.

Both collective and specific provisions are made with methodologies that are compliant with both TFRS 9 standards and BNP Paribas methodologies.

### **Interest Rate Risk**

Interest rate risk involves possible losses that may be incurred due to fluctuations and volatilities in interest rates depending on maturity mismatches or the structures of interest rate-sensitive products in the balance sheet.

Protection against fluctuations in interest rates is the topmost priority for TEB. Interest rate risk is managed by the Assets and Liabilities Committee (ALCO). Decisions taken by ALCO are executed by the Assets and Liabilities Management Department under the Asset and Liability Management and Treasury Group.

Interest rate risk is determined by measuring the rate of sensitivity of assets, liabilities and off-balance sheet items to interest rates. The Board of Directors has set risk tolerance limits for the current changes in the value of net interest revenues and shareholders' equity. TEB runs simulations of interest revenues according to estimated macroeconomic indicators. Duration, gap and sensitivity analyses are conducted and these calculations are conveyed to ALCO and to Market and Liquidity Risk Committee.

Possible negative effects of interest rate fluctuations on financial position and cash flow are minimized by means of prompt decisions. The management monitors the interest rate movements in the market on a daily basis and makes changes whenever necessary in deposit and loan rates.

When determining short, medium and long-term pricing strategies, TEB's Assets and Liabilities Committee manages maturity mismatch and adopts the principle of working with positive balance sheet margins as its pricing policy.

### **Market Risk**

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, equity position risk or exchange rate risk resulting from fluctuations in the financial markets, in interest rates, exchange rates or stock prices.

TEB's Board of Directors ensures that the Group Risk Management and senior management take the necessary steps to properly measure, control and manage the Bank's exposure to market risk.

The Board of Directors determines market risk limits and periodically revises these limits in accordance with market conditions and the strategies of TEB. All assessments regarding market risks are also evaluated by the Market and Liquidity Risk Committee that meets on a monthly basis. With regard to TEB's daily transactions, stop-loss and transaction limits, PVO1 and VaR limits are applied on the basis of each product. The Board of Directors assigns limits for positions in derivatives and similar contracts. Transactions are carried out within these limits and the limits are monitored and reported daily.

The market risk of the Bank is calculated using a standard method and reported to legal authorities.

The market risk can influence the Value-at-Risk (VaR) figure, which is also calculated using various financial models. VaR figure is calculated using historical simulation method on the basis of a 250-business-day data and a one-day holding period in a 99% confidence interval. Daily VaR figures are the main drivers of TEB's internal reports and efforts to monitor market risk. Back testing is periodically performed to validate the accuracy of calculations and the methods used.

The VaR figures calculated by internal models to predict losses in the event of a crisis are also verified by scenario analyses and stress tests and are then reported to senior management and the Board of Directors.

Scenario analyses and stress tests involve the reapplication of past crises to existing portfolios or the observation of likely losses due to interest and foreign exchange shocks.

### **Liquidity Risk**

Liquidity risk is defined as the risk resulting from lack of sufficient cash holdings or cash inflow to

fully meet cash obligations in due time, because of imbalanced cash flow.

Liquidity risk also includes the risk of loss that may arise when it is not possible for a bank to adequately close positions at favorable prices and at sufficient amounts or as rapidly as required, or when a bank is unable to exit the positions held, due to an inability to enter the market as needed, to shallow market structure in certain products or to obstacles arising in the markets.

TEB's policies focus on maintaining the quality of its asset structure, so that liquid assets can meet all obligations. Striving to be one of the most liquid banks in the industry is of utmost importance to TEB. The Board of Directors regularly monitors and determines liquidity ratios and the relevant standards for maintaining high liquidity at all times.

TEB has in place an effective management reporting system for the timely reporting of the liquidity position to the Board of Directors, senior management and all related units. Cash flow analyses are carried out for different maturity structures and currency units. Maturity mismatches are monitored and concentrations in funding sources are closely monitored. All related analyses are evaluated in detail by the Liquidity Risk Committee that meets once a month.

As a matter of general policy, consistency in maturities and interest rates of assets and liabilities is maintained at all times in line with Assets and Liabilities Management strategies and balance sheet positions of TL and returns on foreign currency mix are continuously managed in the positive.

With regard to the sources of funding and liquidity, it is observed that while the greater part of the liquidity requirement of TEB is met by deposits, bonds issue, syndicated loans and pre-financing products are also used at times to obtain funds in addition to deposits.

TEB strictly adheres to the policy of maintaining high-quality liquid assets in sufficient amounts. This assures a regular cash flow from our liabilities.

## CREDIT RATINGS ASSIGNED BY RATING AGENCIES AND INFORMATION ON THEIR CONTENTS

The current ratings of the Bank are as follows:

<b>Moody's Investor Services</b>	
Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term Foreign Currency Deposit Rate:	B3
Short Term Foreign Currency Deposit Rate:	NP
Long Term Turkish Lira Deposit Rate	B1
Short Term Turkish Lira Deposit Rate:	NP
Outlook	Negative
<b>Fitch Ratings:</b>	
<b>Foreign Currency Commitments</b>	
Long Term	B+
Short Term	B
Outlook	Stable
<b>Turkish Lira Commitments</b>	
Long Term	BB-
Short Term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Capacity Rating	b+

## DONATIONS

Date	Receipient	Amount
04.01.2019	Elif Parlakay / January 2019 Scholarship.	750,00
04.01.2019	Sabri Talha Parlakay / January 2019 Scholarship.	750,00
04.01.2019	Kerem Mert Dalkılıç / January 2019 Scholarship.	1.000,00
04.01.2019	Elif Zeynep Dalkılıç / January 2019 Scholarship.	1.000,00
04.01.2019	Yiğit Eren Dalkılıç / January 2019 Scholarship.	1.000,00
04.01.2019	Ahmet İbre / January 2019 Scholarship.	1.000,00
04.01.2019	Yusuf İbre / January 2019 Scholarship.	1.000,00
04.01.2019	Buse Aras / January 2019 Scholarship.	750,00
04.01.2019	Nehir Aras / January 2019 Scholarship.	500,00
04.01.2019	Tuna Çelik / January 2019 Scholarship.	250,00
04.01.2019	İklim Hira Altınok / January 2019 Scholarship.	250,00
21.01.2019	Turkish Education Foundation	100,00
22.01.2019	Turkish Education Foundation	300,00
24.01.2019	Turkish Education Foundation	50,00
25.01.2019	Çağatay Aksu Scholarship	39.080,61
28.01.2019	Turkish Education Foundation	200,00
28.01.2019	Turkish Education Foundation	200,00
30.01.2019	Aegean Contemporary Education Foundation	150,00
31.01.2019	Aegean Contemporary Education Foundation	150,00
01.02.2019	Elif Parlakay / February 2019 Scholarship.	750,00
01.02.2019	Sabri Talha Parlakay / February 2019 Scholarship.	750,00
01.02.2019	Kerem Mert Dalkılıç / February 2019 Scholarship.	1.000,00
01.02.2019	Elif Zeynep Dalkılıç / February 2019 Scholarship.	1.000,00
01.02.2019	Yiğit Eren Dalkılıç / February 2019 Scholarship.	1.000,00
01.02.2019	Ahmet İbre / February 2019 Scholarship.	1.000,00
01.02.2019	Yusuf İbre / February 2019 Scholarship.	1.000,00
01.02.2019	Buse Aras / February 2019 Scholarship.	750,00
01.02.2019	Nehir Aras / February 2019 Scholarship.	500,00
01.02.2019	Tuna Çelik / February 2019 Scholarship.	250,00
01.02.2019	İklim Hira Altınok / February 2019 Scholarship.	250,00
01.02.2019	Turkish Education Foundation	100,00
04.02.2019	Turkish Education Foundation	150,00
06.02.2019	Turkish Education Foundation	100,00
07.02.2019	Down Syndrome Association	6.000,00
11.02.2019	Aegean Forest Foundation	150,00
12.02.2019	Istanbul Foundation for Culture and Arts	10.000,00
15.02.2019	Turkish Education Foundation	50,00
18.02.2019	Turkish Education Foundation	100,00
27.02.2019	Osman Kibar Secondary School donation of 148 assets	3.835,00
27.02.2019	Ankara Riot Police Branch General Forces donation of 104 assets	2.575,00
27.02.2019	Mrk Ç.Kale Anatolan High School donation of 73 assets	1.620,00
27.02.2019	Kınık Village Local Authority donation of 79 assets	1.515,00
27.02.2019	K.Çekmece District National Education Department donation of 79 assets	1.400,00
27.02.2019	71 Evler Mah. Local Authority donation of 75 assets	1.210,00
27.02.2019	Polis Amca Primary School Ve Mimar Kemal Secondary School donation of 47 assets	1.110,00
27.02.2019	Veysel Vardal Visually Impaired Secondary School donation of 35 assets	850,00
27.02.2019	Konak İzmir Security Kantar Police Station donation of 4 assets	140,00
27.02.2019	Tarsus Taşkuyu Local Authority donation of 2 assets	50,00
28.02.2019	Turkish Education Foundation	300,00
28.02.2019	Turkish Education Foundation	100,00
04.03.2019	Elif Parlakay / March 2019 Scholarship.	750,00
04.03.2019	Sabri Talha Parlakay / March 2019 Scholarship.	750,00
04.03.2019	Kerem Mert Dalkılıç / March 2019 Scholarship.	1.000,00
04.03.2019	Elif Zeynep Dalkılıç / March 2019 Scholarship.	1.000,00

04.03.2019	Yiğit Eren Dalkılıç / March 2019 Scholarhip.	1.000,00
04.03.2019	Ahmet İbre / March 2019 Scholarhip.	1.000,00
04.03.2019	Yusuf İbre / March 2019 Scholarhip.	1.000,00
04.03.2019	Buse Aras / March 2019 Scholarhip.	750,00
04.03.2019	Nehir Aras / March 2019 Scholarhip.	500,00
04.03.2019	Tuna Çelik / March 2019 Scholarhip.	250,00
04.03.2019	İklim Hira Altınok / March 2019 Scholarhip.	250,00
07.03.2019	Presidency 2019/1 Circular Election Board Scanner Request	5.739,52
07.03.2019	Presidency 2019/1 Circular Election Board Printer Request	5.495,40
07.03.2019	Presidential 2019/1 Circular Election Board Stationery Request	4.391,82
07.03.2019	Presidency 2019/1 Circular Election Board Printer Request	2.747,70
13.03.2019	Turkish Education Foundation	100,00
18.03.2019	Turkish Education Foundation	500,00
18.03.2019	Turkish Education Foundation	150,00
18.03.2019	Turkish Education Foundation	100,00
20.03.2019	Turkish Education Foundation	200,00
20.03.2019	Turkish Education Foundation	100,00
26.03.2019	Turkish Education Foundation	175,00
26.03.2019	Turkish Education Foundation	100,00
27.03.2019	Turkish Education Foundation	100,00
29.03.2019	Turkish Education Foundation	280,00
02.04.2019	Elif Parlakay / April 2019 Scholarhip.	750,00
02.04.2019	Sabri Talha Parlakay / April 2019 Scholarhip.	750,00
02.04.2019	Kerem Mert Dalkılıç / April 2019 Scholarhip.	1.000,00
02.04.2019	Elif Zeynep Dalkılıç / April 2019 Scholarhip.	1.000,00
02.04.2019	Yiğit Eren Dalkılıç / April 2019 Scholarhip.	1.000,00
02.04.2019	Ahmet İbre / April 2019 Scholarhip.	1.000,00
02.04.2019	Yusuf İbre / April 2019 Scholarhip.	1.000,00
02.04.2019	Buse Aras / April 2019 Scholarhip.	750,00
02.04.2019	Nehir Aras / April 2019 Scholarhip.	500,00
02.04.2019	Tuna Çelik / April 2019 Scholarhip.	250,00
02.04.2019	İklim Hira Altınok / April 2019 Scholarhip.	250,00
02.04.2019	Turkish Education Foundation	100,00
03.04.2019	Presidency 2019/1 Circular Election Board Request	2.000,00
05.04.2019	Presidency 2019/1 Circular Election Board Request	4.437,08
05.04.2019	Presidency 2019/1 Circular Election Board Scanner Request	4.111,61
05.04.2019	Presidency 2019/1 Circular Election Board Request	3.646,64
05.04.2019	Presidency 2019/1 Circular Election Board Scanner Request	2.889,77
05.04.2019	Presidency 2019/1 Circular Election Board I Request	1.701,00
05.04.2019	Presidency 2019/1 Circular Election Board Request	979,31
11.04.2019	Turkish Education Foundation	200,00
12.04.2019	Beykoz Hacı Numan Secondary School donation of 84 assets /1458461	1.680,00
15.04.2019	Turkish Education Foundation	100,00
16.04.2019	Turkish Education Foundation	100,00
19.04.2019	Antalya Contemporary Education and Culture Foundation	150,00
22.04.2019	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	3.500,00
30.04.2019	Nuh Naci Yazgan University donation of 155 assets	2.490,00
30.04.2019	Kemalpaşa Lütfü Ürkmez Vocational and Technical Anatolian High School donation of 59 assets	1.455,00
30.04.2019	Süleymanpaşa Chamber of Agriculture donation of 52 assets	1.255,00
30.04.2019	Public Education Center donation of 48 assets	995,00
30.04.2019	Borusan Pr,mary School donation of 37 assets	855,00
30.04.2019	Sarıçam District Police Department donation of 32 assets.	690,00
30.04.2019	İzmir Security, Private Security Branch Directorate donation of 4 assets	400,00
02.05.2019	Elif Parlakay / May 2019 Scholarhip.	750,00
02.05.2019	Sabri Talha Parlakay / May 2019 Scholarhip.	750,00
02.05.2019	Kerem Mert Dalkılıç / May 2019 Scholarhip.	1.000,00
02.05.2019	Elif Zeynep Dalkılıç / May 2019 Scholarhip.	1.000,00
02.05.2019	Yiğit Eren Dalkılıç / May 2019 Scholarhip.	1.000,00
02.05.2019	Ahmet İbre / May 2019 Scholarhip.	1.000,00

02.05.2019	Yusuf İbre / May 2019 Scholarship.	1.000,00
02.05.2019	Tuna Çelik / May 2019 Scholarship.	250,00
02.05.2019	İklim Hira Altınok / May 2019 Scholarship.	250,00
02.05.2019	Buse Aras / May 2019 Scholarship.	750,00
02.05.2019	Nehir Aras / May 2019 Scholarship.	500,00
06.05.2019	Turkish Education Foundation	100,00
07.05.2019	Turkish Education Foundation	250,00
08.05.2019	Association for Supporting Contemporary Life	100,00
14.05.2019	Antalya Bar	20.000,00
14.05.2019	Turkish Education Foundation	75,00
17.05.2019	Turkish Education Foundation	50,00
20.05.2019	Kartal İlçe Election Board/Presidency 2019/1 Circular Election Board Request	3.188,31
20.05.2019	Turkish Education Foundation	100,00
20.05.2019	Turkish Education Foundation	100,00
21.05.2019	Havva Özişbakan Vocational and Technical Anatolian High School donation of 66 assets	1.675,00
21.05.2019	İnönü Secondary School donation of 66 assets	1.340,00
21.05.2019	Seyide Daloğlu Anatolian High School donation of 76 assets	1.290,00
21.05.2019	Ahmetçeli Village Local Authority donation of one asset	280,00
21.05.2019	Turkish Education Foundation	200,00
21.05.2019	Çaka Çaytepe Secondary School donation of 3 assets	75,00
23.05.2019	Turkish Education Foundation	150,00
23.05.2019	Turkish Education Foundation	150,00
23.05.2019	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	100,00
24.05.2019	Kadıköy Science and Art Center donation of 50 assets	1.135,00
27.05.2019	Turkish Education Foundation	100,00
31.05.2019	Mimar Kemal Secondary School /Türkiye Emlbnk. Secondary School donation of 66 assets	1.245,00
07.06.2019	Turkish Education Foundation	100,00
13.06.2019	Turkish Education Foundation	300,00
13.06.2019	Turkish Education Foundation	100,00
13.06.2019	Turkish Education Foundation	100,00
14.06.2019	Turkish Education Foundation	500,00
17.06.2019	Turkish Education Foundation	150,00
18.06.2019	Turkish Education Foundation	150,00
18.06.2019	Turkish Education Foundation	100,00
18.06.2019	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	50,00
19.06.2019	Beyoğlu Election Board	7.571,02
19.06.2019	Turkish Education Foundation	350,00
19.06.2019	Turkish Education Foundation	250,00
20.06.2019	Turkish Education Foundation	150,00
20.06.2019	Turkish Education Foundation	100,00
21.06.2019	Turkish Education Foundation	600,00
24.06.2019	Turkish Education Foundation	350,00
24.06.2019	Turkish Education Foundation	250,00
24.06.2019	Turkish Education Foundation	75,00
25.06.2019	Turkish Education Foundation	300,00
25.06.2019	Turkish Education Foundation	150,00
25.06.2019	Turkish Education Foundation	100,00
26.06.2019	Turkish Education Foundation	300,00
26.06.2019	Turkish Education Foundation	200,00
26.06.2019	Turkish Education Foundation	100,00
26.06.2019	Turkish Education Foundation	50,00
26.06.2019	Turkish Education Foundation	50,00
28.06.2019	Kağıthane Election Board	2.361,06
28.06.2019	Çeşme District Governorship donation of 40 assets	800,00
28.06.2019	Bağcılar Aşkaleli İbrahim Polat Secondary School donation of 23 assets	520,00
28.06.2019	Turkish Education Foundation	200,00
02.07.2019	Turkish Education Foundation	500,00

02.07.2019	Turkish Education Foundation	200,00
03.07.2019	Turkish Education Foundation	400,00
03.07.2019	Turkish Education Foundation	600,00
12.07.2019	Association for Supporting Contemporary Life	100,00
17.07.2019	Turkish Education Foundation	100,00
22.07.2019	Turkish Education Foundation	300,00
25.07.2019	Turkish Education Foundation	150,00
26.07.2019	Turkish Education Foundation	300,00
26.07.2019	Turkish Education Foundation	200,00
26.07.2019	Turkish Education Foundation	150,00
31.07.2019	Turkish Education Foundation	100,00
08.08.2019	Turkish Education Foundation	450,00
08.08.2019	Turkish Education Foundation	100,00
15.08.2019	Turkish Education Foundation	150,00
21.08.2019	Turkish Education Foundation	100,00
23.08.2019	1492655/Türkoğlu Primary School donation of 40 assets	1.000,00
23.08.2019	1492656/Sultan Ahmet Vocational and Technical Anatolan High School donation of 2 assets	200,00
23.08.2019	1492659/Kabataş High School donation of 17 assets	400,00
23.08.2019	1492661/Eşrefoğlu Rumi İmam Hatip Secondary School donation of 86 assets	1.460,00
23.08.2019	1492665/Bahçelievler Gazi Primary School donation of 71 assets	1.375,00
28.08.2019	Turkish Education Foundation	100,00
10.09.2019	Turkish Education Foundation	300,00
13.09.2019	Turkish Education Foundation	1.200,00
13.09.2019	Turkish Education Foundation	300,00
18.09.2019	Turkish Education Foundation	450,00
19.09.2019	Çağatay Aksu Scholarhip	62.117,48
20.09.2019	Turkish Education Foundation	100,00
23.09.2019	Turkish Education Foundation	150,00
24.09.2019	Turkish Education Foundation	200,00
24.09.2019	Turkish Education Foundation	50,00
24.09.2019	Turkish Education Foundation	150,00
27.09.2019	1502786/Şehit Mehet Çetin Secondary School donation of 64 assets	1.440,00
27.09.2019	1502789/Dikmen Şehit Ahmet Yetiş Police Station donation of 69 assets	1.370,00
30.09.2019	Turkish Education Foundation	100,00
30.09.2019	Turkish Education Foundation	450,00
30.09.2019	Association for Supporting Contemporary Life	100,00
30.09.2019	Turkish Education Foundation	100,00
01.10.2019	Turkish Education Foundation	300,00
04.10.2019	Turkish Education Foundation	50,00
11.10.2019	Turkish Education Foundation	500,00
14.10.2019	ELİF PARLAKAY / September 2019 Scholarhip.	750,00
14.10.2019	SABRİ TALHA PARLAKAY / September 2019 Scholarhip.	750,00
14.10.2019	KEREM MERT DALKILIÇ / September 2019 Scholarhip.	1.000,00
14.10.2019	ELİF ZEYNEP DALKILIÇ / September 2019 Scholarhip.	1.000,00
14.10.2019	YİĞİT EREN DALKILIÇ / September 2019 Scholarhip.	1.000,00
14.10.2019	AHMET İBRE / September 2019 Scholarhip.	1.000,00
14.10.2019	BUSE ARAS / September 2019 Scholarhip.	750,00
14.10.2019	NEHİR ARAS / September 2019 Scholarhip.	500,00
14.10.2019	TUNA ÇELİK / September 2019 Scholarhip.	250,00
14.10.2019	İKLİM HİRA ALTINOK / September 2019 Scholarhip.	250,00
14.10.2019	ELİF PARLAKAY / October 2019 Scholarhip.	750,00
14.10.2019	SABRİ TALHA PARLAKAY / October 2019 Scholarhip.	750,00
14.10.2019	KEREM MERT DALKILIÇ / October 2019 Scholarhip.	1.000,00
14.10.2019	ELİF ZEYNEP DALKILIÇ / October 2019 Scholarhip.	1.000,00
14.10.2019	YİĞİT EREN DALKILIÇ / October 2019 Scholarhip.	1.000,00
14.10.2019	AHMET İBRE / October 2019 Scholarhip.	1.000,00
14.10.2019	BUSE ARAS / October 2019 Scholarhip.	750,00
14.10.2019	NEHİR ARAS / October 2019 Scholarhip.	500,00
14.10.2019	TUNA ÇELİK / October 2019 Scholarhip.	250,00

14.10.2019	İKLİM HİRA ALTINOK / October 2019 Scholarhip.	250,00
14.10.2019	Turkish Education Foundation	50,00
05.11.2019	ELİF PARLA/ELİF PARLAKAY / November 2019 Scholarhip	750,00
05.11.2019	SABRİ TALH/SABRİ TALHA PARLAKAY / November 2019 Scholarhip	750,00
05.11.2019	KEREM MERT/KEREM MERT DALKILIÇ / November 2019 Scholarhip	1.000,00
05.11.2019	ELİF ZEYNE/ELİF ZEYNEP DALKILIÇ / November 2019 Scholarhip	1.000,00
05.11.2019	YİĞİT EREN/YİĞİT EREN DALKILIÇ / November 2019 Scholarhip	1.000,00
05.11.2019	AHMET İBRE/AHMET İBRE / November 2019 Scholarhip	1.000,00
05.11.2019	MÜGE ŞİRİN/BUSE ARAS / November 2019 Scholarhip	750,00
05.11.2019	MÜGE ŞİRİN/NEHİR ARAS / November 2019 Scholarhip	500,00
05.11.2019	TUNA ÇELİK/TUNA ÇELİK / November 2019 Scholarhip	250,00
05.11.2019	FATOŞ KANG/İKLİM HİRA ALTINOK / November 2019 Scholarhip	250,00
05.11.2019	Turkish Education Foundation	150,00
05.11.2019	Turkish Education Foundation	50,00
05.11.2019	Turkish Education Foundation	150,00
05.11.2019	Turkish Education Foundation	200,00
07.11.2019	Turkish Education Foundation	300,00
12.11.2019	Turkish Education Foundation	50,00
13.11.2019	Turkish Education Foundation	300,00
19.11.2019	Turkish Education Foundation	100,00
21.11.2019	Turkish Education Foundation	1.200,00
21.11.2019	Turkish Education Foundation	100,00
21.11.2019	Turkish Education Foundation	100,00
22.11.2019	Turkish Education Foundation	200,00
26.11.2019	Turkish Education Foundation	300,00
26.11.2019	Turkish Education Foundation	150,00
26.11.2019	Turkish Education Foundation	150,00
28.11.2019	Turkish Education Foundation	400,00
28.11.2019	Turkish Education Foundation	100,00
29.11.2019	Turkish Education Foundation	100,00
29.11.2019	Turkish Education Foundation	150,00
02.12.2019	ELİF PARLA/ELİF PARLAKAY/Aralık 2019 Scholarhip	750,00
02.12.2019	SABRİ TALH/SABRİ TALHA PARLAKAY / Aralık 2019 Scholarhip	750,00
02.12.2019	KEREM MERT/KEREM MERT DALKILIÇ / Aralık 2019 Scholarhip	1.000,00
02.12.2019	ELİF ZEYNE/ELİF ZEYNEP DALKILIÇ / Aralık 2019 Scholarhip	1.000,00
02.12.2019	YİĞİT EREN/YİĞİT EREN DALKILIÇ / Aralık 2019 Scholarhip	1.000,00
02.12.2019	AHMET İBRE/AHMET İBRE / Aralık 2019 Scholarhip	1.000,00
02.12.2019	MÜGE ŞİRİN/BUSE ARAS / Aralık 2019 Scholarhip	750,00
02.12.2019	MÜGE ŞİRİN/NEHİR ARAS / Aralık 2019 Scholarhip	500,00
02.12.2019	TUNA ÇELİK/TUNA ÇELİK / Aralık 2019 Scholarhip	250,00
02.12.2019	FATOŞ KANG/İKLİM HİRA ALTINOK / Aralık 2019 Scholarhip	250,00
03.12.2019	Turkish Education Foundation	100,00
06.12.2019	1523879/Üsküdar Güzeltepe Family Health Center donation of 10 assets	290,00
10.12.2019	1525247/Manavgat District Governorship Karabük Primary School donation of 4 assets	400,00
11.12.2019	Aegean Contemporary Education Foundation	81,00
12.12.2019	1526280/Eyüp Sultan District Governorship Mimar Sinan Primary School donation of 106 assets	1.795,00
12.12.2019	Turkish Education Foundation	100,00
17.12.2019	Turkish Education Foundation	250,00
19.12.2019	Turkish Education Foundation	100,00
20.12.2019	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	100,00
23.12.2019	1527850/Korgeneral Ömer Keçecigil Primary School donation of 23 assets	605,00
25.12.2019	Turkish Education Foundation	200,00
26.12.2019	Aegean Contemporary Education Foundation	100,00
26.12.2019	Aegean Contemporary Education Foundation	150,00
30.12.2019	Turkish Education Foundation	100,00
31.12.2019	Koç University	162.716,00
31.12.2019	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	50,00

31.12.2019	1532479/Sancaktepe /Osmangazi Primary School donation of 8 assets	220,00
31.12.2019	1532479/Şişli İstanbul Secondary School donation of 40 assets	925,00
31.12.2019	Turkish Education Foundation	200,00

## FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

(TL thousand)	31.12.2015	2015- 2014 Change	31.12.2016	2016- 2015 Change	31.12.2017	2017- 2016 Change	31.12.2018	2018- 2017 Change	31.12.2019	2019- 2018 Change
Liquid Assets	11,237,316	14.43%	15,237,022	35.59%	13,489,109	-11.47%	19,852,854	47.18%	21,336,601	7.47%
Securities	4,673,796	-0.93%	4,668,068	-0.12%	5,558,278	19.07%	6,699,383	20.53%	11,740,554	75.25%
Loans	53,212,833	17.23%	56,363,829	5.92%	63,290,777	12.29%	63,998,823	1.12%	65,577,143	2.47%
Other Assets	2,836,397	-7.37%	3,458,471	21.93%	3,420,65	-1.11%	6,446,104	88.48%	8,695,870	34.90%
<b>Total Assets</b>	<b>71,960,342</b>	<b>14.24%</b>	<b>79,727,390</b>	<b>10.79%</b>	<b>85,758,229</b>	<b>7.56%</b>	<b>96,997,164</b>	<b>13.11%</b>	<b>107,350,168</b>	<b>10.67%</b>
Demand Deposits	6,981,476	27.01%	7,628,600	9.27%	9,504,405	24.59%	11,644,855	22.52%	16,786,665	44.16%
Time Deposits	37,414,384	10.23%	42,204,058	12.80%	46,072,311	9.17%	52,572,309	14.11%	55,407,662	5.39%
Funds Borrowed	15,919,560	26.30%	16,596,691	4.25%	15,186,301	-8.50%	14,671,854	-3.39%	13,412,150	-8.59%
Other Liabilities	4,683,098	-7.19%	5,498,640	17.41%	5,975,535	8.67%	8,369,638	40.07%	12,023,117	43.65%
Equity (Exl, profit)	6,079,371	15.13%	6,857,602	12.80%	7,950,838	15.94%	8,736,805	9.89%	8,650,220	-0.99%
Net Income	882,453	41.75%	941,799	6.73%	1,068,839	13.49%	1,001,703	-6.28%	1,070,354	6.85%
<b>Total Liabilities</b>	<b>71,960,342</b>	<b>14.24%</b>	<b>79,727,390</b>	<b>10.79%</b>	<b>85,758,229</b>	<b>7.56%</b>	<b>96,997,164</b>	<b>13.11%</b>	<b>107,350,168</b>	<b>10.67%</b>
NPL Ratio	2.28%	-0.15%	3.08%	0.80%	3.02%	-0.06%	4.15%	1.13%	5.99%	1.84%
Return on Equity	14.68%	2.65%	13.53%	-1.15%	13.38%	-0.15%	11.18%	-2.20%	11.50%	0.32%
Return on Assets	1.31%	0.24%	1.24%	-0.07%	1.29%	0.05%	1.10%	-0.20%	1.05%	-0.05%
Capital Adequacy Ratio	13.94%	-0.02%	14.37%	0.43%	16.12%	1.74%	16.93%	0.81%	16.95%	0.02%

## BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
<b>Ankara Branch</b>	Mustafa Kemal Mahallesi, 2120 Caddesi No:4 A Çankaya 06530 ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 00 06
<b>İstanbul Corporate Branch</b>	Gayrettepe Mahallesi Yener Sokak No:1 Kat:1/A Beşiktaş 34349 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 12
<b>Osmanbey Branch</b>	Cumhuriyet Mah. Halaskargazi Cad. No:103B Şişli 34380 İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 13
<b>Bakırköy Branch</b>	Cevizlik Mah, İstanbul Cad, No:24 Bakırköy 34142 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 00 14
<b>Suadiye Branch</b>	Bağdat Cad. German Apt. 456 Suadiye	KADIKÖY	İSTANBUL	+ 90 850 204 00 15
<b>Etiler Branch</b>	Etiler Mahallesi Nispetiye Cad. No:97 Kat:1 Beşiktaş 34337 İSTANBUL	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 16
<b>Bursa Branch</b>	Doğanbey Mahallesi Fevzi Çakmak Caddesi, No:52/B Osmangazi 16220 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 00 17
<b>Kozyatağı Corporate Branch</b>	Değirmen Sokak Nida Kule No:18 Kat:3 Kozyatağı Kadıköy 34710 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 00 18
<b>Denizli Branch</b>	Saraylar Mahallesi İzmir Blv. TEB Sit. No:57 Merkezefendi 20010 Denizli	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 00 19
<b>İzmit Branch</b>	Körfez Mahallesi, Ankara Karayolu, No:123/3	MERKEZ (İZMİT)	KOCAELİ	+ 90 850 204 00 20
<b>Bayrampaşa Branch</b>	Yenidoğan Mah. Abdi İpekçi Cad. No:4D Bayrampaşa 34030 İSTANBUL	BAYRAMPAŞA	İSTANBUL	+ 90 850 204 00 22
<b>Kayseri Branch</b>	Cumhuriyet Mahallesi Turan Cad. No:3 Melikgazi 38110 KAYSERİ	MELİKGAZİ	KAYSERİ	+ 90 850 204 00 23
<b>Antalya Branch</b>	Etiler Mahallesi Adnan Menderes Bulvarı Birlik Apartmanı No:53/A-B Muratpaşa 07010 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 00 25
<b>Adana Branch</b>	Turan Cemal Beriker Bulvarı Güleç İşhanı,23 Seyhan 01120 ADANA	SEYHAN	ADANA	+ 90 850 204 00 26
<b>Gaziantep Branch</b>	İncili Pınar Mah. Muammer Aksoy Bulvarı Dünya İş Merkezi 34/2	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 00 28
<b>Eminönü Branch</b>	Hobyar Mahallesi, Vakıf Hanı Sokak, No:8 Fatih 34112 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 00 29
<b>Konya Branch</b>	Musalla Bağları Mahallesi Ahmet Hilmi Nalçacı Caddesi Cengizhan No:130/1 Selçuklu 42060 Konya	SELÇUKLU	KONYA	+ 90 850 204 00 30
<b>Kahramanmaraş Branch</b>	Hayrullah Mahallesi Azerbaycan Blv Ağdaş Plaza Sit. No:12 A Onikişubat 46040 Kahramanmaraş	ONİKİŞUBAT	KAHRAMANMARAŞ	+ 90 850 204 00 31
<b>Merter Branch</b>	Mehmet Nesih Özmen Mahallesi Fatih Cad. No:21 A Güngören 34173 İSTANBUL	GÜNGÖREN	İSTANBUL	+ 90 850 204 00 32
<b>Ulus Ankara Branch</b>	Anafartalar Mah. Sanayi Cad. No:15/1-2-3-4-5-6-7 Altındağ 06050 ANKARA	ALTINDAĞ	ANKARA	+ 90 850 204 00 34
<b>Gebze Branch</b>	Hacı Halil Mah.Zübeyde Hanım Cad. No:33/B	GEBZE	KOCAELİ	+ 90 850 204 00 35

<b>Pendik E-5 Branch</b>	Çınardere Mahallesi Gönenli Mehmet Efendi Caddesi No:85 Pendik 34896 İSTANBUL	PENDİK	İSTANBUL	+ 90 850 204 00 37
<b>Mersin Branch</b>	Camışerif Mahallesi İsmet İnönü Bulvarı No:94A Akdeniz 33010 MERSİN	AKDENİZ	MERSİN	+ 90 850 204 00 38
<b>Güneşli Branch</b>	15 Temmuz Mahallesi Koçman Caddesi No:36B Bağcılar 34212 İSTANBUL	BAĞCILAR	İSTANBUL	+ 90 850 204 00 39
<b>İzmir Branch</b>	Akdeniz Mahallesi, Cumhuriyet Bulvarı, No 86/A, Konak 35210 İZMİR	KONAK	İZMİR	+ 90 850 204 0040
<b>Eskişehir Branch</b>	İstiklal Mahallesi, İki Eylül Cad. No:2/1 Odunpazarı 26010 Eskişehir	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 00 41
<b>Kalamış Branch</b>	Faruk Ayanoğlu Cad.Barış Apt. 19/1-2 Fenerbahçe	KADIKÖY	İSTANBUL	+ 90 850 204 00 42
<b>Ümraniye Branch</b>	Alemdağ Cad. 194/2	ÜMRANİYE	İSTANBUL	+ 90 850 204 00 43
<b>Maçka Branch</b>	Harbiye Mah. Kadirgalar Cad. No:13A Şişli 34367 İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 45
<b>Beylikdüzü Branch</b>	Beylikdüzü OSB Mah. Açelya Cad. No:1/8 Beylikdüzü 34524 İSTANBUL	BEYLİKDÜZÜ	İSTANBUL	+ 90 850 204 00 47
<b>Bebek Branch</b>	Cevdet Paşa Caddesi, No:55 Bebek	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 48
<b>4. Levent Branch</b>	Emniyet Evleri Mahallesi Eski Büyükdere Caddesi No:11/A Kağıthane 34415 İSTANBUL	KAĞITHANE	İSTANBUL	+ 90 850 204 00 49
<b>Pınarbaşı Branch</b>	Ümit Mah. Kemalpaşa Cad. No:333 B Pınarbaşı Bornova 35060 İZMİR	BORNOVA	İZMİR	+90 850 204 00 50
<b>Kemalpaşa Branch</b>	Mehmet Akif Ersoy Mahallesi, Atatürk Blv. No:51/1A Kemalpaşa 35730 İZMİR	KEMALPAŞA	İZMİR	+ 90 850 204 00 51
<b>Karabağlar Branch</b>	Aşık Veysel Mahallesi Yeşillik Caddesi No: 437-441/B Karabağlar 35110 İZMİR	KARABAĞLAR	İZMİR	+ 90 850 204 00 53
<b>Yeşilköy Branch</b>	İstasyon Caddesi Orhan Gazi Sok. No:1 Zemin Kat Kısım A Yeşilköy Bakırköy 34801 İSTANBUL	BAKIRKÖY	İSTANBUL	+ 90 850 204 00 54
<b>Thrace Corporate Branch</b>	Nur Yıldız Plaza 15 Temmuz Mahallesi Gülbahar Caddesi No:7A Kat:5 Güneşli/Bağcılar 34212 İstanbul	BAĞCILAR	İSTANBUL	+ 90 850 204 00 55
<b>Kozyatağı Branch</b>	Sahrayıcedit Mah. Atatürk Cad. No:67A Kadıköy 34734 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 00 56
<b>Marmara Corporate Branch</b>	23 Nisan Mahallesi, 75.Yıl Caddesi, No:5A/15 Durmazlar İş Merkezi Nilüfer 16120 BURSA	NİLÜFER	BURSA	+ 90 850 204 00 58
<b>İkitelli Branch</b>	İkitelli OSB Mahallesi, Atatürk Bulvarı, Dış Kapı No: 52, İç Kapı No: 1 Başakşehir 34490 İSTANBUL	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 00 60
<b>İmes Sanayi Sitesi Branch</b>	İmes Sanayi Sitesi C Blok 301/3 Yukarı Dudullu	ÜMRANİYE	İSTANBUL	+ 90 850 204 00 61
<b>Mecidiyeköy Branch</b>	Büyükdere Cad. 103/1 Mecidiyeköy	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 64
<b>Bursa Serbest Bölge Branch</b>	Ata Mah. Serbest Bölge Orkide Cad. No:13/1 Gemlik 16600 BURSA	GEMLİK	BURSA	+ 90 850 204 00 65
<b>Çarşı İzmir Branch</b>	1203/1 Sokak, No: 7 Yenişehir, Konak İzmir	KONAK	İZMİR	+ 90 850 204 00 66
<b>A.O.S.B. İzmir Branch</b>	M. Kemal Atatürk Bulvarı No:42 / 19 Çiğli 35620 İzmir	ÇİĞLİ	İZMİR	+ 90 850 204 00 67

<b>Aegean Corporate Branch</b>	Cumhuriyet Bulvarı 66 Kat:2	KONAK	İZMİR	+ 90 850 204 00 68
<b>Gündoğdu Branch</b>	Kültür Mahallesi Plevne Bulvarı Dr. Rıfat Bey Apartmanı Zemin Kat No:14A ve 14 /1 Konak 35220 İzmir	KONAK	İZMİR	+ 90 850 204 00 69
<b>Özel Bankacılık Merkezi Branch</b>	Nispetiye Cad. Dilhayat Sok. No:8 Zemin Kat Etiler	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 70
<b>Aksaray İstanbul Branch</b>	Kemalpaşa Mah. Ordu Caddesi No:66A Kat: 1 Fatih 34134 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 00 72
<b>Antakya Branch</b>	Yavuz Selim Cad. 5. Mıntıka Zühtiye Ökten Çarşısı No:1-2 Antakya Merkez 31100 Hatay	Merkez	HATAY	+ 90 850 204 00 73
<b>Avcılar Branch</b>	Mustafa Kemal Paşa Mahallesi Firuzköy Bulvarı No:115A Avcılar 34320 İstanbul	AVCILAR	İSTANBUL	+ 90 850 204 00 74
<b>Aydın Branch</b>	Kurtuluş Mahallesi Adnan Menderes Bulvarı No:40B/B Efeler 09020 AYDIN	EFELER	AYDIN	+ 90 850 204 00 75
<b>Bahçeşehir Branch</b>	Bahçeşehir 2. Kısım Mahallesi Süzer Bulvarı No:13 Başakşehir 34488 İstanbul	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 00 76
<b>Balıkesir Branch</b>	Hisariçi Mahallesi Örücüler Caddesi No:14B Karesi 10010 BALIKESİR	KARESİ	BALIKESİR	+ 90 850 204 00 77
<b>Beşiktaş Branch</b>	Ortabahçe Cad.No :2	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 78
<b>Beşyüzevler Branch</b>	Barbaros Hayrettin Paşa Mah. Eski Edirne Asfaltı Cad. No:224B Gaziosmanpaşa 34520 İSTANBUL	GAZİOSMANPAŞA	İSTANBUL	+ 90 850 204 00 79
<b>İskenderun Branch</b>	Çay Mahallesi, Atatürk Bulvarı, No:25A İskenderun 31300 HATAY	İSKENDERUN	HATAY	+ 90 850 204 00 85
<b>Girne Bulvarı Branch</b>	Girne Bulvarı No:140 Karşıyaka 35580 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 00 86
<b>Altıyol Branch</b>	Söğütlüçeşme Caddesi No:124/126 A	KADIKÖY	İSTANBUL	+ 90 850 204 00 87
<b>Karadeniz Ereğli Branch</b>	Orhanlar Mahallesi Yalı Cad. No:38 Ereğli 67300 ZONGULDAK	EREĞLİ	ZONGULDAK	+ 90 850 204 00 88
<b>Malatya Branch</b>	Niyazi Mahallesi Çevre Yolu Sokak (Buhara Bulvarı) Caddesi No:195 Merkez 44100	MERKEZ	MALATYA	+ 90 850 204 00 89
<b>Samsun Branch</b>	Kale Mahallesi Kaptanağa Sok. No: 4/B İlkadım 55030 Samsun	MERKEZ	SAMSUN	+ 90 850 204 00 90
<b>Trabzon Branch</b>	Kemerkaya Mah. Kahramanmaraş Caddesi No:35A Ortahisar 61030 TRABZON	ORTAHİSAR	TRABZON	+ 90 850 204 00 91
<b>Uşak Branch</b>	İsice Mah. İsmetpaşa Cad. No:67/B Merkez 64100 UŞAK	MERKEZ	UŞAK	+ 90 850 204 00 92
<b>Zeytinburnu Branch</b>	Prof. Muammer Aksoy Cad. No:85	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 00 93
<b>Altunizade Branch</b>	Kısıklı Cad. No:19 Altunizade	ÜSKÜDAR	İSTANBUL	+ 90 850 204 00 95
<b>Davutpaşa Branch</b>	Maltepe Mah. Davutpaşa Cad. No:101 DK:230-231-232-352 Topkapı Zeytinburnu 34010 İstanbul	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 00 96
<b>Şehitkamil Gaziantep Branch</b>	Budak Mahallesi Gazi Muhtarpaşa Bulvarı No:44/D Şehitkamil 27090 Gaziantep	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 00 97

<b>Bayramyeri Branch</b>	Saraylar Mahallesi Enverpaşa Caddesi Katrancı İşh. No:26/1 Merkezefendi 20010 Denizli	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 00 98
<b>Bornova Branch</b>	Manavkuyu Mahallesi Mustafa Kemal Caddesi 132/1A Bayraklı 35535 İZMİR	BAYRAKLI	İZMİR	+ 90 850 204 01 00
<b>Gaziosmanpaşa Ankara Branch</b>	Uğur Mumcu Cad. 76/A Gaziosmanpaşa	ÇANKAYA	ANKARA	+ 90 850 204 01 01
<b>Marmaris Branch</b>	Tepe Mahallesi Ulusal Egemenlik Caddesi No:24 Marmaris 48700 MUĞLA	MARMARİS	MUĞLA	+ 90 850 204 01 02
<b>Nilüfer Branch</b>	İhsaniye Mahallesi İzmir Yolu Caddesi No:118 A Nilüfer 16130 BURSA	NİLÜFER	BURSA	+ 90 850 204 01 03
<b>Meşrutiyet Caddesi Branch</b>	Meşrutiyet Mahallesi, Meşrutiyet Caddesi No:11 B	ÇANKAYA	ANKARA	+ 90 850 204 01 05
<b>Bodrum Branch</b>	Türk Kuyusu Mahallesi, Kıbrıs Şehitleri Caddesi, No:65/A-65/B Bodrum 48400 Muğla	BODRUM	MUĞLA	+ 90 850 204 01 06
<b>Manavgat Branch</b>	Eski Hisar Mahallesi Demokrasi Bulvarı Öğrekçi Plaza No: 73/Z02-Z03 Manavgat 07600 Antalya	MANAVGAT	ANTALYA	+ 90 850 204 01 07
<b>Alanya Branch</b>	Atatürk Cad. 42/A Alanya 07400 ANTALYA	ALANYA	ANTALYA	+ 90 850 204 01 08
<b>Çorlu Branch</b>	Kazimiye Mahallesi, Salih Omurtak Caddesi, No:22/B	ÇORLU	TEKİRDAĞ	+ 90 850 204 01 09
<b>Caddebostan Branch</b>	Caddebostan Mahallesi Bağdat Caddesi No:265A/1 Kadıköy 34728 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 01 10
<b>Kazasker Branch</b>	Şemsettin Günaltay Cad. No:109/A Erenköy	KADIKÖY	İSTANBUL	+ 90 850 204 01 11
<b>Levent Çarşı Branch</b>	Çarşı Caddesi No:22 1.Levent	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 01 12
<b>Adapazarı Branch</b>	Tıgıcılar Mahallesi, Atatürk Bulvarı, No:27	MERKEZ	SAKARYA	+ 90 850 204 01 13
<b>Manisa Branch</b>	1. Anafartalar Mahallesi Mustafa Kemal Paşa Caddesi No:40/A Şehzadeler 45020 MANİSA	ŞEHZADELER	MANİSA	+ 90 850 204 01 14
<b>Lara Branch</b>	Yeşilbahçe Mahallesi Metin Kasapoğlu Caddesi Armada Apt. Sit. No:44 D Muratpaşa 07160 Antalya	MURATPAŞA	ANTALYA	+ 90 850 204 01 15
<b>Afyon Branch</b>	Umurbey Mahallesi Cumhuriyet Meydanı No:7 Merkez 03100 AFYONKARAHİSAR	MERKEZ	AFYONKARA HİSAR	+ 90 850 204 01 16
<b>Atatürk Caddesi Adana Branch</b>	Kurtuluş Mahallesi Atatürk Caddesi Meryem Gizer Apartmanı No:63/A Seyhan 01130 Adana	SEYHAN	ADANA	+ 90 850 204 01 17
<b>Büsan Sanayi Sitesi Branch</b>	Fevzi Çakmak Mah. KOSGEB Caddesi No:1/1 Karatay 42050 Konya	KARATAY	KONYA	+ 90 850 204 01 18
<b>Hadımköy Branch</b>	Akçaburgaz 5.Bölge San 1 Bulvarı 109 Hadımköy	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 19
<b>Beşevler Sanayi Branch</b>	Üçevler Mahallesi Nilüfer Cad 4 Nilüfer 16130 BURSA	NİLÜFER	BURSA	+ 90 850 204 01 20
<b>Maltepe İstanbul Branch</b>	Bağlarbaşı Mahallesi, Bağdat Caddesi, No:477	MALTEPE	İSTANBUL	+ 90 850 204 01 21
<b>Sefaköy Branch</b>	Kartaltepe Mahallesi, Halkalı Caddesi No:62A/1 Küçükçekmece 34295 İstanbul	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 22
<b>Beyazıt Branch</b>	Mimar Hayrettin Mah. Yeniçeriler Caddesi No:29 Bayazıt Fatih 34126 İstanbul	FATİH	İSTANBUL	+ 90 850 204 01 23

<b>Ostim Branch</b>	Ostim Sanayi Sitesi 100.yıl Bulvarı No:9 Yenimahalle 06370 Ankara	YENİMAHALLE	ANKARA	+ 90 850 204 01 24
<b>Ortaklar Caddesi Branch</b>	Büyükdere Cad. 60/A Mecidiyeköy Şişli 34387 İstanbul	ŞİŞLİ	İSTANBUL	+ 90 850 204 01 25
<b>Perpa Branch</b>	Halil Rıfat Paşa Mah. Yüzer Havuz Sok. No: 1/922 Şişli 34384 İstanbul	ŞİŞLİ	İSTANBUL	+ 90 850 204 01 27
<b>Diyarbakır Branch</b>	Peyas Mahallesi, Urfa Bul. Azizoglu Sit. A-Blok No:98 B Kayapınar 21070 Diyarbakır	KAYAPINAR	DIYARBAKIR	+ 90 850 204 01 28
<b>Maslak Branch</b>	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No:14/A Sarıyer 34468 İSTANBUL	SARIYER	İSTANBUL	+ 90 850 204 01 29
<b>Ortaköy Branch</b>	Yıldız Mahallesi, Çırağan Caddesi, No:97 Ortaköy	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 01 30
<b>Pendik Branch</b>	Batı Mah. Ankara Cad. No:102	PENDİK	İSTANBUL	+ 90 850 204 01 31
<b>Üsküdar Branch</b>	Aziz Mahmut Hüdayi Mah. Hakimiyeti Milliye Cad. No: 50 Kat : 1 Üsküdar 34672 İstanbul	ÜSKÜDAR	İSTANBUL	+ 90 850 204 01 32
<b>Fethiye Branch</b>	Cumhuriyet Mahallesi, Çarşı Caddesi, No:25 Fethiye 48300 MUĞLA	FETHİYE	MUĞLA	+ 90 850 204 01 33
<b>Çiftehavuzlar Branch</b>	Bağdat Cad. Aziz Kaya İş Merkezi No: 193/A Zemin Kat A Kısım Çiftehavuzlar Kadıköy 34730 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 01 34
<b>Şanlıurfa Branch</b>	Atatürk Bulvarı Numune Pasajı No:16/2-3 Haliliye 63100 ŞANLIURFA	HALİLİYE	ŞANLIURFA	+ 90 850 204 01 35
<b>Necatibey Branch</b>	Kızılay Mahallesi Necatibey Cad. Günay Apt. No:25 B Çankaya 06420 Ankara	ÇANKAYA	ANKARA	+ 90 850 204 01 36
<b>Kızılay Branch</b>	Gazi Mustafa Kemal Bulvarı No:7/A Kızılay 06420 Ankara	KIZILAY	ANKARA	+ 90 850 204 01 38
<b>Karaköy Branch</b>	Kemankeş Karamustafapaşa Mahallesi, Necatibey Caddesi, Hacı Mahmut İş Merkezi, No:72/A Beyoğlu İSTANBUL	BEYOĞLU	İSTANBUL	+ 90 850 204 01 39
<b>Kartal Çarşı Branch</b>	Ankara Cad. Şimşek Han No: 82 Zemin Kat	KARTAL	İSTANBUL	+ 90 850 204 01 40
<b>Bolu Branch</b>	Aktaş Mah.İzzet Baysal Cad. No:114	MERKEZ	BOLU	+ 90 850 204 01 42
<b>Çekmeköy Branch</b>	Madenler Mahallesi Serencebey Cad. No:58A Ümraniye 34776 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 01 43
<b>Çorum Branch</b>	Çepni Mah. İnönü Cad. No:4 Merkez 19040 Çorum	MERKEZ	ÇORUM	+ 90 850 204 01 44
<b>Gebze Organize Sanayi Bölgesi Branch</b>	Gebze Organize Sanayi Bölgesi, Bankalar ve Çarşı Merkezi, 1600 Sokak, No:1601-7 Gebze 41480 Kocaeli	GEBZE	KOCAELİ	+ 90 850 204 07 34
<b>Göztepe İstanbul Branch</b>	Göztepe Mahallesi Tütüncü Mehmet Efendi Caddesi No:93/A Göztepe Kadıköy 34730 İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 01 46
<b>Tahtakale Branch</b>	Tahtakale Mah. Tahtakale Cad. No:55 Fatih 34116 İstanbul	FATİH	İSTANBUL	+ 90 850 204 01 47
<b>Erzurum Branch</b>	Kazım Karabekir Paşa Mahallesi, Orhan Şerifsoy Cad. Türk Ekonomi Bankası A.Ş. Apt. No:52 Yakutiye 25100 ERZURUM	YAKUTİYE	ERZURUM	+ 90 850 204 01 48
<b>Akdeniz Üniversitesi Tıp Fakültesi Branch</b>	Dumlupınar Bulvarı Akdeniz Üniversitesi Tıp Fak. Hastanesi H Blok Giriş Katı Konyaaltı 07070 ANTALYA	KONYAALTI	ANTALYA	+ 90 850 204 07 72

<b>Balgat Branch</b>	Ceyhun Atıf Kansu Cad. No:80 Balgat	ÇANKAYA	ANKARA	+ 90 850 204 01 50
<b>Heykel Branch</b>	Bursa Selçuk Hatun Mah. Ressam Şefik Bursalı Cad. No:5 Heykel Osmangazi 16010 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 01 51
<b>İçerenköy Branch</b>	İçerenköy Mah. Çayır Cad. Özce Center İş Merkezi No:3A/1 Ataşehir 34752 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 01 52
<b>Fatsa Branch</b>	Mustafa Kemal Paşa Mahallesi Reşadiye Cad. No:14/A Fatsa 52400 ORDU	FATSA	ORDU	+ 90 850 204 01 53
<b>Didim Branch</b>	Atatürk Bulvarı, No:113/A	DİDİM	AYDIN	+ 90 850 204 01 54
<b>Kavacık Branch</b>	Rüzgarlıbahçe Mahallesi Cumhuriyet Cad. No: 12 Beykoz 34805 İSTANBUL	BEYKOZ	İSTANBUL	+ 90 850 204 01 55
<b>Yüreğir Branch</b>	Cumhuriyet Mah.770 Sok.No:11/A Yüreğir 01280 Adana	YÜREĞİR	ADANA	+ 90 850 204 01 56
<b>Çağlayan Branch</b>	Çağlayan Mahallesi Kağıthane Cad. No:141 C Kağıthane 34403 İSTANBUL	KAĞITHANE	İSTANBUL	+ 90 850 204 01 57
<b>Çarşamba Branch</b>	Dr.Tevfik Türker Caddesi No:13	ÇARŞAMBA	SAMSUN	+ 90 850 204 01 58
<b>İzmir Göztepe Branch</b>	Göztepe Mahallesi Mithatpaşa Caddesi No:984A Konak 35290 İZMİR	KONAK	İZMİR	+90 850 204 01 60
<b>Elazığ Branch</b>	Hürriyet Cad. Mehmet Arslan İş Merkezi No:35/A Merkez 23200 Elazığ	MERKEZ	ELAZIĞ	+ 90 850 204 01 61
<b>Üçevler Branch</b>	Üçevler Mahallesi Ahıska Cad No:10 A Nilüfer 16270 BURSA	NİLÜFER	BURSA	+ 90 850 204 01 62
<b>Yıldız Branch</b>	Turan Güneş Bulvarı No:17	ÇANKAYA	ANKARA	+ 90 850 204 01 63
<b>Barkal Branch</b>	Şakirpaşa Mahallesi Turhan Cemal Beriker Blv. No:249/A Seyhan 01100 Adana	SEYHAN	ADANA	+ 90 850 204 01 64
<b>Niğde Branch</b>	Yenice Mah. Ayhan Şahenk Bulvarı No:15/A Merkez 51200 NİĞDE	MERKEZ	NİĞDE	+ 90 850 204 01 66
<b>İvedik Branch</b>	İvedik Organize Sanayi Sit. Melih Gökçek Bulvarı Halk Yapı Koop.No :17/22 Ostim Yenimahalle 06370 Ankara	YENİMAHALLE	ANKARA	+ 90 850 204 01 67
<b>Fethiye İnönü Bulvarı Branch</b>	Taşıyaka Mahallesi İnönü Bulvarı No:82/A Fethiye 48300 Muğla	FETHİYE	MUĞLA	+ 90 850 204 01 68
<b>Kayseri Sanayi Branch</b>	Anbar Mahallesi 14. Cadde No:20 Zemin Kat	MELİKGAZİ	KAYSERİ	+ 90 850 204 01 70
<b>Konyaaltı Branch</b>	Bahçelievler Mahallesi Konyaaltı Caddesi Sıtkı Göksoy Apt No:40 / Z1 Muratpaşa 07050 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 01 72
<b>Alanya Mahmutlar Branch</b>	Mahmutlar Mahallesi Barbaros Caddesi No:98B/A Alanya 07450 ANTALYA	ALANYA	ANTALYA	+ 90 850 204 01 73
<b>Kemer Branch</b>	Yeni Mahalle Dört Yol Bulvarı No:25/B	KEMER	ANTALYA	+ 90 850 204 01 74
<b>Bağcılar Branch</b>	İstanbul Cad. No:12/B	BAĞCILAR	İSTANBUL	+ 90 850 204 01 76
<b>Akçaabat Branch</b>	Orta Mahallesi, İnönü Caddesi No:119 -119 A	AKÇAABAT	TRABZON	+ 90 850 204 01 77
<b>Topçular Branch</b>	Rami Kışla Cad.Koçbay İş Merkezi No:25/B 7-8 Topçular	EYÜP	İSTANBUL	+ 90 850 204 01 78

<b>Mega Center Branch</b>	Kocatepe Mahallesi Yağ İskelesi Caddesi Mega Center C.51 Blok No:25/A Bayrampaşa 34045 İSTANBUL	BAYRAMPAŞA	İSTANBUL	+ 90 850 204 01 80
<b>Samsun Sanayi Branch</b>	Yenimahalle Mahallesi 28. Sokak No:23/1 Canik 55080 Samsun	CANİK	SAMSUN	+ 90 850 204 01 81
<b>Ordu Branch</b>	Şarkıye Mah. Süleyman Felek Cad.No:93C Altınordu 52000 ORDU	ALTINORDU	ORDU	+ 90 850 204 01 82
<b>Acıbadem Branch</b>	Acıbadem Caddesi, No:164/4 Üsküdar 34660 İstanbul	ÜSKÜDAR	İSTANBUL	+ 90 850 204 01 83
<b>Teksan Branch</b>	75. Yıl (Sultandere) Mahallesi Teksan İdari (Küme Evler) No:63/2 Odunpazarı 26250 ESKİŞEHİR	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 01 84
<b>Çanakkale Branch</b>	Kemalpaşa Mah.Çarşı Cad. No:113 Merkez 17100 Çanakkale	MERKEZ	ÇANAKKALE	+ 90 850 204 01 85
<b>Gaziosmanpaşa İstanbul Branch</b>	Merkez Mahallesi Eyüp Yolu No:4 Gaziosmanpaşa 34245 İSTANBUL	GAZİOSMANPAŞA	İSTANBUL	+ 90 850 204 01 86
<b>Kurtköy Branch</b>	Şeyhli Mahallesi Ankara Caddesi No:217 A Pendik 34890 İSTANBUL	PENDİK	İSTANBUL	+ 90 850 204 01 87
<b>Antalya Etiler Branch</b>	Etiler Mahallesi 851 Sokak No:2 Muratpaşa 07010 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 01 88
<b>Büyükçekmece Branch</b>	19 May Mahallesi Nutuk Caddesi No:48A/1 Büyükçekmece 34500 İSTANBUL	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 89
<b>Edremit Branch</b>	Camivasat Mahallesi Menderes Bulvarı No:11/2 Edremit 10300 BALIKESİR	EDREMIT	BALIKESİR	+ 90 850 204 01 90
<b>Sincan Branch</b>	Atatürk Mahallesi, Ankara Caddesi, No: 44/A Sincan 06930 Ankara	SİNCAN	ANKARA	+ 90 850 204 01 91
<b>Salihli Branch</b>	Atatürk Mahallesi Belediye Caddesi No:93-95	SALİHLİ	MANİSA	+ 90 850 204 01 92
<b>Gemlik Branch</b>	Hamidiye Mahallesi, İstiklal Caddesi, No: 31 GEMLİK 16600 BURSA	GEMLİK	BURSA	+ 90 850 204 01 93
<b>Sultanbeyli Branch</b>	Mehmet Akif Mahallesi Fatih Bulvarı No:244/B Sultanbeyli 34920 İSTANBUL	SULTANBEYLİ	İSTANBUL	+ 90 850 204 01 94
<b>Rize Branch</b>	Yeniköy Mah.Tevfik İleri Cad. No : 18	MERKEZ	RİZE	+ 90 850 204 01 95
<b>Suburcu Branch</b>	Çukur Mahallesi Suburcu Caddesi No: 11/A Şahinbey 27400 Gaziantep	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 01 96
<b>İstoç Branch</b>	Mahmutbey Mahallesi 17. Yol Sokak No: 132/A İSTOÇ Bağcılar 34218 İSTANBUL	BAĞCILAR	İSTANBUL	+ 90 850 204 01 97
<b>Samsun Çiftlik Branch</b>	19 May Mahallesi İstiklal Caddesi No:57 İlkadım 55030 SAMSUN	İLKADIM	SAMSUN	+ 90 850 204 01 98
<b>Çınar Branch</b>	15 May Mahallesi Gazi Mustafa Kemal Bulvarı No:145/B Pamukkale 20150 DENİZLİ	PAMUKKALE	DENİZLİ	+ 90 850 204 01 99
<b>İzmir Çankaya Branch</b>	Fevzipaşa Bulvarı No:59 / A-B Çankaya Konak 35210 İzmir	KONAK	İZMİR	+ 90 850 204 02 00
<b>Sarıyer Branch</b>	Sarıyer Merkez Mahallesi, Yeni Mahalle Cad. No:19	SARIYER	İSTANBUL	+ 90 850 204 02 01
<b>Florya Branch</b>	Şenlik Mah. Florya Asfaltı No:86 Zemin Kat Kısım A Florya Bakırköy 34153 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 02 02

<b>Manisa Sanayi Branch</b>	75. Yıl Mahallesi Bahri Sarıtepe Caddesi No:53/A Yunussemre 45030 MANİSA	YUNUSEMRE	MANİSA	+ 90 850 204 02 03
<b>Akdeniz Sanayi Branch</b>	Şafak Mah. 5009 Sokak Akdeniz Sanayi Sitesi 36. Blok No:114 Kepez 07224 Antalya	KEPEZ	ANTALYA	+ 90 850 204 02 04
<b>Lüleburgaz Branch</b>	Kocasinan Mahallesi İstanbul Caddesi No: 12/ Z01 Lüleburgaz 39750 KIRKLARELİ	LÜLEBURGAZ	KIRKLARELİ	+ 90 850 204 02 05
<b>Saydam Caddesi Branch</b>	Sucuzade Mah.Saydam Cad.No:42 Seyhan 01030 Adana	SEYHAN	ADANA	+ 90 850 204 02 06
<b>İzmir 1. Sanayi Branch</b>	Mersinli Mahallesi, 2822 Sokak No: 63 Konak 35170 İZMİR	KONAK	İZMİR	+ 90 850 204 02 08
<b>Laleli Branch</b>	Mimar Kemalettin Mahallesi Mesih Paşa Cad. No:54 Daire : 1 Laleli Fatih 34130 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 02 10
<b>Aliğa Branch</b>	İstiklal Cad.No:35/B	ALİĞA	İZMİR	+ 90 850 204 02 11
<b>Bankalar Caddesi Branch</b>	Bereketzade Mah.Bankalar Cad. No:28B	BEYOĞLU	İSTANBUL	+ 90 850 204 02 12
<b>Edirne Branch</b>	Mithatpaşa Mahallesi Talatpaşa Caddesi No:155 Merkez 22100 EDİRNE	MERKEZ	EDİRNE	+ 90 850 204 02 13
<b>Van Branch</b>	Şerefiye Mahallesi M. Fevzi Çakmak Cad. Lütfü Savur İş Merkezi Sit. No:14 İpekyolu 65100 Van	İPEKYOLU	VAN	+ 90 850 204 02 15
<b>Balçova Branch</b>	Onur Mah. Ata Cad. No:48/A Balçova 35330 İZMİR	BALÇOVA	İZMİR	+ 90 850 204 02 16
<b>Gölcük Branch</b>	Amiral Sağlam Caddesi No:12/B	GÖLCÜK	KOCAELİ	+ 90 850 204 02 17
<b>Tuzla OSB Branch</b>	Tuzla Mermerciler Organize Sanayi Bölgesi 5.Sokak No :2 Tuzla 34953 İSTANBUL	TUZLA	İSTANBUL	+ 90 850 204 02 18
<b>Valikonağı Branch</b>	Teşvikiye Mahallesi, Valikonağı Caddesi, No:66 ŞİŞLİ 34365 İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 02 19
<b>İstanbul Ulus Branch</b>	Nispetiye Mahallesi Ahmet Adnan Saygun Caddesi No:22D Beşiktaş 34340 İSTANBUL	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 02 20
<b>Demirciler Sitesi Branch</b>	Seyitnizam Mahallesi Demirciler Sitesi 2. Cadde No:81 Zeytinburnu 34015 İSTANBUL	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 02 21
<b>Tekirdağ Branch</b>	Aydoğdu Mahallesi Hükümet Caddesi No:94 Süleymanpaşa 59200 Tekirdağ	SÜLEYMANPAŞA	TEKİRDAĞ	+ 90 850 204 02 24
<b>Zafer Sanayi Branch</b>	Demirkol Sok.No:2 Selçuklu	SELÇUKLU	KONYA	+ 90 850 204 02 25
<b>Ümitköy Branch</b>	Çay Yolu Mahallesi 8.Cadde No :45 Çankaya 06530 ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 02 26
<b>Sakarya Caddesi Branch</b>	Cumhuriye Mahallesi, Sakarya-1 Caddesi, No:37/A Tepebaşı 26130 ESKİŞEHİR	TEPEBAŞI	ESKİŞEHİR	+ 90 850 204 02 27
<b>İmsan Branch</b>	İkitelli Caddesi İmsan Küçük Sanayi Sitesi E - Blok No :10 İkitelli Küçükçekmece 34303 İstanbul	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 02 28
<b>Menemen Branch</b>	Mermerli Mahallesi Mithatpaşa Caddesi No:55 Menemen 35661 İZMİR	MENEMEN	İZMİR	+ 90 850 204 02 29
<b>Gimat Branch</b>	Mehmet Emin Erdoğan İş Merkezi Macun Mahallesi Bağdat Cad. No:93/25-26-27-28	YENİMAHALLE	ANKARA	+ 90 850 204 02 30

<b>Bostanlı Branch</b>	Bostanlı Mahallesi Cemal Gürsel Caddesi No: 526/B Karşıyaka 35590 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 02 31
<b>Maltepe Çarşı İstanbul Branch</b>	Altayçeşme Mahallesi, Atatürk Caddesi No:41/604 Maltepe 34843 İstanbul	MALTEPE	İSTANBUL	+ 90 850 204 07 73
<b>Şirinevler Branch</b>	Meriç Sokak Ünal İş Merkezi No:13/3 Zemin Kat Şirinevler Bahçelievler 34188 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 33
<b>Bahçelievler İstanbul Branch</b>	İzzettin Çalışlar Caddesi, No:40	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 34
<b>Tuzla Branch</b>	İçmeler Mahallesi, Mazhar Sokak No:21A Tuzla 34947 İstanbul	TUZLA	İSTANBUL	+ 90 850 204 02 36
<b>Tarsus Branch</b>	Şehit Mustafa Mahallesi Atatürk Bulvarı No:7/A Tarsus 33500 MERSİN	TARSUS	MERSİN	+ 90 850 204 02 37
<b>Şaşmaz Branch</b>	Bahçekapı Mahallesi, 2488. Cadde. No:4-A	ETİMESGUT	ANKARA	+ 90 850 204 02 39
<b>Aksaz Branch</b>	Aksaz Deniz Üs Komutanlığı, Aksaz	MARMARİS	MUĞLA	+ 90 850 204 02 40
<b>Avcılar Çarşı Branch</b>	Merkez Mahallesi, Reşitpaşa Caddesi, No:41 Avcılar 34310 İstanbul	AVCILAR	İSTANBUL	+ 90 850 204 02 41
<b>Değirmendere Trabzon Branch</b>	Sanayi Mahallesi Devlet Karayolu Caddesi No:85A Ortahisar 61030 TRABZON	ORTAHİSAR	TRABZON	+ 90 850 204 02 42
<b>Isparta Branch</b>	Kutlubey Mahallesi 106 Cadde Halısarayı Apartmanı G Blok Dış Kapı No:2-G İç Kapı No:1	MERKEZ	ISPARTA	+ 90 850 204 02 43
<b>Gebze E5 Branch</b>	Osman Yılmaz Mahallesi, İstanbul Caddesi, No:74/A	GEBZE	KOCAELİ	+ 90 850 204 02 44
<b>İnönü Caddesi Malatya Branch</b>	Şıkşık Mahallesi İnönü Caddesi No:91/A	MERKEZ	MALATYA	+ 90 850 204 02 45
<b>Sivas Branch</b>	Atatürk Caddesi No:15	MERKEZ	SIVAS	+ 90 850 204 02 47
<b>Çeşme Branch</b>	İsmet İnönü Mahallesi 2001 Sokak No:74/A Çeşme 35930 İZMİR	ÇEŞME	İZMİR	+ 90 850 204 02 48
<b>Ödemiş Branch</b>	Akıncılar Mahallesi, Gazi Caddesi, No: 32/1 Ödemiş 35750 İZMİR	ÖDEMİŞ	İZMİR	+ 90 850 204 02 49
<b>Yeniköy Branch</b>	Yeniköy Mahallesi Köybaşı Caddesi No:51 Yeniköy Sarıyer 34464 İstanbul	SARIYER	İSTANBUL	+ 90 850 204 02 51
<b>Etimesgut Branch</b>	İstasyon Mahallesi İstasyon Caddesi Tüzün Sokak No:8/7	ETİMESGUT	ANKARA	+ 90 850 204 02 52
<b>Tire Branch</b>	Cumhuriyet Meydanı, No:05	TİRE	İZMİR	+ 90 850 204 02 53
<b>Nuruosmaniye Branch</b>	Alemdar Mah. Nuruosmaniye Cad. No:12/1 Fatih 34110 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 02 54
<b>Mezitli Branch</b>	Menderes Mahallesi Gazi Mustafa Kemal Blv. Doğaner Yapı Koop. Sit. A Blok Apt. No:709 AA Mezitli 33340 Mersin	MEZİTLİ	MERSİN	+ 90 850 204 02 55
<b>Güllük Branch</b>	Altındağ Mahallesi Güllük Caddesi No:99 Muratpaşa 07050 Antalya	MURATPAŞA	ANTALYA	+ 90 850 204 02 56
<b>Mevlana Branch</b>	Aziziye Mahallesi, Mevlana Caddesi, No:63 D:1	KARATAY	KONYA	+ 90 850 204 02 57
<b>Muğla Branch</b>	Şeyh Mahallesi İsmet İnönü Caddesi Dış Kapı No:17 Menteşe 48050 MUĞLA	MENTEŞE	MUĞLA	+ 90 850 204 02 58

<b>Akhisar Branch</b>	Şehit Teğmen Ün Cad. Paşa Mahallesi No:78 Akhisar 45200 Manisa	AKHİSAR	MANİSA	+ 90 850 204 02 59
<b>Konya Ereğli Branch</b>	Selçuklu Mahallesi Atatürk Caddesi Necip Pala Apt. Sit. No:44D Ereğli 42310 KONYA	EREĞLİ	KONYA	+ 90 850 204 02 60
<b>Silivri Branch</b>	Piri Mehmet Paşa Mah. Başkomutan Cad. No:4 Silivri 34570 İSTANBUL	SİLİVRİ	İSTANBUL	+ 90 850 204 02 61
<b>Lefkoşa Branch</b>	Ortaköy Mahallesi Kumsal Mevkii Mehmet Akif Caddesi Koçan No:D303 ve D304	-	LEFKOŞA / KKTC	+ 90 392 229 20 40
<b>Gazimağusa Branch</b>	İsmet İnönü Bulvarı, No:43 Sakarya	-	GAZİMAĞUSA / KKTC	+ 90 392 365 59 20
<b>Girne Branch</b>	Bedrettin Demirel Caddesi, No:12/12B Girne KKTC	-	GİRNE / KKTC	+ 90 392 815 85 10
<b>İnegöl Branch</b>	Sinanbey Mahallesi, Nuri Doğrul Caddesi, No:19 İnegöl 16400 BURSA	İNEGÖL	BURSA	+ 90 850 204 02 66
<b>Kastamonu Branch</b>	Cebirail Mahallesi Plevne Caddesi No:52 A-B Merkez 37200 Kastamonu	MERKEZ	KASTAMONU	+ 90 850 204 02 68
<b>Adana Mobilyacılar Branch</b>	Güzelevler Mah. Mobilyacılar Sitesi Meşe Cad. No:18 A Kısım Yüreğir 01310 ADANA	YÜREĞİR	ADANA	+ 90 850 204 02 69
<b>Giresun Branch</b>	Şeyhkeramet Mahallesi Gazi Caddesi No:2 Merkez 28200 Giresun	MERKEZ	GİRESUN	+ 90 850 204 02 70
<b>Kuyumcukent Branch</b>	29 Ekim Caddesi, No:1, Kuyumcukent, Atölye Bloğu, Zemin/1.Kat, 5.Sokak, No:19 Yenibosna	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 71
<b>Burdur Branch</b>	Özgür Mahallesi, Gazi Caddesi, No:88 Merkez 15040 Burdur	MERKEZ	BURDUR	+ 90 850 204 02 73
<b>Uncalı Branch</b>	Uncalı Mahallesi Uncalı Caddesi No:63 Konyaaltı 07070 ANTALYA	UNCALI	ANTALYA	+ 90 850 204 02 75
<b>Şirinyer Branch</b>	Güven Mahallesi, Menderes Caddesi, No: 318 Buca 35370 İZMİR	BUCA	İZMİR	+ 90 850 204 02 76
<b>Biga Branch</b>	İstiklal Mahallesi İstiklal Caddesi No:106-108 İç Kapı No:1 Biga 17200 Çanakkale	BİGA	ÇANAKKALE	+ 90 850 204 02 77
<b>Kaynarca Branch</b>	Fevzi Çakmak Mah. Tevfik İleri Cad. No:111 Pendik 34899 İstanbul	PENDİK	İSTANBUL	+ 90 850 204 02 78
<b>Gaziemir Branch</b>	Akçay Caddesi, No:169/A	GAZİEMİR	İZMİR	+ 90 850 204 02 79
<b>Yıldırım Branch</b>	Duaçınarı Mahallesi Ankarayolu Cad. B Blok Apt. No:171-173B Yıldırım 16370 BURSA	YILDIRIM	BURSA	+ 90 850 204 02 80
<b>Adıyaman Branch</b>	Turgut Reis Mah. Atatürk Bul. No: 253 / 1 Merkez 02200 Adıyaman	MERKEZ	ADİYAMAN	+ 90 850 204 02 81
<b>Aspendos Corporate Branch</b>	Etiler Mahallesi Adnan Menderes Bulvarı Birlik Apartmanı No:53/A-B Asma Kat Muratpaşa 07010 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 02 82
<b>Karabük Branch</b>	Bayır Mahallesi Menderes Caddesi No:2/B Merkez 78100 KARABÜK	MERKEZ	KARABÜK	+ 90 850 204 02 83
<b>Çerkezköy Branch</b>	Gazi Osman Paşa Mahallesi, Atatürk Caddesi, No:5	ÇERKEZKÖY	TEKİRDAĞ	+ 90 850 204 02 84

<b>Ankara 4. Kolordu Branch</b>	4. Kolordu Komutanlığı, Samsun Yolu Üzeri, Mamak 06265 Ankara	MAMAK	ANKARA	+ 90 850 204 02 85
<b>Akşehir Branch</b>	Meydan Mahallesi İnönü Cad. No:64 Akşehir 42550 KONYA	AKŞEHİR	KONYA	+ 90 850 204 02 86
<b>Düzce Branch</b>	Camikebir Mahallesi, 659.Bulvar, No:8A Merkez 81010 Düzce	MERKEZ	DÜZCE	+ 90 850 204 02 87
<b>Erenler Sanayi Branch</b>	Erenler Mahallesi, Sakarya Caddesi, No:306/A	ERENLER	SAKARYA	+ 90 850 204 02 88
<b>Çorlu Çarşı Branch</b>	Cemaliye Mahallesi Saray Caddesi No:2 Çorlu 59860 Tekirdağ	ÇORLU	TEKİRDAĞ	+90 850 204 02 89
<b>Hopa Branch</b>	Merkez Kuledibi Mahallesi Cumhuriyet Meydanı No:1/A Hopa 08600 ARTVİN	HOPA	ARTVİN	+ 90 850 204 02 90
<b>Karacabey Branch</b>	Tavşanlı Mahallesi Bursa Caddesi Necmi Akkuş Sitesi No:31 A/5 Karacabey 16700 Bursa	KARACABEY	BURSA	+ 90 850 204 02 91
<b>Turgutlu Branch</b>	Altay Mahallesi, Atatürk Bulvarı, No:163	TURGUTLU	MANİSA	+ 90 850 204 02 92
<b>Fener Branch</b>	Çağlayan Mahallesi Barınaklar Bulvarı A. Atmaca Apt. B Blok No:3/A-B Muratpaşa 07230 Antalya	MURATPAŞA	ANTALYA	+ 90 850 204 02 93
<b>Keşan Branch</b>	Büyük Cami Mahallesi, Cumhuriyet Meydanı, No:8 Keşan 22800 EDİRNE	KEŞAN	EDİRNE	+ 90 850 204 02 94
<b>Hürriyet Branch</b>	Soğukkuyu Mahallesi 1. Hürriyet Caddesi No:24-26B Osmangazi 16160 BURSA	OSMANGAZI	BURSA	+ 90 850 204 02 97
<b>Demirtaş Branch</b>	Panayır Mahallesi, Yeni Yalova Yolu Caddesi, No:455/F	OSMANGAZI	BURSA	+ 90 850 204 02 98
<b>Kuyubaşı Branch</b>	Fahrettin Kerim Gökay Cad. No.122/1 Zemin Kat A Kısım Göztepe Kadıköy 34722 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 03 02
<b>Ofis Branch</b>	Kooperatifler Mahallesi Akkoyunlu Bulvarı No: 19/B Yenışehir 21100 Diyarbakır	YENİŞEHİR	DIYARBAKIR	+ 90 850 204 03 03
<b>Anamur Branch</b>	Esentepe Mahallesi, Atatürk Bulvarı, No: 8/B	ANAMUR	MERSİN	+ 90 850 204 03 04
<b>İzmit Sanayi Sitesi Branch</b>	Sanayi Mahallesi, Fırat Sokak, No:16/A	İZMİT	KOCAELİ	+ 90 850 204 03 06
<b>Keçiören Branch</b>	Güçlükaya Mahallesi, Kızlar Pınarı Caddesi, No:53/A Keçiören 06310 Ankara	KEÇİÖREN	ANKARA	+ 90 850 204 03 08
<b>Yalova Branch</b>	Rüstempaşa Mahallesi, Çeşme Sokak, No:2/1 Merkez 77200 Yalova	MERKEZ	YALOVA	+ 90 850 204 03 10
<b>Tunalı Hilmi Branch</b>	Remzi Oğuz Mahallesi, Tunalı Hilmi Caddesi, No:68/A Kavaklıdere	ÇANKAYA	ANKARA	+ 90 850 204 03 11 13
<b>Bekirpaşa Branch</b>	28 Haziran Mahallesi Turan Güneş Caddesi No:301 A İzmit 41060 Kocaeli	İZMİT	KOCAELİ	+ 90 850 204 03 13
<b>Bodrum Gümbet Branch</b>	Merkez Mahallesi, Atatürk Bulvarı No: 203/A1-A3 Konacık - Bodrum 48480 MUĞLA	BODRUM	MUĞLA	+ 90 850 204 03 14
<b>Kestel Branch</b>	Ahmet Vefik Paşa Mahallesi, Gazi Caddesi, No:6/A	KESTEL	BURSA	+ 90 850 204 03 15
<b>Erzincan Branch</b>	Atatürk Mahallesi, Nerim Tombul Caddesi, No:12/Z2-Z3 Merkez 24002 ERZİNCAN	MERKEZ	ERZİNCAN	+90 850 204 03 16

<b>Antalya Toptancı Hali Branch</b>	Güneş Mahallesi Yeni Toptancı Hal Kompleksi B2/1 Blok No:1 Kepez 07260 Antalya	KEPEZ	ANTALYA	+ 90 850 204 03 18
<b>Tuzla Deniz Harp Okulu Branch</b>	Tuzla Deniz Harp Okulu Komutanlığı Sosyal Tesisleri	TUZLA	İSTANBUL	+ 90 850 204 03 20
<b>Nazilli Branch</b>	Altıntaş Mahallesi, 129 Sokak, No:2	NAZİLLİ	AYDIN	+ 90 850 204 03 21
<b>Hatay İzmir Branch</b>	İnönü Caddesi, No:229/B Karabağlar 35361 İZMİR	KARABAĞLAR	İZMİR	+ 90 850 204 03 22
<b>Merzifon Branch</b>	Hocasüleyman Mahallesi, Yokuşbaşı Caddesi No:13 Merzifon 05300 Amasya	MERZİFON	AMASYA	+ 90 850 204 03 23
<b>Körfez Branch</b>	Kuzey Mahallesi, Cahit Zarifoğlu Caddesi, No: 53/B	KÖRFEZ	KOCAELİ	+ 90 850 204 03 26
<b>Mardin Branch</b>	13 Mart Mahallesi, Vali Ozan Caddesi, 82/B Artuklu 47200 Mardin	ARTUKLU	MARDİN	+ 90 850 204 03 27
<b>Batman Branch</b>	Gap Mahallesi, Turgut Özal Bulvarı Babil Plaza No:316 E-F Merkez 72070 BATMAN	MERKEZ	BATMAN	+ 90 850 204 03 28
<b>Yenibosna Branch</b>	Yenibosna Merkez Mahallesi Yıldırım Beyazıt Caddesi No: 210A Bahçelievler 34197 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 03 29
<b>Serik Branch</b>	Yeni Mahalle, Hürriyet Caddesi No:6-8	SERİK	ANTALYA	+ 90 850 204 03 30
<b>Kumluca Branch</b>	Merkez Mahallesi Gödene Cad. No:18 Kumluca 07350 ANTALYA	KUMLUCA	ANTALYA	+ 90 850 204 03 31
<b>Bafra Branch</b>	Hacınabi Mahallesi, Tekel Caddesi, No:40 Bafra 55400 SAMSUN	BAFRA	SAMSUN	+ 90 850 204 03 33
<b>Fatih Branch</b>	Ali Kuşçu Mah. Macar Kardeşler Cad. No:34 Fatih 34083 İstanbul	FATİH	İSTANBUL	+ 90 850 204 03 35
<b>Esenyurt Branch</b>	İnönü Mahallesi, Doğan Araslı Bulvarı, No:124/C	ESENYURT	İSTANBUL	+ 90 850 204 03 36
<b>Şirehanı Branch</b>	İsmetpaşa Mahallesi, İnönü Caddesi, No:217/7 Şahinbey 27010 GAZİANTEP	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 03 37
<b>Kırklareli Branch</b>	Karakaş Mah. 100. Yıl Cad. Necdet Şeylan Apt No:10/Z03 Merkez 39010 Kırklareli	MERKEZ	KIRKLARELİ	+ 90 850 204 03 39
<b>Soma Branch</b>	Kurtuluş Mahallesi, Fatih Caddesi, No:10	SOMA	MANİSA	+ 90 850 204 03 40
<b>Çengelköy Branch</b>	Çengelköy Mah. Çengelköy Caddesi No:59 Çengelköy Üsküdar 34680 İstanbul	ÜSKÜDAR	İSTANBUL	+ 90 850 204 03 41
<b>Çetin Emeç Branch</b>	Ehlibeyt Mahallesi, Ceyhun Atuf Kansu Caddesi, No:126/E	ÇANKAYA	ANKARA	+ 90 850 204 03 42
<b>Sarıgazi Branch</b>	İnönü Mah. Ankara Cad. No:63/A Sancaktepe	SANCAKTEPE	İSTANBUL	+ 90 850 204 03 43
<b>4. Sanayi Branch</b>	129 Sokak, No: 1/E 4. Sanayi Sitesi	BORNOVA	İZMİR	+ 90 850 204 03 45
<b>Bucak Branch</b>	Oğuzhan Mah. Cumhuriyet Cad. No:20/A	BUCAK	BURDUR	+ 90 850 204 03 47
<b>Alemdar Branch</b>	Alemdar Caddesi, Ömerağa Mahallesi, No:19	İZMİT	KOCAELİ	+ 90 850 204 03 48
<b>Tuzla Piyade Okulu Branch</b>	Piyade Okulu Komutanlığı	TUZLA	İSTANBUL	+ 90 850 204 03 50
<b>Bandırma Branch</b>	İnönü Caddesi, No:68/A	BANDIRMA	BALIKESİR	+ 90 850 204 03 51

<b>Metropol Mersin Branch</b>	Mesudiye Mahallesi Kuvayı Milliye Caddesi No: 84/B Akdeniz 33060 MERSİN	AKDENİZ	MERSİN	+ 90 850 204 03 52
<b>Yeniköy Antalya Branch</b>	Yeniköy Mahallesi, Atatürk Caddesi, No: 476 Döşemealtı	DÖŞEMEALTı	ANTALYA	+ 90 850 204 03 53
<b>Aksaray Branch</b>	Hamidiye Mahallesi 761/Şehit Ali Mutlu Sokak No: 1/1 Merkez 68100 AKSARAY	MERKEZ	AKSARAY	+ 90 850 204 03 54
<b>Torbalı Branch</b>	Tepeköy Mahallesi Ağalar Caddesi No: 16 A-B TORBALI 35860 İZMİR	TORBALI	İZMİR	+ 90 850 204 03 56
<b>Southeastern Anatolia Corporate Branch</b>	Mücahitler Mah. Gazi Muhtarpaşa Bulvarı No: 48 Kat : 6 A Kısım Şehitkamil 27090 GAZİANTEP	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 03 58
<b>Çukurova Corporate Branch</b>	Çınarlı Mahallesi Atatürk Caddesi No: 15 Kat: 1 A Kısım 01120 Seyhan - ADANA	SEYHAN	ADANA	+ 90 850 204 03 59
<b>Altıparmak Branch</b>	Cemal Nadir Caddesi, No: 47, Kat: 1 Altıparmak	OSMANGAZI	BURSA	+ 90 850 204 03 63
<b>Orhangazi Branch</b>	Muradiye Mahallesi Yalova Caddesi No: 38/A Orhangazi 16800 BURSA	ORHANGAZI	BURSA	+ 90 850 204 03 69
<b>Zekeriyaköy Branch</b>	Zekeriyaköy Mahallesi 4. Cad. Kültür Merkezi Apt. No: 4/1/2 Sarıyer 34450 İSTANBUL	SARIYER	İSTANBUL	+ 90 850 204 03 70
<b>Küçüksu Branch</b>	Saray Mahallesi Küçüksu Caddesi No: 60/1A Ümraniye 34768 İSTANBUL	ÜMRANİYE	İSTANBUL	+ 90 850 204 03 77
<b>Kars Branch</b>	Merkez Mahallesi, Kazım Paşa Cad. No: 117	MERKEZ	KARS	+ 90 850 204 03 78
<b>Kırıkkale Branch</b>	Yenidoğan Mahallesi, Cumhuriyet Cad. No: 8/A	MERKEZ	KIRIKKALE	+ 90 850 204 03 79
<b>Harbiye Branch</b>	Cumhuriyet Cad. No: 123 B Harbiye Şişli 34373 İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 03 80
<b>Montrö Branch</b>	Şair Eşref Bulvarı No: 23/A 35210 Çankaya KONAK / İZMİR	KONAK	İZMİR	+ 90 850 204 03 81
<b>Çankaya Ankara Branch</b>	Simon Bolivar Cad. No: 17 06680 Çankaya - ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 03 82
<b>Şişli Meydan Branch</b>	19 May Mah. Halaskargazi Cad. No: 212A Şişli 34381 İstanbul	ŞİŞLİ	İSTANBUL	+ 90 850 204 03 83
<b>Bursa Organize Sanayi Branch</b>	Organize San. Bölgesi, Ali Osman Sönmez Bulv. Bankalar Cad. 16159 Nilüfer/BURSA	NİLÜFER	BURSA	+ 90 850 204 03 84
<b>Mersin Çamlıbel Branch</b>	Kültür Mahallesi 103. Cadde No : 62 33100 İçel MERSİN	MERKEZ	MERSİN	+ 90 850 204 03 85
<b>Antalya Muratpaşa Branch</b>	Tahılpazarı Mah. Şarmpol Cad. Ömer Melli İş Hanı No: 86A Muratpaşa 07040 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 03 87
<b>Denizli Saraylar Branch</b>	Saraylar Mahallesi 459 Sokak No : 7 / 9 20100 DENİZLİ	MERKEZ	DENİZLİ	+ 90 850 204 03 88
<b>Erenköy Branch</b>	Caddebostan Mahallesi, Ethem Efendi Caddesi, No: 13/1 Kadıköy 34728 İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 03 89
<b>Sirkeci Branch</b>	Hobyar Mahallesi Ankara Cad. Eraysan Ofis Malzemeleri Apt. No: 37/1 Fatih 34112 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 03 91
<b>Yıldız Posta Branch</b>	Gayrettepe Mah., Yener Sok., No: 1	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 03 92

<b>Bakırköy Meydan Branch</b>	Kartaltepe Mahallesi İncirli Caddesi No:12/14 Bakırköy 34145 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 03 93
<b>Karşıyaka Branch</b>	Cemal Gürsel Caddesi No:200/A Karşıyaka 35600 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 03 94
<b>Bornova Çarşı Branch</b>	Mustafa Kemal Cad. No:11-A/B Bornova 35040 İzmir	BORNOVA	İZMİR	+ 90 850 204 03 98
<b>Beykent Üniversitesi Branch</b>	T.C Beykent Üniversitesi Ayazağa Kampüsü, Ayazağa Mahallesi, Hadımkoru Caddesi, No:19A Sarıyer 34485 İSTANBUL	SARIYER	İSTANBUL	+90 850 204 06 63
<b>Santral Ümraniye Branch</b>	Atatürk Mahallesi Sütçü imam Caddesi Kardeşler Apartmanı No:51A Dükkan No:1-2 Ümraniye 34764 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 04 02
<b>Güneşli Çarşı Branch</b>	Hürriyet Mahallesi Atatürk Cad. No: 3-5C Bağcılar 34212 İSTANBUL	BAĞCILAR	İSTANBUL	+ 90 850 204 04 04
<b>Maslak Sanayi Branch</b>	Ayazağa Mahallesi Büyükdere Caddesi No:257/C Sarıyer 34485 İSTANBUL	SARIYER	İSTANBUL	+ 90 850 204 04 06
<b>Beylikdüzü E-5 Branch</b>	Barbaros Hayrettin Paşa Mah. Şehitler Cad. Beymahall Sit. No:5 B/1 Esenyurt 34522 İSTANBUL	ESENYURT	İSTANBUL	+ 90 850 204 04 07
<b>Güngören Sanayi Branch</b>	Sanayi Mahallesi Atatürk Cad. Real Merter Sit. No:51 /3/42 Güngören 34165 İSTANBUL	GÜNGÖREN	İSTANBUL	+ 90 850 204 04 08
<b>Gaziantep İncilipınar Branch</b>	Değirmiş Mahallesi Gazi Muhtar Paşa Bulvarı No:13 A Şehitkamil 27090 Gaziantep	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 04 09
<b>Demetevler Branch</b>	Demetgöl Mahallesi 408 Cadde No 11 A Yenimahalle 06200 ANKARA	YENİMAHALLE	ANKARA	+90 850 204 06 70
<b>Gebze Çarşı Branch</b>	Hacı Halil Mah. Cumhuriyet Meydanı No:3/2 Gebze 41400 Kocaeli	GEBZE	KOCAELİ	+ 90 850 204 04 11
<b>Eskişehir İki Eylül Caddesi Branch</b>	İstiklal Mah. İki Eylül Cad.No: 50/B Odunpazarı 26010 ESKİŞEHİR	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 04 13
<b>Çarşı İzmit Branch</b>	Karabaş Mahallesi Leyla Atakan Cad. No: 27 A/0 İzmit 41040 KOCAELİ	İZMİT	KOCAELİ	+ 90 850 204 04 16
<b>Narlıdere Branch</b>	Çamtepe Mah. Mithatpaşa Cad. No: 277-279 Narlıdere 35320 İzmir	NARLIDERE	İZMİR	+90 850 204 07 03
<b>Karya Bodrum Branch</b>	Kıbrıs Şehitleri Cad. Emniyet Müdürlüğü Yanı Ataman İş Mrk. C Blk. Bodrum 48400 MUĞLA	BODRUM	MUĞLA	+ 90 850 204 04 19
<b>Şanlıurfa Sarayönü Caddesi Branch</b>	Yusufoğlu Mahallesi Sarayönü Caddesi No:131 Haliliye ŞANLIURFA	HALİLİYE	ŞANLIURFA	+ 90 850 204 04 23
<b>Sanayi Mahallesi Branch</b>	Sanayi Mah. Sultan Selim Cad. No:22/22A/22B Kağıthane 34415 İstanbul	KAĞITHANE	İSTANBUL	+90 850 204 04 24
<b>Batı Ataşehir Branch</b>	Barbaros Mahallesi Halk Caddesi No:47/1 Ataşehir 34746 İstanbul	ATAŞEHİR	İSTANBUL	+90 850 204 06 74
<b>Fındıkzade Branch</b>	Haseki Sultan Mahallesi Kızılelma Caddesi No:15 Fatih 34096 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 04 30
<b>Bostancı E5 Branch</b>	İçerenköy Mah. Değirmen Yolu Cad. No:31/1A Ataşehir 34752 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 04 31
<b>Boğaziçi Corporate Branch</b>	Büyükdere Cad. Şarlı İş Merkezi No:103 K:3 Mecidiyeköy - Şişli / İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 04 32

<b>Haznedar Bahçelievler Branch</b>	Bahçelievler Mahallesi Naci Kasım Sokak No:2/1A Bahçelievler 34180 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 04 34
<b>Ataşehir Branch</b>	Atatürk Mahallesi Ataşehir Bulvarı No:14/F Özel İşyeri:1 Ataşehir 34758 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 04 35
<b>Maltepe E-5 Branch</b>	Altayçeşme Mahallesi Çam Sokak No:25A Maltepe 34843 İSTANBUL	MALTEPE	İSTANBUL	+ 90 850 204 04 41
<b>Mersin Çarşı Branch</b>	Camişerif Mahallesi, İstiklal Caddesi, No:40/D Akdeniz 33060 Mersin	AKDENİZ	MERSİN	+ 90 850 204 04 44
<b>Adana Çarşı Branch</b>	Karasoku Mahallesi,Kızılay Cad.No:14 01010 Seyhan - ADANA	SEYHAN	ADANA	+ 90 850 204 04 45
<b>Adana Toros Branch</b>	Beyazevler Mahallesi Bülent Angın Bulvarı No:128/A Çukurova 01170 ADANA	ÇUKUROVA	ADANA	+ 90 850 204 04 46
<b>Beyoğlu Branch</b>	Hüseyinağa Mahallesi Hamalbaşı Caddesi No:6/A Beyoğlu 34435 İstanbul	BEYOĞLU	İSTANBUL	+ 90 850 204 04 51
<b>Kadıköy Çarşı Branch</b>	Caferağa Mah. Mühürdar Cad. No:22 Kadıköy 34710 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 04 52
<b>Ankara Ostim Branch</b>	Ostim Mahallesi 100.Yıl Bulvarı (Sanayi) Ofim İş ve Finans Merkezi No:99/69 Zeminkat	YENİMAHALLE	ANKARA	+ 90 850 204 04 53
<b>Nato Yolu Branch</b>	Tuzluçayır Mahallesi Nato Yolu Caddesi 294. Sokak No:1/A Mamak 06620 Ankara	MAMAK	ANKARA	+90 850 204 07 16
<b>Alsancak Branch</b>	1382 Sk. 33/A Bodrum Kat Alsancak Konak 35220 İZMİR	KONAK	İZMİR	+ 90 850 204 04 55
<b>Başkent Corporate Branch</b>	Simon Bolivar Cad. No:17 Kat:1-2 ÇANKAYA 06680 ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 04 56
<b>Demirtaş Organize Sanayi Branch</b>	Demirtaş Organize Sanayi Bölgesi Mustafa Karaer Cad. No:18 Osmangazi 16245 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 04 57
<b>İkitelli Organize Sanayi Branch</b>	İkitelli OSB Mahallesi Bağcılar-Güngören Metro AVM B Blok Sokak Dış Kapı No:1/B İç Kapı No:13 Başakşehir 34490 İstanbul	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 04 60
<b>Şirinyalı Branch</b>	Şirinyalı Mahallesi İsmet Gökşen Caddesi No:80/1 Muratpaşa 07160 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 04 62
<b>Bursa Çekirge Branch</b>	Çekirge Mahallesi Çekirge Caddesi Batıca - Bintaş Apartmanı No:153 A Osmangazi 16070 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 04 65
<b>Tarsus Makam Branch</b>	Şehit Mustafa Mahallesi Atatürk Cad. 33400 No: 17/A Tarsus - İÇEL MERSİN	TARSUS	MERSİN	+ 90 850 204 04 66
<b>İhlamurkuyu Branch</b>	İhlamurkuyu Mahallesi, Alemdağ Caddesi No:249A Ümraniye 34771 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 04 68
<b>Atrium Branch</b>	Ataköy 7-8-9-10. Kısım Mahallesi Karanfil Sk Atrium AVM Apt. No: 2/61 Bakırköy 34158 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 04 72
<b>Siteler Branch</b>	Ulubey Mahallesi Demirhenderek Caddesi No:69 Altındağ 06320 Ankara	ALTINDAĞ	ANKARA	+ 90 850 204 04 74
<b>Kağıthane Branch</b>	Merkez Mah. Sadabat Cad. No:40, 40 A Kağıthane 34406 İSTANBUL	KAĞITHANE	İSTANBUL	+ 90 850 204 04 76
<b>Kuşadası Branch</b>	İsmet İnönü Bulvarı No : 59 09400 Kuşadası - AYDIN	KUŞADASI	AYDIN	+ 90 850 204 04 77

<b>Manavgat Sanayi Branch</b>	Aşağı Pazarcı Mahallesi, Zübeyde Hanım Caddesi, No: 19/Z01 Manavgat 07600 ANTALYA	MANAVGAT	ANTALYA	+ 90 850 204 04 78
<b>Diyarbakır Sur Branch</b>	Bağcılar Mahallesi, Urfa Bulvarı, Baran Plaza No:217/1 Bağlar 21050 DİYARBAKIR	BAĞLAR	DIYARBAKIR	+ 90 850 204 04 80
<b>Kahramanmaraş Çarşı Branch</b>	Menderes Mahallesi Trabzon Bulvarı No:53/D Dulkadiroğlu 46100 Kahramanmaraş	DULKADİROĞLU	KAHRAMANMARAŞ	+ 90 850 204 04 86
<b>Şenesenevler Branch</b>	Bostancı Mahallesi, Emin Ali Paşa Caddesi, No:116 A/14, Kadıköy 34744 İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 04 87
<b>Kızıltoprak Branch</b>	Zühtüpaşa Mah. Bağdat Cad. No:62/3 Kızıltoprak Kadıköy 34724 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 04 89
<b>Samsun Mecidiye Branch</b>	Hançerli Mahallesi Çifte Hamam Caddesi No:2 İlkadım 55020 SAMSUN	İLKADIM	SAMSUN	+ 90 850 204 04 94
<b>Fethiye Likya Branch</b>	Taşyaka Mahallesi İnönü Bulvarı No:4 4/A 4/B Fethiye 48300 MUĞLA	FETHİYE	MUĞLA	+ 90 850 204 04 96
<b>Söğütözü Branch</b>	Platin Tower Söğütözü Mahallesi Dumlupınar Bulvarı (Eskişehiryolu Üzeri) No:94/G Çankaya 06510 ANKARA	ÇANKAYA	ANKARA	+90 850 204 06 82
<b>Balıkesir Çarşı Branch</b>	Altıeylül Mahallesi, Anafartalar Caddesi No:25/B Altıeylül 10100 BALIKESİR	ALTİEYLÜL	BALIKESİR	+ 90 850 204 04 98
<b>Ulucanlar Branch</b>	Kale Mahallesi Ulucanlar Caddesi No:44/A Altındağ 06250 Ankara	Altındağ	ANKARA	+ 90 850 204 04 99
<b>Adapazarı Çarşı Branch</b>	Orta Mahalle Soğan Pazarı Caddesi No:8 Adapazarı 54040 SAKARYA	ADAPAZARI	SAKARYA	+ 90 850 204 05 05
<b>Dokuz Eylül Üniversitesi Branch</b>	İnciraltı Mahallesi Mithatpaşa Caddesi Dokuz Eylül Üniversitesi İnciraltı Yerleşkesi No:1606 2/1/1 Balçova 35330 İZMİR	BALÇOVA	İZMİR	+ 90 850 204 07 53
<b>Afyon Kadınana Branch</b>	Ambaryolu Cad. Davulcuoğlu İş Hanı Altı No: 25 Merkez 03200 AFYONKARAHİSAR	MERKEZ	AFYONKARAHİSAR	+ 90 850 204 05 10
<b>Aydın Çarşı Branch</b>	Hasan Efendi - Ramazan Paşa Mah. Hükümet Bulvarı No: 17/1 Efeler 09110 AYDIN	EFELER	AYDIN	+ 90 850 204 05 12
<b>Bergama Branch</b>	Ertuğrul Mahallesi Park Otel Sokak No:10 Bergama 35700 İZMİR	BERGAMA	İZMİR	+90 850 204 06 97
<b>Çukurambar Branch</b>	Kızılırmak Mah. Ufuk Üniversitesi Caddesi No: 1/A Çankaya 06530 ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 05 17
<b>Uşak Çarşı Branch</b>	İsmet Paşa Caddesi No:58 MERKEZ 64100 UŞAK	MERKEZ	UŞAK	+ 90 850 204 05 18
<b>Zeytinburnu Bulvar Branch</b>	Gökaltı Mahallesi 58. Bulvar Caddesi No:49-51 Zeytinburnu 34020 İstanbul	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 05 21
<b>Hasanpaşa Branch</b>	Kurbağalıdere Caddesi No:25 34722 Söğütözü - Kadıköy - İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 05 23
<b>Adana Çukurova Branch</b>	Çınarlı Mahallesi Atatürk Caddesi No: 15 Seyhan 01120 ADANA	SEYHAN	ADANA	+ 90 850 204 05 24
<b>Topkapı Maltepe Branch</b>	Maltepe Mah. Gümüşsuyu Cad. No:53 Dk:21-22 Zeytinburnu 34010 İstanbul	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 05 28
<b>Adana Atikop Branch</b>	Yeşiloba Mahallesi Turhan Cemal Beriker Bulvarı Adana İş Merkezi A Blok No:443/E Seyhan 01100 Adana	SEYHAN	ADANA	+ 90 850 204 05 35

<b>İstanbul Anatolian Side Corporate Branch</b>	Esentepe Mahallesi Cevizli D-100 Güney Yanyol Caddesi Dumankaya Vizyon D Blok No:13 D / 76 Kartal 34870 İSTANBUL	KARTAL	İSTANBUL	+ 90 850 204 05 36
<b>Yeditepe Corporate Branch</b>	Gayrettepe Mahallesi Yener Sokak No:1 Kat:1/B Beşiktaş 34349 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 05 38
<b>Beşiktaş Çarşı Branch</b>	Cihannuma Mahallesi Salih Efendi Sok. No:7 Beşiktaş 34353 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 05 42
<b>Denizli Sanayi Branch</b>	Saraylar Mahallesi Ahi Sinan Caddesi No:36/A Merkezefendi 20010 Denizli	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 05 51
<b>Çiğli Branch</b>	Şirintepe Mah. Anadolu Cad. No:778/3A Çiğli 35620 İzmir	ÇİĞLİ	İZMİR	+ 90 850 204 05 55
<b>Küçükbakkalköy Branch</b>	Küçükbakkalköy Mah. Serdar Sok. No:1 D:3 Ataşehir 34750 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 05 58
<b>Yalova İskele Branch</b>	Süleymanbey Mahallesi Cengiz Koçal Caddesi No:22/1-4 Merkez 77200 YALOVA	MERKEZ	YALOVA	+ 90 850 204 05 59
<b>Antalya Sanayi Branch</b>	Yükseliş Mahallesi Gazi Bulvarı No:123/1 Kepez 07025 Antalya	KEPEZ	ANTALYA	+ 90 850 204 05 60
<b>Alibeyköy Branch</b>	Alibeyköy Mahallesi Namık Kemal Caddesi 30/A Eyüp 34060 İSTANBUL	EYÜP	İSTANBUL	+ 90 850 204 05 61
<b>Cevizli Branch</b>	Orhantepe Mah.Çınar Caddesi No: 9 34865 Cevizli - Kartal - İSTANBUL	KARTAL	İSTANBUL	+ 90 850 204 05 62
<b>Koşuyolu Branch</b>	Koşuyolu Mahallesi, Koşuyolu Caddesi, No:72 A Kadıköy 34718 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 05 63
<b>Eskişehir Bağlar Branch</b>	Yenişehir Mahallesi Üniversite Caddesi 106/A Tepebaşı 26170 ESKİŞEHİR	TEPEBAŞI	ESKİŞEHİR	+ 90 850 204 05 67
<b>Kayseri Eski Sanayi Branch</b>	Sanayi Mahallesi Osman Kavuncu Blv. No:90 Kocasinan 38010 KAYSERİ	KOCASINAN	KAYSERİ	+ 90 850 204 05 72
<b>Yeni Adana Branch</b>	Güzelyalı Mah. Turgut Özal Bulvarı No:90/D Edip Özalın Sitesi B Blok Altı Çukurova 01170 ADANA	ÇUKUROVA	ADANA	+90 850 204 05 73
<b>Çamdibi Branch</b>	Mersinli Mahallesi Fatih Caddesi No:80 Konak 35170 İzmir	KONAK	İZMİR	+90 850 204 05 77
<b>Özlüce Branch</b>	Altınşehir Mahallesi, Ahmet Taner Kışlalı Blv. No:36A/A Nilüfer 16230 BURSA	NİLÜFER	BURSA	+90 850 204 05 79
<b>Mersin Pozcu Branch</b>	İnönü ( Bahçe ) Mah. G.M.K.Bulvarı Emel Sitesi B ve C Blok No: 353 / A 33140 Pozcu -Mersin -İÇEL	MERKEZ	MERSİN	+90 850 204 05 84
<b>Alaşehir Branch</b>	Soğuksu Mahallesi Sekine Evren Caddesi No:87 Alaşehir 45600 Manisa	ALAŞEHİR	MANİSA	+90 850 204 06 64
<b>Bursa Cumhuriyet Caddesi Branch</b>	Tuzpazarı Mah. Cumhuriyet Caddesi No:114 Osmangazi 16020 BURSA	OSMANGAZI	BURSA	+90 850 204 05 87
<b>Göktürk Branch</b>	Göktürk Merkez Mahallesi, İstanbul Caddesi, No:30-32 Göktürk ? Eyüp 34050 İSTANBUL	EYÜP	İSTANBUL	+90 850 204 06 99
<b>Kayseri Corporate Branch</b>	Anbar Mahallesi 14.Cadde No:20 Asma Kat 38070	MELİKGAZI	KAYSERİ	+90 850 204 05 93
<b>Soğanlık Branch</b>	Atatürk Caddesi No : 119 34880 Soğanlık - Kartal - İSTANBUL	KARTAL	İSTANBUL	+90 850 204 05 96

<b>Avcılar E-5 Branch</b>	Cihangir Mahallesi E-5 Yanyol Caddesi No:239 Avcılar 34310 İstanbul	AVCILAR	İSTANBUL	+90 850 204 05 97
<b>Dişarbakır Kayapınar Branch</b>	Selahattin Eyyubi Mahallesi Turgut Özal Bulvarı Yıldem Yapı Sitesi B Blok No:74/A Bağlar 21080 DIŞARBAKIR	BAĞLAR	DIŞARBAKIR	+90 850 204 05 99
<b>Elazığ Hürriyet Caddesi Branch</b>	Nail Bey Mahallesi, Vali Fahribey Caddesi, Huzur İş Merkezi, No: 1/A Merkez 23100 ELAZIĞ	MERKEZ	ELAZIĞ	+90 850 204 06 02
<b>Alanya Sanayi Branch</b>	Cumhuriyet Mahallesi Keykubat Blv. No:218 Alanya 07400 ANTALYA	ALANYA	ANTALYA	+90 850 204 06 04
<b>Sultangazi Branch</b>	Cebeci Mahallesi ,Eski Edirne Asfaltı No: 748 34270 Sultancıflığı 34270 Sultangazi İSTANBUL	SULTANGAZI	İSTANBUL	+90 850 204 06 06
<b>Polatlı Topçu ve Füze Okulu Komutanlığı Branch</b>	İstiklal Mahallesi Refik Cesur Caddesi No:1 Polatlı 06900 Ankara	POLATLI	ANKARA	+90 850 204 07 01
<b>Esenler Branch</b>	Menderes Mahallesi Atışalanı Caddesi No:15 Esenler 34225 İstanbul	ESENLER	İSTANBUL	+90 850 204 06 09
<b>Ümraniye Sanayi Branch</b>	Çakmak Mahallesi Alemdağ Caddesi No:422 Ümraniye 34775 İstanbul	ÜMRANİYE	İSTANBUL	+90 850 204 06 10
<b>Seyrantepe Branch</b>	Seyrantepe Mahallesi İbrahim Karaoğlanoğlu Cad. No:111A/1 Kağıthane 34418 İSTANBUL	KAĞITHANE	İSTANBUL	+90 850 204 06 18
<b>Söke Branch</b>	Konak Mahallesi Aydın Caddesi No:19 Söke 09200 Aydın	SÖKE	AYDIN	+90 850 204 06 59
<b>Buca Branch</b>	Kozağaç Mahallesi Uğur Mumcu Caddesi No:96 Buca 35390 İZMİR	BUCA	İZMİR	+90 850 204 06 96
<b>Manavkuyu Branch</b>	Adalet Mahallesi Manas Bulvarı No: 20/A Bayraklı 35530 İZMİR	BAYRAKLI	İZMİR	+90 850 204 06 25
<b>Dikmen Branch</b>	Ş.Mevlüt Meriç Mahallesi Dikmen Cad. No: 260/15 06460 Dikmen Çankaya - ANKARA	ÇANKAYA	ANKARA	+90 850 204 06 27
<b>Adatepe Branch</b>	Altayçeşme Mahallesi Bağdat Cad. No:287-291 Maltepe 34843 İstanbul	MALTEPE	İSTANBUL	+90 850 204 06 30
<b>Zonguldak Branch</b>	Meşrutiyet Mah. Gazipaşa Cad. No:31 Merkez 67030 ZONGULDAK	MERKEZ	ZONGULDAK	+90 850 204 06 34
<b>Rumeli Corporate Branch</b>	Target İş Merkezi E-5 Yan Yolu üzeri Haramidere mevkii K:5 Beylikdüzü 34520 İSTANBUL	BEYLİKDÜZÜ	İSTANBUL	+90 850 204 06 36
<b>Beykent Branch</b>	Cumhuriyet Mah.Gürpınar Yolu Beylikdüzü San.Sitesi B2 Blok No:325-326-327-328-355-356 B.Çekmece 34500-İST	BÜYÜKÇEKMECE	İSTANBUL	+90 850 204 06 37
<b>Osmaniye Branch</b>	Alibeyli Mahallesi Dr Ahmet Alkan Caddesi No:17/A Merkez 80010 OSMANİYE	MERKEZ	OSMANİYE	+90 850 204 06 42
<b>Kütahya Branch</b>	Gazi Kemal Mahallesi Cumhuriyet Caddesi No:77/B Merkez 43050 KÜTAHYA	MERKEZ	KÜTAHYA	+90 850 204 06 43
<b>Polatlı Branch</b>	Cumhuriyet Mahallesi Ankara Caddesi No: 5 Polatlı 06900 Ankara	POLATLI	ANKARA	+90 850 204 06 57
<b>Gezgin Branch</b>	Dudullu OSB Mahallesi 1. Cad. No:17 Ümraniye 34775 İstanbul	ÜMRANİYE	İSTANBUL	+90 533 373 32 61

<b>Tokat Branch</b>	Kabe-i Mescid Mahallesi Gaziosmanpaşa Bulvarı No:168/A Merkez 60030 Tokat	MERKEZ	TOKAT	+90 850 204 06 51
<b>Mersin Toptancılar Sitesi Branch</b>	Mersin Toptancılar Sitesi (Mertoç) Hal Mahallesi Turgut Özal Bulvarı E Blok No: 92 Akdeniz 33020 Mersin	AKDENİZ	MERSİN	+90 850 204 06 52
<b>Kıraç Branch</b>	Çakmaklı Mahallesi Hadımköy Yolu Caddesi Ufuk Plaza No:57B Büyükçekmece 34500 İSTANBUL	BÜYÜKÇEKMECE	İSTANBUL	+90 850 204 06 54
<b>Ceyhan Branch</b>	Türlübaş Mahallesi Atatürk Caddesi No:260 Ceyhan 01960 Adana	CEYHAN	ADANA	+90 850 204 06 56
<b>Gönen Branch</b>	Akçaali Mahallesi Atatürk Caddesi No: 27 Gönen 10900 Balıkesir	GÖNEN	BALIKESİR	+90 850 204 06 60
<b>Milas Branch</b>	Hacıılyas Mahallesi Menteşe Caddesi Özler İş Hanı Karşısı No:91 Milas 48200 Muğla	MİLAS	MUĞLA	+90 850 204 06 65
<b>Kırşehir Branch</b>	Medrese Mahallesi, M. Kemal Hotamaroğlu Sokak No:2 Merkez 40200 Kırşehir	MERKEZ	KIRŞEHİR	+90 850 204 06 68
<b>Siirt Branch</b>	Bahçelievler Mahallesi Hükümet Bulvarı No:26 Merkez 56100 SİİRT	MERKEZ	SİİRT	+90 850 204 06 71
<b>Lefkoşa Kaymaklı Branch</b>	Küçük Kaymaklı Mahallesi Şht. Mustafa Ahmet Ruso Caddesi (Adres No:3 ve 4) Lefkoşa / KKTC	-	LEFKOŞA / KKTC	+90 392 228 02 55
<b>Denizli Çivril Branch</b>	Çatlar Mahallesi Cumhuriyet Caddesi No:3 Çivril 20600 DENİZLİ	ÇİVRİL	DENİZLİ	+90 850 204 06 84
<b>Çankırı Branch</b>	Yunus AVM Buğday Pazarı Mahallesi Çarşamba Pazarı Caddesi No:4/B116-Z118-Z119 Merkez ÇANKIRI	MERKEZ	ÇANKIRI	+90 850 204 06 73
<b>Karaman Branch</b>	Mansurdede Mahallesi Atatürk Bulvarı No:24 D-E-F Merkez 70200 KARAMAN	MERKEZ	KARAMAN	+90 850 204 06 72
<b>Iğdır Branch</b>	Bağlar Mahallesi, İbrahim Bozyel Caddesi, No: 8/10C Merkez 76103 IĞDIR	MERKEZ	IĞDIR	+90 850 204 06 78
<b>Gebze Akse Sapağı Branch</b>	Mustafapaşa Mahallesi İbrahimağa Caddesi No:75/A Gebze 41400 Kocaeli	GEBZE	KOCAELİ	+90 850 204 06 83
<b>Tatvan Branch</b>	Tuğ Mahallesi Cumhuriyet Caddesi No:214/Z1 Tatvan 13200 BİTLİS	TATVAN	BİTLİS	+90 850 204 06 81
<b>Bozüyük Branch</b>	Yeni Mahalle İsmet İnönü Caddesi No:67 Bozüyük 11300 BİLECİK	BOZÜYÜK	BİLECİK	+90 850 204 06 86
<b>Bartın Branch</b>	Kırtepe Mahallesi Hamam Caddesi No: 5 Merkez 74100 BARTIN	MERKEZ	BARTIN	+ 90 850 204 06 77
<b>Silifke Branch</b>	Mukaddem Mahallesi İnönü Bulvarı No:20 A Silifke 33940 MERSİN	SİLİFKE	MERSİN	+ 90 850 204 06 88
<b>Kadirli Branch</b>	Savrun Mahallesi Atatürk Caddesi No: 46 Kadirli 80760 OSMANİYE	KADİRLİ	OSMANİYE	+ 90 850 204 06 89
<b>Elbistan Branch</b>	Güneşli Mahallesi Dulkadiroğlu Caddesi No:100/B Elbistan 46300 Kahramanmaraş	ELBİSTAN	KAHRAMANMARAŞ	+ 90 850 204 06 85
<b>Nevşehir Branch</b>	Karasoku Mahallesi Atatürk Caddesi No:16/B Merkez 50100 Nevşehir	MERKEZ	NEVŞEHİR	+ 90 850 204 06 94
<b>Yalıkavak Branch</b>	İnönü Caddesi No:101/A-E Yalıkavak Bodrum 48990 MUĞLA	BODRUM	MUĞLA	+90 850 204 06 92

<b>Malatya Çarşı Branch</b>	İzzetiye Mahallesi Şehit Servet Aktaş Caddesi No:8 Battalgazi 44210 Malatya	BATTALGAZİ	MALATYA	+90 850 204 06 90
<b>Uzunköprü Branch</b>	Muradiye Camii Mahallesi Cumhuriyet Caddesi No:1-A Uzunköprü 22300 EDİRNE	UZUNKÖPRÜ	EDİRNE	+90 850 204 06 93
<b>Amasya Branch</b>	Yüzevler Mahallesi Mustafa Kemal Paşa Caddesi No:76/A-B-1 Merkez 05100 AMASYA	MERKEZ	AMASYA	+90 850 204 06 87
<b>Sinop Branch</b>	Meydankapı Mahallesi Kıbrıs Caddesi No:4 Merkez 57000 Sinop	MERKEZ	SİNOP	+90 850 204 06 91
<b>Ünye Branch</b>	Kaledere Mahallesi Akkuş Niksar Caddesi No:6/A Ünye 52300 ORDU	ÜNYE	ORDU	+90 850 204 06 98
<b>Yozgat Branch</b>	Medrese Mahallesi, Şeyhzade Caddesi, No:11/B Merkez 66100 Yozgat	MERKEZ	YOZGAT	+90 850 204 07 00
<b>Erdemli Branch</b>	Merkez Mahallesi, Alparslan Türkeş Bulvarı, No: 561A Erdemli 33730 MERSİN	ERDEMLİ	MERSİN	+ 90 850 204 07 02
<b>Kepez Branch</b>	Teomanpaşa Mahallesi Yeşilırmak Caddesi 34/2 Kepez 07260 Antalya	KEPEZ	ANTALYA	+ 90 850 204 07 04
<b>Fethiye Seydikemer Branch</b>	Cumhuriyet Mahallesi İnönü Caddesi No:40 Kemer Fethiye 48300 Muğla	FETHİYE	MUĞLA	+90 850 204 07 09
<b>Konya Buğday Pazarı Branch</b>	Fevzi Çakmak Mahallesi Adana Çevreyolu Caddesi No:26B-(1 İşyeri) Karatay 42050 KONYA	KARATAY	KONYA	+90 850 204 07 08
<b>Van Yüzüncü Yıl Üniversitesi Branch</b>	Yüzüncü Yıl Üniversitesi Bardakçı Mahallesi Zeve Kampüsü Tuşba 65040 VAN	TUŞBA	VAN	+90 850 204 07 10
<b>Kocasinan Kayseri Branch</b>	Sahabiye Mah. Ahmet Paşa Cad. No: 31-B, 31-C, 31-D, 31-E Kocasinan 38010 KAYSERİ	KOCASINAN	KAYSERİ	+90 850 204 07 13
<b>Ayvalık Branch</b>	İsmetpaşa Mahallesi Atatürk Bulvarı Caddesi No:109 Ayvalık 10400 Balıkesir	AYVALIK	BALIKESİR	+90 850 204 07 14
<b>Dudullu Branch</b>	Necip Fazıl Bulvarı No:7-9 Ümraniye 34773 İstanbul	ÜMRANİYE	İSTANBUL	+90 850 204 07 21
<b>Darıca Branch</b>	Kazımkarabekir Mahallesi İstasyon Caddesi No:509/A Darıca 41700 KOCAELİ	DARICA	KOCAELİ	+90 850 204 07 22
<b>Sarıgöl Branch</b>	Cumhuriyet Mahallesi Aşağı Koçaklar Caddesi No:6/Z01 Sarıgöl 45470 MANİSA	SARIGÖL	MANİSA	+90 850 204 07 23
<b>Saruhanlı Branch</b>	Saruhan Mah. Cumhuriyet Meydanı No:9/2-3 Saruhanlı 45800 MANİSA	SARUHANLI	MANİSA	+90 850 204 07 24
<b>Bayındır Branch</b>	Mithatpaşa Mah. Fevzi Paşa Cad. No:23A Bayındır 35840 İZMİR	BAYINDIR	İZMİR	+90 850 204 07 25
<b>Çumra Branch</b>	İzzetbey Mahalle 72444 Sokak No:3A Daire:1 Çumra 42500 KONYA	ÇUMRA	KONYA	+90 850 204 07 28
<b>Bursa Yenişehir Branch</b>	Ulucami Mahallesi Belediye Meydanı Sokak No:15 Yenişehir 16900 BURSA	YENİŞEHİR	BURSA	+90 850 204 07 26
<b>Bayramiç Branch</b>	Camicedit Mahallesi Atatürk Caddesi no:22 A Bayramiç 17700 ÇANAKKALE	BAYRAMİÇ	ÇANAKKALE	+90 850 204 07 27
<b>Malkara Branch</b>	Camiatik Mahallesi Hürriyet Caddesi No:25/11 Malkara 59300 TEKİRDAĞ	MALKARA	TEKİRDAĞ	+90 850 204 07 30

<b>Sorgun Branch</b>	Çay Mahallesi Cumhuriyet Caddesi No:71 A Sorgun 66700 YOZGAT	SORGUN	YOZGAT	+90 850 204 07 31
<b>Akdeniz Üniversitesi Branch</b>	Akdeniz Üniversitesi Dumlupınar Bulvarı Olbia Çarşısı Kampüs Konyaaltı 07058 ANTALYA	KONYAALTI	ANTALYA	+90 850 204 07 32
<b>Çine Branch</b>	Hamidabat Mahallesi Mehmet Yavaş Caddesi TN:20 No:111/A Çine 09500 AYDIN	ÇİNE	AYDIN	+90 850 204 07 35
<b>Boğazlıyan Branch</b>	Çarşı Mahallesi Mescit Caddesi No:17 Boğazlıyan 66400 YOZGAT	BOĞAZLIYAN	YOZGAT	+90 850 204 07 38
<b>Trakya Üniversitesi Branch</b>	Kocasinan Mahallesi E5 Karayolu Caddesi No:76/13 İç Kapı : 2 Merkez 22030 EDİRNE	MERKEZ	EDİRNE	+90 850 204 07 45
<b>Acıpayam Branch</b>	Yukarı Mahalle Çarşı Caddesi No:8/A Acıpayam 20800 Denizli	ACIPAYAM	DENİZLİ	+90 850 204 07 42
<b>Kalkan Branch</b>	Kalkan Mahallesi Milli Egemenlik Caddesi No:1/1 Kaş 07960 ANTALYA	KAŞ	ANTALYA	+90 850 204 07 44
<b>Zile Branch</b>	Cedid Mahallesi İstasyon Caddesi No:13A/13B Zile 60400 TOKAT	ZİLE	TOKAT	+90 850 204 07 43
<b>Mut Branch</b>	Doğancı Mahallesi Atatürk Bulvarı No:48/A-B Mut 33600 MERSİN	MUT	MERSİN	+90 850 204 07 46
<b>Geyve Branch</b>	Camikebir Mahallesi, Elvan Bey Sokak No:66 A-1 Geyve 54700 SAKARYA	GEYVE	SAKARYA	+90 850 204 07 52
<b>Ege Üniversitesi Branch</b>	Kazım Dirik Mahallesi Üniversite Caddesi No:9/47A Bornova 35100 İZMİR	BORNOVA	İZMİR	+90 850 204 07 54
<b>Emirdağ Branch</b>	Yenidoğan Mahallesi Şehit Er Yüksel Yeşildağ Caddesi No:4/1-2 Emirdağ 03600 AFYONKARAHİSAR	EMİRDAĞ	AFYONKARA HİSAR	+90 850 204 07 55
<b>Vezirköprü Branch</b>	Fazıl Ahmet Mahallesi,Fazıl Mustafa Paşa Caddesi,No:65 Vezirköprü 55900 SAMSUN	VEZİRKÖPRÜ	SAMSUN	+90 850 204 07 60
<b>Çubuk Branch</b>	Yıldırım Beyazıt Mahallesi Ankara (1.Kısım) Bulvarı, B Blok Özdemirler Apartmanı No:29 G- H Çubuk 06760 ANKARA	ÇUBUK	ANKARA	+90 850 204 07 61
<b>Develi Branch</b>	İbrahimağa Mahallesi Cumhuriyet Caddesi Belediye İş Merkezi No:2/1B Develi 38400 KAYSERİ	DEVELİ	KAYSERİ	+90 850 204 07 63
<b>Ege Üniversitesi Kampüsü Branch</b>	Erzene Mahallesi, Ankara Caddesi, 172/15 B Bornova 35040 İZMİR	BORNOVA	İZMİR	+90 850 204 07 74

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR’S REPORT ON THE BOARD OF DIRECTOS’  
ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH**

**(CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S  
ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)**

**INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT**

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

**1) Opinion**

As we have audited the full set consolidated and unconsolidated financial statements of Türk Ekonomi Bankası A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") for the period between 01/01/2019–31/12/2019, we have also audited the annual report for the same period.

In our opinion, the consolidated and unconsolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit.

**2) Basis for Opinion**

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Bank in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**3) Auditor's Opinion for the Full Set Consolidated and Unconsolidated Financial Statements**

We have presented unqualified opinion for the Bank's full set consolidated and unconsolidated financial statements for the period between 01/01/2019–31/12/2019 in our Auditor's Report dated 5 February 2020.

**4) Management's Responsibility for the Annual Report**

The Bank Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and the regulation on "Preparing and Publishing the Annual Report by Banks" published in the Official Gazette dated 1 November 2006 and No. 26333 ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,

- b) Preparing the annual report with the all respects of the Bank's flow of operations for that year and the Bank's financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the financial statements. The Bank's development and risks that the Bank may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
- The significant events occurred in the Bank's activities subsequent to the financial year ends,
  - The Bank's research and development activities,
  - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Banking Regulation and Supervision Agency and the Ministry of Trade and related institutions while preparing the annual report.

## 5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit

The engagement partner on the audit resulting in this independent auditor's report is Yaman Polat.

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

Yaman Polat  
Partner

İstanbul, 28 February 2020

## **SECTION 4- UNCONSOLIDATED FINANCIAL STATEMENTS**

### **PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE PERIOD FROM 1 JANUARY TO DECEMBER 2019**

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

**TÜRK EKONOMİ BANKASI A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS AND DISCLOSURES  
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2019 WITH  
INDEPENDENT AUDITOR'S REPORT**

**(CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)**

**INDEPENDENT AUDITOR’S REPORT**

**To the General Assembly of Türk Ekonomi Bankası AŞ.**

**A) Report on the Audit of the Financial Statements**

**1) Opinion**

We have audited the financial statements of Türk Ekonomi Bankası AŞ (the “Bank”), which comprise the balance sheet as at 31 December 2019, and the statement of income, statement of income and expense items accounted for under shareholders’ equity, statement of changes in shareholders’ equity and statement of cash flows for the year then ended and, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and 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 BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

**2) Basis for Opinion**

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3) Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p data-bbox="190 310 781 342"><b><i>Impairment of loans in accordance with TFRS 9</i></b></p> <p data-bbox="190 373 844 594">Impairment of loans is a key area of judgment for the management. The Bank has the total loans and receivables amounting to TL 69,218,035 thousands, which comprise 64% of the Bank's total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 3,640,892 as at 31 December 2019.</p> <p data-bbox="190 625 844 1136">As of 1 January 2018, the Bank has started to recognize provisions for impairment in accordance with the TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this respect, the method of provisions for impairment as set out in accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies has been changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p data-bbox="190 1167 844 1583">The Bank exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses/provisions provided/will be provided may not meet the requirements of the TFRS 9. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans is considered as a key audit matter.</p> <p data-bbox="190 1614 844 1680">Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p>	<p data-bbox="860 310 1500 375">As part of our audit work, the following procedures were performed:</p> <p data-bbox="860 407 1500 609">We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Bank with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p data-bbox="860 640 1500 741">We have assessed and analysed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples.</p> <p data-bbox="860 772 1500 1008">We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p data-bbox="860 1039 1500 1444">We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p data-bbox="860 1476 1500 1541">We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p data-bbox="860 1572 1500 1776">We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets' exposure periods.</p>

Key Audit Matters	How the matter was addressed in the audit
	<p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per Bank's policy by means of supporting data, and evaluated appropriateness via communications with management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Bank with respect to loans and receivables and related impairment provisions.</p>
<p><b>Pension Fund Obligations</b></p> <p>Defined benefit pension plan that the Bank provides to its employees is managed by Fortis Bank AŞ Mensupları Emekli Sandığı ("Plan") which is established by the 20th provisional article of the Social Security Law numbered 506 (the "Law").</p> <p>As disclosed in the Section III Note XVII to the unconsolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation ("SSF") as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Bank that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds' members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation voucher.</p> <p>As of 31 December 2019, the Bank's transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation of the</p>	<p>Our audit work included the following procedures:</p> <p>We involved external experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Bank's actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations and legislation used in the calculations and whether the assumptions are reasonable.</p>

Key Audit Matters	How the matter was addressed in the audit
<p>Plan liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section V Note II.8.c2 considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the Law, we considered this as a key audit matter.</p>	
<p><b><i>Information Technologies Audit</i></b></p> <p>The Bank and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Bank and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Bank means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk based scoping.</p>	<p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> <li>• We identified and tested the Banks' controls over information systems as part of our audit procedures.</li> <li>• Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> <li>• Security management</li> <li>• Change management</li> <li>• Operations management</li> </ul> </li> <li>• We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.</li> <li>• We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.</li> </ul>

Key Audit Matters	How the matter was addressed in the audit
	<ul style="list-style-type: none"> <li>Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation.</li> <li>We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.</li> <li>Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</li> </ul>

#### **4) Other Matter**

The unconsolidated financial statements of the Bank for the year ended 31 December 2018 was audited by another auditor who expressed an unqualified opinion on 6 February 2019.

#### **5) Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

#### **6) Auditor's Responsibilities for the Audit of the Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**B) Other Responsibilities Arising From Regulatory Requirements**

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Bank’s set of accounts for the period 1 January - 31 December 2019 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

**Additional Paragraph for English Translation**

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

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

Yaman Polat, SMMM  
Partner

İstanbul, 5 February 2020

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

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.  
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2019**

Address : Saray Mahallesi Sokullu Caddesi No: 7/A – 7/B  
Ümraniye 34768 - İstanbul  
Telephone : (0 216) 635 35 35  
Fax : (0 216) 636 36 36  
Website : [www.teb.com.tr](http://www.teb.com.tr)  
E-mail : [yatirimciiliskileri@teb.com.tr](mailto:yatirimciiliskileri@teb.com.tr)

The unconsolidated financial report for the year-end 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 Footnotes on Unconsolidated Financial Statements
- Other Explanations
- Independent Auditor’s Report

The accompanying audited unconsolidated financial statements, related disclosures and footnotes which are 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 guidances, and incompliance with the financial records of our Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Yavuz Canevi	Nicolas de Baudinet	Ayşe Aşardağ	Ümit Leblebici	M. Aşkın Dolaştır	Gökhan Kazcılar
Chairman of the	de Courcelles	Vice Chairman of the	Chief	Assistant General	Director
Board of the	Chairman of the	Audit Committee	Executive	Manager Responsible of	Responsible of
Directors	Audit Committee	Audit Committee	Officer	Financial Reporting	Financial Reporting

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

Name-Surname/Title : Ashlhan Kaya / External Reporting Senior Manager  
Telephone Number : (0216) 635 24 51  
Fax Number : (0216) 636 36 36

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## TÜRK EKONOMİ BANKASI A.Ş.

### NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### SECTION ONE

#### GENERAL INFORMATION

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

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

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

As of 31 December 2019 and 31 December 2018 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2019		31 December 2018	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	<b>2,204,390</b>	<b>100.00</b>	<b>2,204,390</b>	<b>100.00</b>

As of 31 December 2019, the Bank’s paid-in-capital consists of 2,204,390,000 shares of TL1.00 (full TL) nominal each.

## TÜRK EKONOMİ BANKASI A.Ş.

### NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

<u>Name</u>	<u>Title</u>	<u>Education</u>
<b>Board of Directors;</b>		
Yavuz Canevi	Chairman of the Board of Directors	Master
Dr.Akın Akbaygil	Deputy Chairman of the Board of Directors	PhD
Jean Paul Sabet	Deputy Chairman of the Board of Directors	University
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
François Andre Jesualdo Benaroya	Member of the Board of Directors	University
Yvan L.A.M De Cock	Member of the Board of Directors and Audit Committee	University
Sabri Davaz	Member of the Board of Directors and Audit Committee	Master
Xavier Henri Jean Guilmineau	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Jacques Roger Jean Marie Rinino	Member of the Board of Directors	University
Nicolas de Baudinet de Courcelles	Member of the Board of Directors and Chairman of the Audit Committee	University
Ümit Leblebici	General Manager and the Executive Director	Master
<b>Assistant General Managers;</b>		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Dr.Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources Group	PhD
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	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
Kubilay Güler	Assistant General Manager Responsible from Banking Operations and Support Services	University
Gülümser Özgün Henden	Assistant General Manager Responsible from Corporate Banking Group	University
Dr.Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay	Assistant General Manager Responsible from Fixed Income	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
<b>Group Heads (*);</b>		
Nimet Elif Akpınar	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
<b>Internal Audit (*);</b>		
Hakan Tıraşın	Head of Internal Audit Group	University

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

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

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

**IV. Information on the Bank's Qualified Shareholders**

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

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

**V. Summary on the Bank's Functions and Lines of Activity**

The Bank's operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2019, the Bank has 467 local branches and 4 foreign branches (31 December 2018: 499 local branches, 4 foreign branches). As of 31 December 2019, the number of employees of the Bank is 8,954 (31 December 2018: 9,487).

**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 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.

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

None.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

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

# TÜRK EKONOMİ BANKASI A.Ş

## UNCONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019 AND 2018

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

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

ASSETS	Section 5 Note	Audited Current Period 31.12.2019			Audited Prior Period 31.12.2018		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>8,076,181</b>	<b>22,007,009</b>	<b>30,083,190</b>	<b>9,317,685</b>	<b>17,555,748</b>	<b>26,873,433</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>2,626,642</b>	<b>18,709,959</b>	<b>21,336,601</b>	<b>3,121,543</b>	<b>16,730,683</b>	<b>19,852,226</b>
1.1.1 Cash and Balances with Central Bank	(I-1)	716,053	11,239,917	11,955,970	1,958,549	13,702,503	15,661,052
1.1.2 Banks	(I-4)	1,071,174	7,480,991	8,552,165	883,031	3,035,405	3,918,436
1.1.3 Money Markets		840,263	-	840,263	281,696	-	281,696
1.1.4 Expected Loss Provision (-)		848	10,949	11,797	1,733	7,225	8,958
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>		<b>426,084</b>	<b>869,339</b>	<b>1,295,423</b>	<b>427,287</b>	<b>189,287</b>	<b>616,574</b>
1.2.1 Government Debt Securities	(I-2)	385,317	782,677	1,167,994	391,248	136,646	527,894
1.2.2 Equity Securities		40,767	84,258	125,025	36,039	52,641	88,680
1.2.3 Other Financial Assets		-	2,404	2,404	-	-	-
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(I-5)</b>	<b>3,323,142</b>	<b>2,216,475</b>	<b>5,539,617</b>	<b>2,865,819</b>	<b>425,538</b>	<b>3,291,357</b>
1.3.1 Government Debt Securities		3,315,247	2,216,475	5,531,722	2,860,209	425,538	3,285,747
1.3.2 Equity Securities		7,895	-	7,895	5,610	-	5,610
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>		<b>1,700,313</b>	<b>211,236</b>	<b>1,911,549</b>	<b>2,903,036</b>	<b>210,240</b>	<b>3,113,276</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	1,473,795	196,247	1,670,042	2,400,557	210,240	2,610,797
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	226,518	14,989	241,507	502,479	-	502,479
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>57,002,218</b>	<b>13,480,439</b>	<b>70,482,657</b>	<b>53,136,021</b>	<b>13,654,882</b>	<b>66,790,903</b>
<b>2.1 Loans</b>	<b>(I-6)</b>	<b>56,725,319</b>	<b>12,492,716</b>	<b>69,218,035</b>	<b>52,890,819</b>	<b>13,957,788</b>	<b>66,848,607</b>
<b>2.2 Lease Receivables</b>	<b>(I-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>	<b>(I-7)</b>	<b>3,549,987</b>	<b>1,356,631</b>	<b>4,906,618</b>	<b>2,792,080</b>	<b>-</b>	<b>2,792,080</b>
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>(I-7)</b>	<b>3,549,987</b>	<b>1,356,631</b>	<b>4,906,618</b>	<b>2,792,080</b>	<b>-</b>	<b>2,792,080</b>
2.4.1 Government Debt Securities		3,549,987	1,356,631	4,906,618	2,792,080	-	2,792,080
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Loss (-)</b>	<b>(I-6)</b>	<b>3,273,088</b>	<b>368,908</b>	<b>3,641,996</b>	<b>2,546,878</b>	<b>302,906</b>	<b>2,849,784</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		<b>131,362</b>	<b>-</b>	<b>131,362</b>	<b>109,104</b>	<b>-</b>	<b>109,104</b>
3.1 Held for Sale Purpose	(I-17)	131,362	-	131,362	109,104	-	109,104
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>115,991</b>	<b>-</b>	<b>115,991</b>	<b>115,991</b>	<b>-</b>	<b>115,991</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(I-8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	<b>(I-9)</b>	<b>115,986</b>	<b>-</b>	<b>115,986</b>	<b>115,986</b>	<b>-</b>	<b>115,986</b>
4.2.1 Unconsolidated Financial Subsidiaries		115,986	-	115,986	115,986	-	115,986
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(I-10)</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>5</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	<b>(I-13)</b>	<b>877,782</b>	<b>-</b>	<b>877,782</b>	<b>292,290</b>	<b>-</b>	<b>292,290</b>
<b>VI. INTANGIBLE ASSETS(Net)</b>	<b>(I-14)</b>	<b>555,886</b>	<b>-</b>	<b>555,886</b>	<b>528,440</b>	<b>-</b>	<b>528,440</b>
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		134,762	-	134,762	107,316	-	107,316
<b>VII. INVESTMENT PROPERTIES(Net)</b>	<b>(I-15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>10,958</b>	<b>-</b>	<b>10,958</b>	<b>1,358</b>	<b>-</b>	<b>1,358</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(I-16)</b>	<b>650,094</b>	<b>-</b>	<b>650,094</b>	<b>187,325</b>	<b>-</b>	<b>187,325</b>
<b>X. OTHER ASSETS(Net)</b>	<b>(I-18)</b>	<b>2,345,923</b>	<b>2,096,325</b>	<b>4,442,248</b>	<b>1,770,822</b>	<b>327,498</b>	<b>2,098,320</b>
<b>TOTAL ASSETS</b>		<b>69,766,395</b>	<b>37,583,773</b>	<b>107,350,168</b>	<b>65,459,036</b>	<b>31,538,128</b>	<b>96,997,164</b>

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

**UNCONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019 AND 2018**

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

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

LIABILITIES		Section 5 Note	Audited Current Period 31.12.2019			Audited Prior Period 31.12.2018		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	(II-1)	34,476,076	37,718,252	72,194,328	37,110,317	27,106,849	64,217,166
<b>II.</b>	<b>FUNDS BORROWED</b>	(II-3)	307,801	8,269,181	8,576,982	243,558	11,522,605	11,766,163
<b>III.</b>	<b>MONEY MARKET FUNDS</b>	(II-4)	1,317,498	327,167	1,644,665	62,543	-	62,543
<b>IV.</b>	<b>SECURITIES ISSUED (Net)</b>	(II-3)	2,333,877	-	2,333,877	526,592	-	526,592
4.1	Bills		2,333,877	-	2,333,877	526,592	-	526,592
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
<b>V.</b>	<b>FUNDS</b>		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
<b>VI.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>		3,404,041	107,517	3,511,558	2,682,982	81,961	2,764,943
7.1	Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	1,486,334	100,250	1,586,584	2,298,657	77,104	2,375,761
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-7)	1,917,707	7,267	1,924,974	384,325	4,857	389,182
<b>VIII.</b>	<b>FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX.</b>	<b>LEASE LIABILITIES (Net)</b>	(II-6)	614,030	39,677	653,707	-	-	-
<b>X.</b>	<b>PROVISIONS</b>	(II-8)	657,461	168,521	825,982	557,825	102,307	660,132
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		352,885	22,713	375,598	311,811	17,335	329,146
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		304,576	145,808	450,384	246,014	84,972	330,986
<b>XI.</b>	<b>CURRENT TAX LIABILITY</b>	(II-9)	213,516	-	213,516	291,338	-	291,338
<b>XII.</b>	<b>DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XIII.</b>	<b>LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(I-10)	-	-	-	-	-	-
13.1	Held For Sale		-	-	-	-	-	-
13.2	Held From Discontinued Operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SUBORDINATED DEBT INSTRUMENTS</b>	(I-11)	-	3,190,503	3,190,503	-	2,843,148	2,843,148
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	3,190,503	3,190,503	-	2,843,148	2,843,148
<b>XV.</b>	<b>OTHER LIABILITIES</b>		4,029,751	454,725	4,484,476	3,423,548	703,083	4,126,631
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(II-12)	9,705,323	15,251	9,720,574	9,751,981	(13,473)	9,738,508
16.1	Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2	Capital Reserves		390,297	-	390,297	486,644	-	486,644
16.2.1	Share Premiums		2,565	-	2,565	2,565	-	2,565
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		387,732	-	387,732	484,079	-	484,079
16.3	Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit and Loss		312,187	-	312,187	300,620	-	300,620
16.4	Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit and Loss		(884,581)	15,251	(869,330)	147,651	(13,473)	134,178
16.5	Profit Reserves		6,603,179	-	6,603,179	5,601,476	-	5,601,476
16.5.1	Legal Reserves		398,568	-	398,568	348,483	-	348,483
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		6,194,919	-	6,194,919	5,143,756	-	5,143,756
16.5.4	Other Profit Reserves		9,692	-	9,692	109,237	-	109,237
16.6	Profit or Loss		1,079,851	-	1,079,851	1,011,200	-	1,011,200
16.6.1	Prior Periods' Profit / Loss		9,497	-	9,497	9,497	-	9,497
16.6.2	Current Periods' Profit / Loss		1,070,354	-	1,070,354	1,001,703	-	1,001,703
16.7	Minority Shares		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>			<b>57,059,374</b>	<b>50,290,794</b>	<b>107,350,168</b>	<b>54,650,684</b>	<b>42,346,480</b>	<b>96,997,164</b>

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

# TÜRK EKONOMİ BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2019 AND 2018

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

### II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited Current Period 31.12.2019			Audited Prior Period 31.12.2018			
		Section 5						
		Note	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS (I+II+III)		67,739,091	87,362,056	155,101,147	70,059,711	79,277,598	149,337,309
I.	GUARANTEES AND WARRANTIES	(III-1)	9,130,519	13,244,967	22,375,486	9,302,313	13,368,187	22,670,500
1.1	Letters of Guarantee		6,481,105	7,071,936	13,553,041	6,884,185	7,188,291	14,072,476
1.1.1	Guarantees Subject to State Tender Law		93,314	79,406	172,720	123,696	83,710	207,406
1.1.2	Guarantees Given for Foreign Trade Operations		319,439	417,745	737,184	412,617	489,797	902,414
1.1.3	Other Letters of Guarantee		6,068,352	6,574,785	12,643,137	6,347,872	6,614,784	12,962,656
1.2	Bank Acceptances		-	12,915	12,915	-	34,672	34,672
1.2.1	Import Letter of Acceptance		-	12,915	12,915	-	34,672	34,672
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		260	2,623,591	2,623,851	2,738	2,689,073	2,691,811
1.3.1	Documentary Letters of Credit		-	1,119,305	1,119,305	400	1,355,735	1,356,135
1.3.2	Other Letters of Credit		260	1,504,286	1,504,546	2,338	1,333,338	1,335,676
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		2,649,033	2,382,926	5,031,959	2,414,187	2,423,901	4,838,088
1.9	Other Collaterals		121	1,153,599	1,153,720	1,203	1,032,250	1,033,453
II.	COMMITMENTS	(III-1)	16,821,291	3,460,708	20,281,999	13,163,298	2,913,113	16,076,411
2.1	Irrevocable Commitments		16,821,291	3,460,708	20,281,999	13,163,298	2,913,113	16,076,411
2.1.1	Asset Purchase Commitments		1,406,402	2,278,420	3,684,822	1,082,628	2,046,312	3,128,940
2.1.2	Deposit Purchase and Sale Commitments		-	759,924	759,924	-	603,610	603,610
2.1.3	Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		5,059,676	174,696	5,234,372	4,243,982	158,227	4,402,209
2.1.5	Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		1,769,641	-	1,769,641	1,681,617	-	1,681,617
2.1.8	Tax and Fund Liabilities from Export Commitments		71,566	-	71,566	54,955	-	54,955
2.1.9	Commitments for Credit Card Limits		8,506,931	-	8,506,931	6,093,650	-	6,093,650
2.1.10	Commitments for Credit Cards and Banking Services Promotions		4,975	-	4,975	4,357	-	4,357
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		2,100	247,668	249,768	2,109	104,964	107,073
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(III-2)	41,787,281	70,656,381	112,443,662	47,594,100	62,996,298	110,590,398
3.1	Derivative Financial Instruments for Hedging Purposes		16,303,838	9,650,297	25,954,135	17,040,694	7,618,300	24,658,994
3.1.1	Fair Value Hedge		-	1,740,184	1,740,184	-	-	-
3.1.2	Cash Flow Hedge		16,303,838	7,910,113	24,213,951	17,040,694	7,618,300	24,658,994
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Held for Trading Transactions		25,483,443	61,006,084	86,489,527	30,553,406	55,377,998	85,931,404
3.2.1	Forward Foreign Currency Buy/Sell Transactions		3,905,504	6,836,778	10,742,282	4,332,308	7,661,498	11,993,806
3.2.1.1	Forward Foreign Currency Transactions-Buy		2,186,296	3,210,603	5,396,899	2,332,275	3,784,324	6,116,599
3.2.1.2	Forward Foreign Currency Transactions-Sell		1,719,208	3,626,175	5,345,383	2,000,033	3,877,174	5,877,207
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		18,588,736	48,542,952	67,131,688	21,043,153	40,077,130	61,120,283
3.2.2.1	Foreign Currency Swap-Buy		4,003,482	25,326,796	29,330,278	6,449,446	22,606,834	29,056,280
3.2.2.2	Foreign Currency Swap-Sell		12,453,254	16,946,840	29,400,094	14,283,707	14,681,284	28,964,991
3.2.2.3	Interest Rate Swaps-buy		1,066,000	3,134,658	4,200,658	155,000	1,394,506	1,549,506
3.2.2.4	Interest Rate Swaps-Sell		1,066,000	3,134,658	4,200,658	155,000	1,394,506	1,549,506
3.2.3	Foreign Currency, Interest Rate and Securities Options		2,952,821	5,548,060	8,500,881	5,177,945	7,497,597	12,675,542
3.2.3.1	Foreign Currency Options-Buy		1,726,935	2,562,617	4,289,552	2,295,403	4,065,930	6,361,333
3.2.3.2	Foreign Currency Options-Sell		1,225,886	2,985,443	4,211,329	2,882,542	3,431,667	6,314,209
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		36,362	35,164	71,526	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		36,362	-	36,362	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	35,164	35,164	-	-	-
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		20	43,130	43,150	-	141,773	141,773
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		155,126,352	34,382,041	189,508,393	159,485,118	37,355,867	196,840,985
IV.	ITEMS HELD IN CUSTODY		22,692,296	3,362,169	26,054,465	20,401,124	2,651,399	23,052,523
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held In Custody		12,683,121	1,926,086	14,609,207	9,683,981	1,224,567	10,908,548
4.3	Cheques Received for Collection		9,224,197	917,651	10,141,848	9,855,135	906,310	10,761,445
4.4	Commercial Notes Received for Collection		501,378	129,625	631,003	515,021	149,903	664,924
4.5	Other assets Received for Collection		125	388,807	388,932	-	370,619	370,619
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items under Custody		283,475	-	283,475	346,987	-	346,987
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		127,978,988	30,359,974	158,338,962	133,414,971	33,470,037	166,885,008
5.1	Marketable Securities		362,798	100,651	463,449	456,962	914,680	1,371,642
5.2	Guarantee Notes		48,526,817	20,196,846	68,723,663	51,361,896	20,618,260	71,980,156
5.3	Commodity		50,194	-	50,194	17,208	671,712	688,920
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		69,855,979	7,236,289	77,092,268	73,124,364	6,604,523	79,728,887
5.6	Other Pledged Items		9,183,200	2,826,188	12,009,388	8,454,541	4,660,862	13,115,403
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		4,455,068	659,898	5,114,966	5,669,023	1,234,431	6,903,454
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)			222,865,443	121,744,097	344,609,540	229,544,829	116,633,465	346,178,294

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

# TÜRK EKONOMİ BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018

(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	Audited Current Period 01.01.-31.12.2019	Audited Prior Period 01.01.-31.12.2018
I.	INTEREST INCOME	(IV-1)	12,421,958	11,268,525
1.1	Interest Income on Loans		10,668,055	9,694,495
1.2	Interest Income on Reserve Requirements		108,777	134,151
1.3	Interest Income on Banks		234,267	224,764
1.4	Interest Income on Money Market Transactions		245,284	98,391
1.5	Interest Income on Securities Portfolio		1,131,686	1,111,821
1.5.1	Financial Assets at Fair Value Through Profit or Loss		187,881	166,934
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		330,963	509,157
1.5.3	Financial Assets Measured at Amortized Cost		612,842	435,730
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		33,889	4,903
II.	INTEREST EXPENSE (-)	(IV-2)	6,922,720	7,062,436
2.1	Interest Expense on Deposits		5,645,472	6,274,854
2.2	Interest Expense on Funds Borrowed		517,583	469,690
2.3	Interest Expense on Money Market Transactions		115,205	56,987
2.4	Interest Expense on Securities Issued		514,885	251,345
2.5	Interest Expense on Leases		104,031	-
2.5	Other Interest Expenses		25,544	9,560
III.	NET INTEREST INCOME (I - II)		5,499,238	4,206,089
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		1,437,676	1,270,224
4.1	Fees and Commissions Received		2,312,015	1,913,803
4.1.1	Non-cash Loans		285,265	227,286
4.1.2	Other	(IV-12)	2,026,750	1,686,517
4.2	Fees and Commissions Paid (-)		874,339	643,579
4.2.1	Non-cash Loans		4,971	3,223
4.2.2	Other	(IV-12)	869,368	640,356
V.	DIVIDEND INCOME	(IV-3)	18,570	16,908
VI.	TRADING INCOME / LOSS (Net)	(IV-4)	(1,010,533)	(424,922)
6.1	Securities Trading Gains / Losses		125,374	(178,628)
6.2	Gains / Losses on Derivative Financial Instruments		(911,169)	2,873,301
6.3	Foreign Exchange Gains / Losses		(224,738)	(3,119,595)
VII.	OTHER OPERATING INCOME	(IV-5)	134,615	107,021
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII+VIII)		6,079,566	5,175,320
IX.	EXPECTED CREDIT LOSS (-)	(IV-6)	1,404,288	1,228,110
X.	OTHER PROVISION EXPENSES (-)	(IV-6)	89,173	19,644
XI.	PERSONNEL EXPENSE (-)		1,445,655	1,247,821
XII.	OTHER OPERATING EXPENSES (-)	(IV-7)	1,726,687	1,399,025
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		1,413,763	1,280,720
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES		-	-
	CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS		-	-
	(XIII+...+XVI)	(IV-8)	1,413,763	1,280,720
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-9)	(343,409)	(279,017)
18.1	Current Tax Provision		(525,749)	(179,473)
18.2	Deferred Tax Income Effect(+)		(211,949)	(607,578)
18.3	Deferred Tax Expense Effect(-)		394,289	508,034
XIX.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED		-	-
	OPERATIONS (XVII±XVIII)	(IV-10)	1,070,354	1,001,703
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		-	-
	(XIX-XX)	(IV-8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-9)	-	-
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)	(IV-10)	-	-
XXV.	NET INCOME/LOSS (XIX+XXIV)	(IV-11)	1,070,354	1,001,703
25.1	Group's Profit / Loss		1,070,354	1,001,703
25.2	Minority Interest Profit / Loss (-)		-	-
	Earnings per Share		0.4856	0.4544

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

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018**

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

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

	Audited Current Period 01.01 - 31.12.2019	Audited Prior Period 01.01 - 31.12.2018
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>1,070,354</b>	<b>1,001,703</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(991,941)</b>	<b>5,934</b>
<b>2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss</b>	<b>11,567</b>	<b>(25,388)</b>
2.1.1 Gains (losses) on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Gains (losses) on Revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on Remeasurements of Defined Benefit Plans	10,775	(32,831)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	3,061	877
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	(2,269)	6,566
<b>2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss</b>	<b>(1,003,508)</b>	<b>31,322</b>
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income	201,250	(135,494)
2.2.3 Income (loss) related with Cash Flow Hedges	(1,463,373)	175,504
2.2.4 Income (loss) related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Other Profit or Loss	-	-
2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	258,615	(8,688)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>78,413</b>	<b>1,007,637</b>

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

**TÜRK EKONOMİ BANKASI A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2019 AND 2018**

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Shares	Minority Shares	Total Shareholders' Equity
<b>Prior Period – 01.01-31.12.2018</b>																
<b>I. Prior Period End Balance</b>	2,204,390	2,565	-	670,697	266,122	58,967	919	-	(31,549)	136,593	4,632,637	1,078,336	-	9,019,677	-	9,019,677
<b>II. Corrections According to TAS 8</b>	-	-	-	(186,618)	-	-	-	-	(2,188)	-	-	-	-	(188,806)	-	(188,806)
2.1 The Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The Effects of Changes in Accounting Policy	-	-	-	(186,618)	-	-	-	-	(2,188)	-	-	-	-	(188,806)	-	(188,806)
<b>III. New Balance (I+II)</b>	2,204,390	2,565	-	484,079	266,122	58,967	919	-	(33,737)	136,593	4,632,637	1,078,336	-	8,830,871	-	8,830,871
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	(26,265)	877	-	(105,818)	137,140	-	-	1,001,703	1,007,637	-	1,007,637
<b>V. Capital Increase by Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase by Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in Capital Inflation Adjustment Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds to Shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase/Decrease by Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	968,839	(1,068,839)	-	(100,000)	-	(100,000)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	968,839	(968,839)	-	(100,000)	-	(100,000)
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance 31.12.2018 (III+IV+V+VI+VII+VIII+IX+X+XI)</b>	2,204,390	2,565	-	484,079	266,122	32,702	1,796	-	(139,555)	273,733	5,601,476	9,497	1,001,703	9,738,508	-	9,738,508
<b>Current Period – 01.01-31.12.2019</b>																
<b>I. Prior Period End Balance</b>	2,204,390	2,565	-	484,079	266,122	32,702	1,796	-	(139,555)	273,733	5,601,476	1,011,200	-	9,738,508	-	9,738,508
<b>II. Corrections According to TAS 8</b>	-	-	-	(96,347)	-	-	-	-	-	-	-	-	-	(96,347)	-	(96,347)
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	(96,347)	-	-	-	-	-	-	-	-	-	(96,347)	-	(96,347)
<b>III. Adjusted Beginning Balance (I+II)</b>	2,204,390	2,565	-	387,732	266,122	32,702	1,796	-	(139,555)	273,733	5,601,476	1,011,200	-	9,642,161	-	9,642,161
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	8,620	2,947	-	156,976	(1,160,484)	-	-	1,070,354	78,413	-	78,413
<b>V. Capital Increase by Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase by Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in Capital Inflation Adjustment Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds to Shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase/Decrease by Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	1,001,703	(1,001,703)	-	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1,001,703	(1,001,703)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance 31.12.2019 (III+IV+V+VI+VII+VIII+IX+X+XI)</b>	2,204,390	2,565	-	387,732	266,122	41,322	4,743	-	17,421	(886,751)	6,603,179	9,497	1,070,354	9,720,574	-	9,720,574

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 unconsolidated financial statements.

# TÜRK EKONOMİ BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2019 AND 2018

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

### VI. STATEMENT OF CASH FLOWS

	Section 5 Note	Audited Current Period 01.01- 31.12.2019	Audited Prior Period 01.01- 31.12.2018
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>5,937,882</b>	<b>1,481,582</b>
1.1.1 Interest received		12,007,518	10,513,359
1.1.2 Interest paid		(7,194,011)	(6,817,413)
1.1.3 Dividend received		18,570	16,908
1.1.4 Fees and commissions received		2,281,887	1,935,673
1.1.5 Other income		2,327,241	3,005,337
1.1.6 Collections from previously written off loans		1,077,143	861,688
1.1.7 Payments to personnel and service suppliers		(1,427,250)	(1,232,546)
1.1.8 Taxes paid		(741,734)	(156,825)
1.1.9 Others	(VI-1)	(2,411,482)	(6,644,599)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(369,676)</b>	<b>5,335,575</b>
1.2.1 Net (increase) in financial asset at fair value through profit or loss		(676,907)	(123,938)
1.2.2 Net increase/ decrease in due from banks and other financial institutions		-	-
1.2.3 Net (increase) in loans		(1,672,926)	(3,249,979)
1.2.4 Net (increase) in other assets		(261,210)	(56,907)
1.2.5 Net (decrease) in bank deposits		1,684,589	(46,891)
1.2.6 Net increase in other deposits		4,986,559	7,859,213
1.2.7 Net increase / decrease in financial asset at fair value through profit or loss		-	-
1.2.8 Net (decrease) in funds borrowed		(3,151,430)	(1,045,132)
1.2.9 Net increase / decrease in matured payables		-	-
1.2.10 Net increase in other liabilities	(VI-1)	(1,278,351)	1,999,209
<b>I. Net cash provided from banking operations</b>		<b>5,568,206</b>	<b>6,817,157</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(4,425,930)</b>	<b>(639,033)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.3 Cash paid for purchase of tangible assets		(277,408)	(99,748)
2.4 Cash obtained from sale of tangible assets		22,128	2,541
2.5 Cash paid for purchase of financial assets at fair value through other comprehensive income		(4,627,548)	(1,178,960)
2.6 Cash obtained from sale of financial assets at fair value through other comprehensive income		2,281,659	987,425
2.7 Cash paid for purchase of financial assets measured at amortized cost		(1,726,438)	(573,615)
2.8 Cash obtained from sale of financial assets measured at amortized cost		-	291,885
2.9 Others	(VI-1)	(98,323)	(68,561)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>1,677,170</b>	<b>(597,517)</b>
3.1 Cash obtained from funds borrowed and securities issued		15,002,839	6,654,809
3.2 Cash used for repayment of funds borrowed and securities issued		(13,101,686)	(7,152,326)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	(100,000)
3.5 Payments for financial leases		(223,983)	-
3.6 Others		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(VI-1)	<b>475,011</b>	<b>1,516,339</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>3,294,457</b>	<b>7,096,946</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>		<b>13,034,066</b>	<b>5,937,120</b>
<b>VII. Cash and cash equivalents at end of the period</b>	(VI-2)	<b>16,328,523</b>	<b>13,034,066</b>

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

# TÜRK EKONOMİ BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2019 AND 2018

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

### VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2019	Audited Prior Period 31.12.2018(*)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	1,413,763	1,280,720
1.2 TAXES AND DUTIES PAYABLE (-)	343,409	279,017
1.2.1 Corporate tax (Income tax)	525,749	179,473
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (**)	(182,340)	99,544
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>1,070,354</b>	<b>1,001,703</b>
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	50,085
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>1,070,354</b>	<b>1,001,703</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	951,618
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVE</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0.4856	0.4544
3.2 TO OWNERS OF ORDINARY SHARES ( % )	48.56	45.44
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-

(\*) As of 31 December 2019 when the financial statements has been finalized, the General Assembly meeting has not been held.

(\*\*) Other taxes and duties amount is deferred tax income (31 December 2018: Deferred tax expense).

The accompanying notes are an integral part of these unconsolidated financial statement.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

(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 footnotes in compliance with Turkish Accounting Standards (“TAS”) and “Regulation on Accounting Applications for Banks and Safeguarding of Documents”:**

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to reporting principles on accounting records of Banks published by the Banking Regulation and Supervision Agency (“BRSA”) and Turkish Accounting Standard 34 “Interim Financial Reporting” 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 unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being audited 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.

In accordance with the “Communique amending the Communique on the Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” published in the Official Gazette dated 1 February 2019 with No. 30673, the accompanying previous period financial statements were made compatible with the new financial statement formats. The accompanying unconsolidated financial statements as of 1 January 2018 include the opening effects of TFRS 9 Financial Instruments standard (TFRS 9) which replaces (TAS 39) Financial Instruments: Recognition and Measurement Turkish Accounting Standard.

**Additional paragraph for convenience of translation into English:**

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

**New standards effective as of 1 January 2019**

“TFRS 16 Leasing” Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 1 January 2019. The Bank applied TFRS 16 “Leasing” standard as of 1 January 2019 for the first time. Implementation and effects related to the transition of TFRS 16 are explained in Note XXVI of Section Three.

**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. In accordance with the transition requirements of TFRS 16, prior period financial statements and footnotes have not been restated. Implementation and impacts related to the transition of TFRS 16 are explained in Note XXVI of Section Three.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained between Notes II and XXVI.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

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

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

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

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

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

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

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

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

**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".

Assets and liabilities arising from derivative transactions are recorded in off-balance sheet through their contractual amounts. Derivative transactions are measured at fair value after initial recognition. In accordance with the classification of derivative financial instruments, if the fair value is positive, they are disclosed under "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income", if the fair value is negative, they are disclosed under "Derivative Financial Liabilities at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income". Differences arising from the fair value changes of derivative financial instruments at fair value through profit or loss are recognized under "Gains / Losses on Derivative Financial Instruments" in "Trading Income / Loss" in the statement of profit or loss. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

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

All derivative financial instruments are measured with fair value method. The fair value of the derivative financial instruments traded in organized markets is the price on the organized market.

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

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

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

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

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

During period where the relation between hedging instrument and the hedged item is measured;

- a) Within the scope fair value hedge accounting, the fair value change of the hedged item is recognized in profit or loss,
- b) Within the scope of cash flow hedge accounting, the fair value change of the hedged item is recognized in other comprehensive income and the ineffective part of the gain or loss arisen from the hedging instrument is booked in profit or loss.

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

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

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

**V. Explanations on Interest Income and Expenses**

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

Financial assets and liabilities for which the future cash payments and collections are known, are discounted by using effective interest rate.

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

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

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**V. Explanations on Interest Income and Expenses (continued)**

The interest amount representing the time value of the future collections of the loans under follow up is recognized under interest income and provision is booked for total amount. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

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

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

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

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

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

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

**VII. Explanations on Financial Assets**

The Bank classifies and recognizes its financial assets as "Financial Assets at Fair Value through Profit or Loss", "Financial Assets Measured at Fair Value through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". The financial assets are recognized or derecognized in accordance with the "Recognition and Derecognition" principles defined in Section 3 related to the classification and measurement of financial instruments of the "TFRS 9 Financial Instruments" standard published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured 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 date (settlement date) that the asset is delivered to or by the Bank. 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. In the current period, the securities portfolio of the Chief Investment Office were transferred to the Asset-Liability Management and Treasury Group due to the change in the business model of the Bank management. During this transition held in 2019, in the financial statements, securities held as "Financial Assets at Fair Value through Other Comprehensive Income" amounting to TL 291,603 were classified as "Financial Assets Measured at Amortized Cost". After this reclassification, the valuation difference amounting to TL 20,141 has been reversed from equity.

*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.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

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**VII. Explanations on Financial Assets (continued)**

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

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

*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 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 rate method".

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**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 September 2016 in connection with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" which came into force starting from 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

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

The Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets is 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.

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 and interest revenue is calculated on the net carrying amount.

**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.

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**VIII. Explanations on Impairment of Financial Assets (continued)**

**Expected Credit Loss Calculation (continued)**

There is mainly three loan portfolios as commercial portfolios, retail portfolios and public portfolios.

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioural scores is used for the retail portfolios. It is determined significant increase in credit risk by comparing the credit ratings/behavioural 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 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 behavioural 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. Behavioural score cards used in the retail portfolio include the behavioural data of the customer and the product in the Bank, the demographic information of the customer and the behavioural 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.

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 behavioural maturity for loans that do not have maturity information and revolving loans.

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**VIII. Explanations on Impairment of Financial Assets (continued)**

**Expected Credit Loss Calculation (continued)**

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Adverse” and “Favourable” 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 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 also classified under this stage.

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

Quantitative assessments:

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

In the case of the internal credit rating of the loan is above a defined threshold 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.

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

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

Securities purchased under repurchase agreements ("Reverse repo") are accounted under "Money Market Placements" in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2019, the Bank has TL 840,263 reverse repo transaction (31 December 2018: TL 281,696).

As of 31 December 2019, the Bank does not have any marketable securities lending transaction (31 December 2018: None).

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

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with "TFRS 5 Assets Held for Sale and Discontinued Operations".

As of 31 December 2019, assets held for sale and discontinued operations of the Bank are TL 131,362 (31 December 2018: TL 109,104). As per the appraisals performed for the real estates held for sale included "Assets Held for Sale" in the financial statements, TL 10,598 (31 December 2018: TL 6,131) has been reserved as provision for impairment losses.

As of 31 December 2019, the Bank has no discontinued operations.

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

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

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**XII. Explanations on Goodwill and Other Intangible Assets (continued)**

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.

**XIII. Explanations on Tangible Fixed Assets**

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

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

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

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

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

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. Effects and application of IFRS 16 concerning the transition were explained in Section three, footnote XXVI.

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**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”.

**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 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. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

**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 “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2019, the Pension Fund has 1,552 employees and 1,139 pensioners (31 December 2018: 1,686 employees and 1,095 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.

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**XVII. Explanations on Liabilities Regarding Employee Benefits (continued)**

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 2019. 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.

According to "Turkish Accounting Standard (TAS 19) about Benefits for Employee", actuarial gain amounting to TL 8,620 (1 January - 31 December 2018: TL26,265 loss) was classified as "Other Comprehensive Income" in financial statements for the period of 1 January – 31 December 2019 and as of 31 December 2019, TL 41,322 of actuarial gain after tax (31 December 2018: TL32,703) was accounted under "Other Reserves".

**XVIII. Explanations on Taxation**

*Corporate tax*

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated 21 June 2006, the corporate tax rate is 20% in Turkey. However, the corporate income tax rate will be applied as 22% for the years 2018, 2019 and 2020 regarding to the "Law on Amendment of Certain Tax Laws and Some Other Laws" numbered 7061 and published in the Official Gazette on 5 December 2017.

The 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 liability for 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 offset against the corporate tax levied in Turkey.

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

Corporate tax are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one instalment until the end of the related month.

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**XVIII. Explanations on Taxation (continued)**

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.

*Deferred Tax Liability/Asset*

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.

The deferred tax is calculated using the enacted tax rates that are valid as of the balance sheet date in accordance with the tax legislation in force. According to the Law, which was approved in the Grand National Assembly on 28 November 2017 and published in the Official Gazette dated 5 December 2017, the rate of Corporate Tax for the years 2018, 2019 and 2020 was increased from 20% to 22%. Therefore, deferred tax assets and liabilities are measured at the tax rate of 22% that are expected to apply to these periods when the assets is realized or the liability is settled, based on the Law that have been enacted. For the periods 2021 and after, the reversals of temporary differences are measured by 20%.

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 benefit 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 2019.

**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, jewellers, 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 line:

<b>Current Period</b>	<b>Retail and Private Banking(*)</b>	<b>Corporate</b>	<b>SME(*)</b>	<b>Other</b>	<b>Total</b>
Dividend Income	-	-	-	18,570	18,570
Profit Before Tax	572,390	838,101	(269,219)	272,491	1,413,763
Tax Provision (-)	-	-	-	343,409	343,409
<b>Net Profit for the Period</b>	<b>572,390</b>	<b>838,101</b>	<b>(269,219)</b>	<b>(70,918)</b>	<b>1,070,354</b>

<b>Current Period</b>	<b>Retail and Private Banking(*)</b>	<b>Corporate</b>	<b>SME(*)</b>	<b>Other</b>	<b>Total</b>
Segment Assets	25,750,311	20,792,344	17,290,247	43,401,275	107,234,177
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	115,991	115,991
<b>Total Assets</b>	<b>25,750,311</b>	<b>20,792,344</b>	<b>17,290,247</b>	<b>43,517,266</b>	<b>107,350,168</b>
Segment Liabilities	51,472,544	14,120,899	6,479,553	25,556,598	97,629,594
Shareholders' Equity	-	-	-	9,720,574	9,720,574
<b>Total Liabilities</b>	<b>51,472,544</b>	<b>14,120,899</b>	<b>6,479,553</b>	<b>35,277,172</b>	<b>107,350,168</b>

(\*) In 2019, the Business Portfolio was transferred from SME Banking to Retail and Private Banking.

<b>Prior Period(31.12.2018)</b>	<b>Retail and Private Banking</b>	<b>Corporate</b>	<b>SME</b>	<b>Other</b>	<b>Total</b>
Dividend Income	-	-	-	16,908	16,908
Profit Before Tax	160,737	493,242	417,321	209,420	1,280,720
Tax Provision (-)	-	-	-	279,017	279,017
<b>Net Profit for the Period</b>	<b>160,737</b>	<b>493,242</b>	<b>417,321</b>	<b>(69,597)</b>	<b>1,001,703</b>

<b>Prior Period(31.12.2018)</b>	<b>Retail and Private Banking</b>	<b>Corporate</b>	<b>SME</b>	<b>Other</b>	<b>Total</b>
Segment Assets	12,433,964	20,550,288	25,057,150	38,839,771	96,881,173
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	115,991	115,991
<b>Total Assets</b>	<b>12,433,964</b>	<b>20,550,288</b>	<b>25,057,150</b>	<b>38,955,762</b>	<b>96,997,164</b>
Segment Liabilities	41,161,274	12,479,861	10,080,246	23,537,275	87,258,656
Shareholders' Equity	-	-	-	9,738,508	9,738,508
<b>Total Liabilities</b>	<b>41,161,274</b>	<b>12,479,861</b>	<b>10,080,246</b>	<b>33,275,783</b>	<b>96,997,164</b>

**XXIV. Explanations on Other Matters**

It has been resolved in the Ordinary General Assembly dated 27 March 2019 of the Bank, TL 1,001,703 that constitutes the 2018 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 50,085 as Legal Reserves, TL 0.82 (full TL) as profit distributed to the holders of the founder jouissance certificates.

**XXV. Reclassifications**

In accordance with the Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published on the Official Gazette dated 1 February 2019 and numbered 30673, prior period financial statements have been adjusted to the current period financial statements.

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**XXVI. Explanations on TFRS 16 Leases Standard****Explanations on TFRS 16 Leases Standard**

TFRS 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.

**Transferring, measuring and presenting the leases to the financial statements**

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.

The Bank applies this standard with modified retrospective approach recognizing the cumulative effect of initially applying the standard at the date of initial application and reflected it as a correction in the opening balance of Other Capital Reserves with this method, all right to use assets are measured from the amount of the lease payables in the transition to the application. Equity effect of the mentioned transition amounting to TL 120,430 is classified under "Other Capital Reserves" in shareholders' equity as of 1 January 2019. In this context, deferred tax asset amounting to TL 24,083 is reflected to the financial statements of 1 January 2019 and this amount has been classified under "Other Capital Reserves" in shareholders' equity.

During the initial application, the Bank has previously recorded a lease obligation to the leases classified as operational leases in accordance with TAS 17. These liabilities are measured at the present value of the remaining lease payments discounted at 1 January 2019 using the Bank's average borrowing rate.

Details based on the asset with regard to the recognized asset tenure is as follows:

	<b>1 January 2019</b>	<b>31 December 2019</b>
Real Estate	874,571	930,088
Vehicles	44,147	87,151
<b>Total Asset Tenure</b>	<b>918,718</b>	<b>1,017,239</b>

Details of depreciation expense based on the asset with regard to the recognized asset tenure is as follows:

	<b>1 January 2019</b>	<b>31 December 2019</b>
Real Estate	367,720	447,323
Vehicles	15,910	31,817
<b>Total Asset Tenure Depreciation Expense</b>	<b>383,630</b>	<b>479,140</b>

Information on the leasing liability is presented below:

	<b>1 January 2019</b>	<b>31 December 2019</b>
Lease Liability	655,518	653,707

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### SECTION FOUR

#### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

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

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of 31 December 2019, Bank's total capital has been calculated as TL 14,339,636 (31 December 2018: TL 12,854,950) and capital adequacy ratio is 16.95% (31 December 2018: 16.93%). This ratio is well above the minimum ratio required by the legislation. The credit risk of banking accounts has been calculated by using the "Standard Approach", the market risk of purchase and sale accounts by using the "Standard Method", counterparty credit risk of derivative and repo transactions by using the "Fair Value Method", credit valuation adjustments of over counter derivative transactions by using the "Standard Model" and operational risk by using the "Basic Indicator Approach".

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

	Current Period 31.12.2019	Amount related to treatment before 01.01.2014(*)
<b>Common Equity Tier 1 Capital</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	
Share Premium	2,565	
Reserves	7,353,433	
Gains Recognized in Equity as per TAS	23,065	
Profit	1,079,851	
Current Period Profit	1,070,354	
Prior Period Profit	9,497	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>10,864,093</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	3,475	
Leasehold Improvements on Operational Leases	44,877	
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	124,530	124,530
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	-	
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>594,006</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>10,270,087</b>	

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

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

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

	Current Period 31.12.2019	Amount related to treatment before 01.01.2014(*)
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	
<b>Additional Tier 1 Capital before deductions</b>	-	
<b>Deductions from Additional Tier 1 Capital</b>	-	
Bank's direct or indirect investment on its own Tier 1 Capital	-	
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other Items Determined by BRSA	-	
<b>Items to be deducted from Tier I Capital during the Transition Period</b>	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	
The amount to be deducted from Additional Tier 1 Capital (-)	-	
<b>Total Deductions from Additional Tier 1 Capital</b>	-	
<b>Total Additional Tier 1 Capital</b>	-	
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>	<b>10,270,087</b>	
<b>TIER 2 CAPITAL</b>		
Debt instruments and premiums approved by BRSA	3,145,908	
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)	932,332	
<b>Tier 2 Capital Before Deductions</b>	<b>4,078,240</b>	
<b>Deductions From Tier 2 Capital</b>		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	
Other Items Determined by BRSA (-)	-	
<b>Total Deductions From Tier 2 Capital</b>	-	
<b>Total Tier 2 Capital</b>	<b>4,078,240</b>	
<b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>	<b>14,348,327</b>	

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

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

	<b>Current Period 31.12.2019</b>	<b>Amount related to treatment before 01.01.2014(*)</b>
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)</b>		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	2,467	
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years (-)	-	
Other items to be defined by the BRSA (-)	6,224	
<b>Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period</b>		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
<b>TOTAL CAPITAL</b>		
Total Capital	14,339,636	
Total Risk Weighted Assets	84,609,081	
<b>Capital Adequacy Ratios</b>		
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.14	
Tier 1 Capital Adequacy Ratio (%)	12.14	
Capital Adequacy Ratio (%)	16.95	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c) (%)	2.50	
a) Capital conservation buffer requirement (%)	2.50	
b) Bank specific counter-cyclical buffer requirement (%)	-	
c) Systemic significant bank buffer ratio (%)	-	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	3.63	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	124,855	
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)	650,094	
<b>Limits related to provisions considered in Tier 2 Calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1,503,984	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used(**)	932,332	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	
The positive difference between the expected credit loss provision amount in accordance with TFRS 9 and the total provision amount before the application of TFRS 9	265,721	

(\*) Amounts in this column represents the amounts of items that are subject to phasing and taken into consideration at the end of transition process.

(\*\*) 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)**

	<b>Prior Period 31.12.2018</b>	<b>Amount related to treatment before 01.01.2014(*)</b>
<b>Common Equity Tier 1 Capital</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	
Share Premium	2,565	
Reserves	6,526,330	
Gains Recognized in Equity as per TAS	-	
Profit	1,011,200	
Current Period Profit	1,001,703	
Prior Period Profit	9,497	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>9,945,274</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	139,555	
Leasehold Improvements on Operational Leases	48,953	
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	98,374	98,374
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, 4 <sup>th</sup> 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	-	
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>708,006</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>9,237,268</b>	

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

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

	Prior Period 31.12.2018	Amount related to treatment before 01.01.2014 (*)
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	
<b>Additional Tier 1 Capital before deductions</b>	-	
<b>Deductions from Additional Tier 1 Capital</b>		
Bank's direct or indirect investment on its own Tier 1 Capital	-	
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other Items Determined by BRSA	-	
<b>Items to be deducted from Tier I Capital during the Transition Period</b>	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	
The amount to be deducted from Additional Tier 1 Capital (-)	-	
<b>Total Deductions from Additional Tier 1 Capital</b>	-	
<b>Total Additional Tier 1 Capital</b>	-	
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>	<b>9,237,268</b>	
<b>TIER 2 CAPITAL</b>		
Debt instruments and premiums approved by BRSA	2,465,663	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	316,403	
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	847,992	
<b>Tier 2 Capital Before Deductions</b>	<b>3,630,058</b>	
<b>Deductions From Tier 2 Capital</b>		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	
Other Items Determined by BRSA (-)	-	
<b>Total Deductions From Tier 2 Capital</b>	-	
<b>Total Tier 2 Capital</b>	<b>3,630,058</b>	
<b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>	<b>12,867,326</b>	

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

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

	Prior Period 31.12.2018	Amount related to treatment before 01.01.2014 (*)
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)</b>		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	12,375	
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years(-)	-	
Other items to be defined by the BRSA (-)	1	
<b>Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period</b>		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
<b>TOTAL CAPITAL</b>		
Total Capital	12,854,950	
Total Risk Weighted Assets	75,941,606	
<b>Capital Adequacy Ratios</b>		
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.16	
Tier 1 Capital Adequacy Ratio (%)	12.16	
Capital Adequacy Ratio (%)	16.93	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c) (%)	1.88	
a) Capital conservation buffer requirement (%)	1.88	
b) Bank specific counter-cyclical buffer requirement (%)	-	
c) Systemic significant bank buffer ratio (%)	-	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	4.28	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	88,526	
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)	187,325	
<b>Limits related to provisions considered in Tier 2 Calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1,356,383	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used(**)	847,992	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>	-	
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	
The positive difference between the expected credit loss provision amount in accordance with TFRS 9 and the total provision amount before the application of TFRS 9	354,295	

(\*) Amounts in this column represents the amounts of items that are subject to phasing and taken into consideration at the end of transition process.

(\*\*) 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)**

	<b>T</b>	<b>T-1</b>	<b>T-2</b>	<b>T-3</b>	<b>T-4</b>
<b>CAPITAL ITEMS</b>					
Common Equity Tier 1 Capital	10,270,087	9,987,720	9,789,688	9,397,286	9,237,268
Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)	10,004,366	9,721,999	9,523,967	9,131,565	8,882,973
Tier 1 Capital	10,270,087	9,987,720	9,789,688	9,397,286	9,237,268
Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)	10,004,366	9,721,999	9,523,967	9,131,565	8,882,973
Capital	14,339,636	13,826,973	13,758,208	13,147,245	12,854,950
Capital where the transition impact of TFRS 9 has not been applied (c)	14,073,915	13,561,252	13,492,487	12,881,524	12,500,655
<b>TOTAL RISK WEIGHTED ASSETS</b>					
Total Risk Weighted Assets	84,609,081	83,639,057	82,844,380	84,015,439	75,941,606
<b>CAPITAL ADEQUACY RATIOS</b>					
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.14	11.94	11.82	11.19	12.16
Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (ç)	11.82	11.62	11.50	10.87	11.70
Tier 1 Capital Adequacy Ratio (%)	12.14	11.94	11.82	11.19	12.16
Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (ç)	11.82	11.62	11.50	10.87	11.70
Capital Adequacy Ratio (%)	16.95	16.53	16.61	15.65	16.93
Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (ç)	16.63	16.21	16.29	15.33	16.46
<b>LEVERAGE RATIO</b>					
Leverage Ratio Total Risk Amount	148,550,077	149,244,078	150,550,785	150,759,032	135,658,725
Leverage Ratio	6.91%	6.69%	6.50%	6.23%	6.81%
FTA not Applied Leverage Ratio (d)	6.73%	6.51%	6.33%	6.06%	6.55%

**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.
- ç: Capital adequacy ratios calculated with capital items if Temporary Article 5 of the Regulation on banks has not applied.
- d: 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:**

<b>Total Capital per Balance Sheet</b>	<b>9,720,574</b>
Hedging Funds (effective portion)	886,750
Deductions Made Under Regulation	(602,958)
Transition Impact of TFRS 9 (Temporary 5 <sup>th</sup> Article)	265,721
<b>Common Equity Tier 1 Capital</b>	<b>10,270,087</b>
Additional Tier 1 Capital	-
<b>Tier 1 Capital</b>	<b>10,270,087</b>
General Provisions (Stage 1 and 2)	932,332
Bank's Borrowing Instruments	3,145,908
Deductions Made Under Regulation	(8,691)
<b>Total Equity</b>	<b>14,339,636</b>

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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)	XS1895575071	XS2023308278	XS1973559484	XS1845118865
Governing law(s) of the debt instrument	Turkey	Turkey	Turkey	Turkey
<b>Regulatory treatment</b>				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible at unconsolidated/consolidated/consolidated and unconsolidated	Available	Available	Available	Available
Type of the debt instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	1,246.1	666.6	400	833.3
Par value of debt instrument (TL Currency in mil)	1,246.1	666.6	400	833.3
Accounting classification of the debt instrument	34701100	34701100	34701100	34701100
Original date of issuance	05.11.2018	22.07.2019	14.05.2019	27.06.2018
Perpetual or dated	Time	Time	Time	Time
Original maturity date	05.11.2028	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	05.11.2023	22.07.2024	14.05.2024	27.06.2023
Subsequent call dates, if applicable	-	-	-	-
<b>Coupons / dividends</b>				
Fixed or floating dividend/coupon	Fixed	Floating	Floating	Floating
Coupon rate and any related index	10.40%	Euribor+7.10%	Euribor+7.10%	Euribor+5.10%
Existence of a dividend stopper	None	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
<b>Convertible or non-convertible</b>				
If convertible, conversion trigger(s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
<b>Write-down feature</b>				
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	deposit and other receivables	deposit and other receivables	deposit and other receivables	deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess	Possess	Possess	Possess
According to Article 7 and 8 of Banks' shareholders equity law that are not possessed(*)	-	-	-	-

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

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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**II. Explanations Related to Credit Risk**

Credit risk and financial loss that the Bank is a party in a contract whereby the counterparty fails to meet its obligation.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower's encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are

- a change in the terms and conditions of the loan or
- partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund (“CGF loans”) is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

Non-required delay time loans that is not classified as Stage III Loans defined in “Regulation on Procedures and Principles for Classification of Loans And Provisions to be Set Aside” published in the Official Gazette numbered 29750 dated 22 June 2016, whose principal and interest payment collection delayed more than 30 days are considered as “Past-due Loan” in the Accounting Practice; group III, IV and V loans defined in the mentioned communiqué are considered as “impaired receivables” without considering refinancing or addition of the accrued interest and quasi-interest principal amount.

The Bank provides specific reserves to Group III, IV and V loans in accordance with “Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside”.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to Credit Risk (continued)

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure classifications	Current Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	20,808,776	19,889,510
Conditional and unconditional receivables from regional or local governments	1,249,725	1,028,952
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	12,343,046	8,454,625
Conditional and unconditional corporate receivables	34,548,225	38,019,684
Conditional and unconditional retail receivables	32,532,649	32,161,243
Conditional and unconditional secured mortgage receivables	12,654,892	10,737,238
Past due receivables	1,874,439	1,602,291
Receivables defined in high risk category by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	4,337,763	3,937,051
Investments in equities	132,920	115,964

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances prepared to the end of the month.

Exposure classifications	Prior Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	20,204,198	18,484,138
Conditional and unconditional receivables from regional or local governments	995,628	884,350
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	7,237,954	10,693,487
Conditional and unconditional corporate receivables	39,857,920	39,707,404
Conditional and unconditional retail receivables	30,196,246	32,414,351
Conditional and unconditional secured mortgage receivables	8,872,358	9,227,854
Past due receivables	1,180,692	842,699
Receivables defined in high risk category by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	2,962,397	2,479,107
Investments in equities	94,290	84,751

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances prepared to the end of the month.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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**II. Explanations Related to Credit Risk (continued)**

For the positions of the Bank in terms of forward transactions and other similar contracts, operational limits are set by the Board of Directors and the transactions take place within these limits

The fulfillment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back to back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Bank.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2019, the receivables of the Bank from its top 100 and top 200 cash loan share in total cash loans are respectively 22.56% and 28.45%. (31 December 2018: 19.51% and 26.06%)

As of 31 December 2019, the receivables of the Bank from its top 100 and top 200 non-cash loan share are 58.35% and 66.46% respectively in the total non-cash loans. (31 December 2018: 55.11% and 65.42%)

As of 31 December 2019, the share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 8.44% and 10.94% respectively. (31 December 2018: 7.69% and 10.49%)

As of 31 December 2019, the general loan loss provision related with the credit risk taken by the Bank is TL1,503,984 (31 December 2018: TL: 1,356,383).

**Credit Rating System**

Credit risk is evaluated according to the internal rating system of the Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2019 Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Bank and these loans constitute 31.05% of the total cash and non-cash loan portfolio (31 December 2018: 28.15 %). Application and behavioral scorecards are used for the Individual and Business segments, and behavioral scorecard for the Agricultural segment.

The risks that are subject to rating models can be allocated as follows.

Category	Description of Category	Share in the Total % 31.12.2019	Share in the Total % 31.12.2018
1st Category	The borrower has a very strong financial structure	40.39	34.37
2nd Category	The borrower has a good financial structure	25.38	24.29
3rd Category	The borrower has an intermediate level of financial structure	24.95	32.04
4th Category	The financial structure of the borrower has to be closely monitored in the medium term	9.28	9.30
<b>Total</b>		<b>100.00</b>	<b>100.00</b>

# TÜRK EKONOMİ BANKASI A.Ş.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to Credit Risk (continued)

#### Profile of significant exposures in major regions:

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Current Period																		
Domestic	4,286,981	623,819	-	-	-	2,277,362	20,711,820	21,919,612	6,477,806	1,685,310	-	-	-	-	-	1,520,061	132,920	59,635,691
European Union (EU) Countries	-	-	-	-	-	1,376,688	4,079	9,718	4,904	1,752	-	-	-	-	-	191	-	1,397,332
OECD Countries (*)	-	-	-	-	-	148,208	108	529	413	3	-	-	-	-	-	540	-	149,801
Off-Shore Banking Regions (****)	399,811	-	-	-	-	9	234,520	106,298	43,444	6,187	-	-	-	-	-	306	-	790,575
USA, Canada	-	-	-	-	-	42,234	-	901	345	10	-	-	-	-	-	-	-	43,490
Other Countries	-	-	-	-	-	14,220	35,750	1,968	799	20	-	-	-	-	-	-	-	52,757
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115,991	-	115,991
Unallocated Assets/Liabilities (**)	-	1,050	-	-	-	557,445	12,245,386	2,352,342	490,801	115,221	-	-	-	-	-	2,649	-	15,764,894
Total	4,686,792	624,869	-	-	-	4,416,166	33,231,663	24,391,368	7,018,512	1,808,503	-	-	-	-	-	1,639,738	132,920	77,950,531

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

(\*\*\*\*) Northern Cyprus Turkish Republic balances are included in Off-Shore Banking Regions.

# TÜRK EKONOMİ BANKASI A.Ş.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to Credit Risk (continued)

#### Profile of significant exposures in major regions: (continued)

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Prior Period																		
Domestic	2,897,307	496,243	-	-	-	1,140,730	26,081,514	20,353,762	3,334,202	1,154,149	-	-	-	-	-	723,084	94,290	56,275,281
European Union (EU)																		
Countries	-	-	-	-	-	833,506	3,494	11,960	4,635	1,759	-	-	-	-	-	15,706	-	871,060
OECD Countries (*)	-	-	-	-	-	15,703	-	700	395	-	-	-	-	-	-	1,603	-	18,401
Off-Shore Banking																		
Regions (***)	340,589	-	-	-	-	9	175,649	96,763	62,447	3,402	-	-	-	-	-	193	-	679,052
USA, Canada	-	-	-	-	-	48,673	1	1,218	272	2	-	-	-	-	-	-	-	50166
Other Countries	-	-	-	-	-	27,522	55,045	2,477	663	2	-	-	-	-	-	-	-	85,709
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115,986	-	115,986
Unallocated																		
Assets/Liabilities (**)	-	1,895	-	-	-	373,430	13,004,299	2,174,176	103,626	96,068	-	-	-	-	-	2,242	-	15,755,736
Total	3,237,896	498,138	-	-	-	2,439,573	39,320,002	22,641,056	3,506,240	1,255,382	-	-	-	-	-	858,814	94,290	73,851,391

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*\*\*) Northern Cyprus Turkish Republic balances are included in Off-Shore Banking Regions

# TÜRK EKONOMİ BANKASI A.Ş.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to Credit Risk (continued)

#### Risk profile by Sectors or Counterparties:

Exposure Categories (**)																					
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of secured bonds mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total	
Agriculture	-	-	-	-	-	-	374,692	536,218	261,206	150,896	-	-	-	-	-	-	-	-	1,162,084	160,928	1,323,012
Farming and Stockbreeding	-	-	-	-	-	-	317,205	525,965	258,848	148,777	-	-	-	-	-	-	-	-	1,090,841	159,954	1,250,795
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	57,487	10,253	2,358	2,119	-	-	-	-	-	-	-	-	71,243	974	72,217
Manufacturing	-	-	-	-	-	-	18,252,019	4,977,803	2,163,538	554,389	-	-	-	-	-	-	21	-	15,490,396	10,457,374	25,947,770
Mining and Quarrying	-	-	-	-	-	-	1,473,513	237,677	78,380	33,035	-	-	-	-	-	-	-	-	1,135,354	687,251	1,822,605
Production	-	-	-	-	-	-	16,016,287	4,707,054	1,913,525	509,667	-	-	-	-	-	-	21	-	13,756,241	9,390,313	23,146,554
Electricity, Gas and Water	-	-	-	-	-	-	762,219	33,072	171,633	11,687	-	-	-	-	-	-	-	-	598,801	379,810	978,611
Construction	-	-	-	-	-	-	2,118,040	637,414	467,131	284,003	-	-	-	-	-	-	-	-	2,031,355	1,475,233	3,506,588
Services	4,686,792	624,869	-	-	-	4,416,166	12,008,560	5,215,221	2,632,510	707,107	-	-	-	-	-	-	1,638,829	131,367	17,247,660	14,813,761	32,061,421
Wholesale and Retail Trade	-	-	-	-	-	-	4,003,922	2,526,552	912,416	340,407	-	-	-	-	-	-	97	-	5,805,138	1,978,256	7,783,394
Accommodation and Dining	-	-	-	-	-	-	733,180	417,832	802,371	68,350	-	-	-	-	-	-	-	-	818,428	1,203,305	2,021,733
Transportation and Telecom.	-	-	-	-	-	-	1,536,635	978,073	293,854	142,060	-	-	-	-	-	-	115	-	2,266,800	683,937	2,950,737
Financial Institutions	4,686,792	-	-	-	-	4,416,166	1,786,230	59,171	5,201	7,406	-	-	-	-	-	-	1,638,362	131,367	3,810,088	8,920,607	12,730,695
Real Estate and Rental Services	-	-	-	-	-	-	3,438,078	907,814	510,515	114,144	-	-	-	-	-	-	242	-	3,057,345	1,913,448	4,970,793
Self-Employment Services	-	-	-	-	-	-	380,682	279,877	103,933	31,773	-	-	-	-	-	-	-	-	682,986	113,279	796,265
Educational Services	-	-	-	-	-	-	42,583	38,431	3,213	2,883	-	-	-	-	-	-	8	-	86,556	562	87,118
Health and Social Services	-	624,869	-	-	-	-	87,250	7,471	1,007	84	-	-	-	-	-	-	5	-	720,319	367	720,686
Other	-	-	-	-	-	-	478,352	13,024,712	1,494,127	112,108	-	-	-	-	-	-	888	1,553	14,704,848	406,892	15,111,740
Total	4,686,792	624,869	-	-	-	4,416,166	33,231,663	24,391,368	7,018,512	1,808,503	-	-	-	-	-	-	1,639,738	132,920	50,636,343	27,314,188	77,950,531

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI A.Ş.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to Credit Risk (continued)

#### Risk profile by Sectors or Counterparties: (continued)

Prior Period	Exposure Categories (**)															Others	Investments in equities	TL (*)	FC	Total
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non- commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail secured by real estate property	Conditional and unconditional exposures	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings					
Agriculture	-	-	-	-	-	-	499,473	1,104,009	59,990	103,504	-	-	-	-	-	1,603	-	1,549,323	219,256	1,768,579
Farming and Stockbreeding	-	-	-	-	-	-	450,784	1,088,698	59,793	97,433	-	-	-	-	-	1,603	-	1,486,607	211,704	1,698,311
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	48,689	15,311	197	6,071	-	-	-	-	-	-	-	62,716	7,552	70,268
Manufacturing	-	-	-	-	-	-	21,353,837	5,209,497	650,798	401,253	-	-	-	-	-	-	-	15,856,979	11,758,406	27,615,385
Mining and Quarrying	-	-	-	-	-	-	1,755,659	273,009	31,174	13,587	-	-	-	-	-	-	-	1,636,395	437,034	2,073,429
Production	-	-	-	-	-	-	18,460,148	4,902,792	611,305	384,184	-	-	-	-	-	-	-	13,718,318	10,640,111	24,358,429
Electricity, Gas and Water	-	-	-	-	-	-	1,138,030	33,696	8,319	3,482	-	-	-	-	-	-	-	502,266	681,261	1,183,527
Construction	-	-	-	-	-	-	3,190,815	1,133,385	180,805	162,842	-	-	-	-	-	-	-	2,895,546	1,772,301	4,667,847
Services	3,237,896	498,138	-	-	-	2,439,573	14,057,076	5,966,289	1,051,443	509,690	-	-	-	-	-	838,426	88,526	16,209,276	12,477,781	28,687,057
Wholesale and Retail Trade	-	-	-	-	-	-	5,223,791	2,914,857	357,133	240,040	-	-	-	-	-	-	-	6,375,421	2,366,798	8,742,219
Accommodation and Dining	-	-	-	-	-	-	998,520	426,967	294,529	38,500	-	-	-	-	-	-	-	886,891	871,625	1,758,516
Transportation and Telecom.	-	-	-	-	-	-	1,642,439	1,125,693	106,724	107,022	-	-	-	-	-	13	-	2,284,721	697,170	2,981,891
Financial Institutions	3,237,896	-	-	-	-	2,439,573	1,975,695	47,400	3,977	7,442	-	-	-	-	-	831,952	88,526	2,644,343	5,988,118	8,632,461
Real Estate and Rental Services	-	-	-	-	-	-	3,615,551	1,081,627	246,206	100,257	-	-	-	-	-	56	-	2,635,722	2,407,975	5,043,697
Self-Employment Services	-	-	-	-	-	-	428,499	311,725	37,841	16,139	-	-	-	-	-	-	-	653,095	141,109	794,204
Educational Services	-	-	-	-	-	-	21,385	51,724	4,181	271	-	-	-	-	-	3	-	74,362	3,202	77,564
Health and Social Services	-	498,138	-	-	-	-	151,196	6,296	852	19	-	-	-	-	-	4	-	654,721	1,784	656,505
Other	-	-	-	-	-	-	218,801	9,227,876	1,563,204	78,093	-	-	-	-	-	18,785	5,764	11,023,79	88,725	11,112,522
<b>Total</b>	<b>3,237,896</b>	<b>498,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,439,573</b>	<b>39,320,002</b>	<b>22,641,056</b>	<b>3,506,240</b>	<b>1,255,38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>858,814</b>	<b>94,290</b>	<b>47,534,92</b>	<b>26,316,46</b>	<b>73,851,391</b>

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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**II. Explanations Related to Credit Risk (continued)**

**Analysis of maturity-bearing exposures according to remaining maturities:**

Current Period	Term To Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
<b>Exposure classifications</b>					
Conditional and unconditional exposures to central governments or central banks	1,066,414	471,734	149,250	-	2,999,393
Conditional and unconditional exposures to regional governments or local authorities	454	8,510	5,831	28,694	580,327
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	2,521,879	149,760	391,771	354,946	22,467
Conditional and unconditional exposures to corporates	6,709,735	3,041,969	1,774,385	2,099,121	7,070,149
Conditional and unconditional retail exposures	5,901,738	662,123	1,057,436	1,960,244	12,447,543
Conditional and unconditional exposures secured by real estate property	1,060,771	188,558	418,402	500,288	4,358,543
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	9,742	-	-	-	-
Investment in equities	-	-	-	-	-
<b>Total</b>	<b>17,270,733</b>	<b>4,522,654</b>	<b>3,797,075</b>	<b>4,943,293</b>	<b>27,478,422</b>

Prior Period	Term To Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
<b>Exposure classifications</b>					
Conditional and unconditional exposures to central governments or central banks	2,822,016	1,055	-	-	405,667
Conditional and unconditional exposures to regional governments or local authorities	248	1,956	3,723	9,493	480,822
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	819,947	34,576	520,202	190,462	67,727
Conditional and unconditional exposures to corporates	6,792,023	3,451,226	2,916,335	3,862,111	9,280,123
Conditional and unconditional retail exposures	5,632,259	676,518	1,865,958	1,778,861	10,505,072
Conditional and unconditional exposures secured by real estate property	591,351	103,932	155,687	173,841	2,377,331
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	6,798	-	-	-	-
Investment in equities	-	-	-	-	-
<b>Total</b>	<b>16,664,642</b>	<b>4,269,263</b>	<b>5,461,905</b>	<b>6,014,768</b>	<b>23,116,742</b>

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to Credit Risk (continued)

#### Information about the risk exposure categories:

The credit rating of Fitch Ratings International Rating Agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% weight concentration is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% weight concentration is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long- Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA and AA-	0%	20%	50%	100%
2	A+ and A-	20%	20%	50%	100%
3	BBB+ and BBB-	50%	50%	50%	100%
4	BB+ and BB-	100%	100%	100%	100%
5	B+ and B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

#### Exposures by risk weights:

Current Period												Deductions from Equity
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	
Exposures before Credit Risk Mitigation	18,782,383	-	9,722,718	5,619,543	8,772,509	32,503,479	44,694,831	386,973	-	-	-	599,223
Exposures after Credit Risk Mitigation	20,810,311	-	9,894,427	5,619,543	8,792,310	30,117,705	42,886,103	251,802	-	-	-	599,223
Prior Period												Deductions from Equity
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	
Exposures before Credit Risk Mitigation	19,033,141	-	5,195,722	6,199,592	6,429,362	30,181,213	44,104,362	458,291	-	-	-	580,828
Exposures after Credit Risk Mitigation	24,252,420	-	5,379,294	6,199,592	6,678,969	25,338,334	41,277,697	414,712	-	-	-	580,828

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**II. Explanations Related to Credit Risk (continued)**

**Information in terms of major sectors and type of counterparties:**

Current Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provisions (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
<b>Major Sectors / Counterparties</b>			
Agriculture	389,856	257,288	165,710
Farming and Stockbreeding	384,108	252,031	162,059
Forestry	-	675	612
Fishery	5,748	4,582	3,039
Manufacturing	1,542,620	803,789	626,803
Mining and Quarrying	84,136	13,466	18,190
Production	1,451,604	773,381	602,057
Electricity, Gas and Water	6,880	16,942	6,556
Services	3,064,524	1,857,476	1,449,342
Wholesale and Retail Trade	944,454	1,463,331	938,988
Accommodation and Dining	737,563	122,513	132,793
Transportation and Telecom.	492,117	149,666	137,225
Financial Institutions	212,560	13,413	59,972
Real Estate and Rental Services	553,559	33,710	122,601
Professional Services	60,825	64,569	44,882
Educational Services	17,606	7,229	8,298
Health and Social Services	45,840	3,045	4,583
Other	3,867,382	1,228,353	1,004,843
<b>Total</b>	<b>8,864,382</b>	<b>4,146,906</b>	<b>3,246,698</b>

Prior Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provisions (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
<b>Major Sectors / Counterparties</b>			
Agriculture	557,694	195,261	161,407
Farming and Stockbreeding	555,121	187,660	158,467
Forestry	-	6,769	2,096
Fishery	2,573	832	844
Manufacturing	2,135,001	533,059	462,730
Mining and Quarrying	139,300	61,975	45,364
Production	1,898,323	465,984	405,512
Electricity, Gas and Water	97,378	5,100	11,854
Services	3,529,764	1,365,979	1,211,277
Wholesale and Retail Trade	1,143,084	1,000,379	699,641
Accommodation and Dining	915,127	76,779	166,165
Transportation and Telecom.	399,702	85,097	100,109
Financial Institutions	196,071	28,537	55,214
Real Estate and Rental Services	746,124	96,886	130,303
Professional Services	97,179	61,609	47,625
Educational Services	29,756	14,320	10,360
Health and Social Services	2,721	2,372	1,860
Other	3,966,519	680,445	658,980
<b>Total</b>	<b>10,188,978</b>	<b>2,774,744</b>	<b>2,494,394</b>

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**II. Explanations Related to Credit Risk (continued)****Information about Value Adjustment and Change in Provisions**

	<b>31.12.2018 Balance</b>	<b>Provision for the Period</b>	<b>Provision Reversal</b>	<b>Written off from Asset</b>	<b>Other Adjustments(*)</b>	<b>31.12.2019 Balance</b>
Default (Stage III)	1,705,877	1,543,159	(242,873)	(613,109)	1,602	2,394,656
Expected Loss Provisions (Stage I-II)	1,356,383	459,096	(353,802)	-	42,307	1,503,984

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	<b>31.12.2017 Balance</b>	<b>TFRS 9 Transition Effect</b>	<b>Provision for the Period</b>	<b>Provision Reversal</b>	<b>Written off from Asset</b>	<b>Other Adjustments (*)</b>	<b>31.12.2018 Balance</b>
Default (Stage III / Specific Provision)	1,242,811	25,747	965,226	(54,623)	(476,477)	3,193	1,705,877
Expected Loss Provisions (Stage I-II)	576,339	443,827	503,721	(163,384)	-	(4,120)	1,356,383

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company.

**III. Explanations Related to Risks Involved in Counter-Cyclical Capital Buffer Calculation:****Current Period**

<b>Countries where the risk ultimately taken</b>	<b>Private sector loans in banking accounts</b>	<b>Risk weighted amounts calculated in trading accounts</b>	<b>Total</b>
Turkey	63,538,329	613,436	64,151,765
TRNC	370,046	-	370,046
England	343,908	-	343,908
The Ivory Coast	29,622	-	29,622
Germany	6,331	-	6,331
Egypt	6,126	-	6,126
Belgium	1,730	-	1,730
Other	12,613	5	12,618
	<b>64,308,705</b>	<b>613,441</b>	<b>64,922,146</b>

**Prior Period**

<b>Countries where the risk ultimately taken</b>	<b>Private sector loans in banking accounts</b>	<b>Risk weighted amounts calculated in trading accounts</b>	<b>Total</b>
Turkey	60,879,800	690	60,880,490
England	358,800	-	358,800
TRNC	316,496	-	316,496
The Ivory Coast	43,903	-	43,903
Egypt	11,366	-	11,366
Russia	8,502	-	8,502
Germany	7,344	-	7,344
Other	14,946	-	14,946
	<b>61,641,157</b>	<b>690</b>	<b>61,641,847</b>

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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**IV. Explanations Related to Currency Risk**

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

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

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

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

As of 31 December 2019, the Bank's balance sheet short position is TL 12,304,371 (31 December 2018: TL 9,614,191 short position) off-balance sheet long position is TL 11,928,995 (31 December 2018: 10,013,090 long position) and as a result net foreign currency short position is TL 375,376 (31 December 2018: net TL 398,899 long position).

The announced current foreign exchange buying rates of the Parent Bank at 31 December 2019 and the previous five working days in full TL are as follows:

	24.12.2019	25.12.2019	26.12.2019	27.12.2019	30.12.2019	31.12.2019
<b>USD</b>	5.9298	5.9242	5.9199	5.9393	5.9283	5.9338
<b>JPY</b>	0.0542	0.0540	0.0540	0.0542	0.0544	0.0547
<b>EURO</b>	6.5696	6.5753	6.5687	6.6259	6.6337	6.6660

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 December 2019 are as follows:

	Monthly Average Foreign Exchange Rate
<b>USD</b>	5.8343
<b>JPY</b>	0.0534
<b>EUR</b>	6.4797

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

The Bank is exposed to foreign currency risk in large amounts in EURO and USD.

The table below shows the Bank's sensitivity to a 10% change in the USD and EURO rates. The rate of 10% used is the rate used to report the currency risk to the senior management within the Bank, and this rate represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively in the case of a short position and negatively in the case of a long position.

Change in FX Rate %		Effect on Profit / Loss 31 December 2019	Effect on Equity (*) 31 December 2019
USD	10 increase	19,299	937
USD	10 decrease	(19,299)	(937)
EURO	10 increase	(7,623)	587
EURO	10 decrease	7,623	(587)

Change in FX Rate %		Effect on Profit / Loss 31 December 2018	Effect on Equity (*) 31 December 2018
USD	10 increase	7,949	(833)
USD	10 decrease	(7,949)	833
EURO	10 increase	(293)	(514)
EURO	10 decrease	293	514

(\*) The effect on equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Bank to the changes in the exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to changes in the period's exchange rates.

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**IV. Explanations Related to Currency Risk (continued)**

**Information on the Bank's currency risk:**

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 31 December 2019, the Bank has net USD long position TL 97,475 and net EUR short position TL 75,257.

<b>Current Period</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(1)</sup>	5,094,402	5,284,108	859,517	11,238,027
Banks <sup>(2)</sup>	1,069,500	4,654,099	1,748,333	7,471,932
Financial Assets at Fair Value Through Profit or Loss	712,591	156,748	-	869,339
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,562,241	634,769	19,465	2,216,475
Loans <sup>(3)</sup>	8,697,744	2,670,624	1,251,196	12,619,564
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortized Cost <sup>(4)</sup>	473,508	882,818	-	1,356,326
Derivative Financial Assets for Hedging Purposes <sup>(5)</sup>	877	-	-	877
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets <sup>(6)</sup>	2,056,038	33,208	18,464	2,107,710
<b>Total Assets</b>	<b>19,666,901</b>	<b>14,316,374</b>	<b>3,896,975</b>	<b>37,880,250</b>
<b>Liabilities</b>				
Bank Deposits	101	118,681	7	118,789
Foreign Currency Deposits <sup>(7)</sup>	13,281,324	20,847,113	3,471,026	37,599,463
Money Market Borrowings	327,167	-	-	327,167
Funds Provided From Other Financial Institutions	6,737,648	4,368,856	353,180	11,459,684
Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	7,267	-	-	7,267
Other Liabilities <sup>(8)</sup>	341,645	315,533	15,073	672,251
<b>Total Liabilities</b>	<b>20,695,152</b>	<b>25,650,183</b>	<b>3,839,286</b>	<b>50,184,621</b>
<b>Net Balance Sheet Position</b>	<b>(1,028,251)</b>	<b>(11,333,809)</b>	<b>57,689</b>	<b>(12,304,371)</b>
<b>Net Off-Balance Sheet Position</b>	<b>797,511</b>	<b>11,133,800</b>	<b>(2,316)</b>	<b>11,928,995</b>
Financial Derivative Assets <sup>(9)</sup>	14,804,346	26,844,874	782,678	42,431,898
Financial Derivative Liabilities <sup>(9)</sup>	14,006,835	15,711,074	784,994	30,502,903
Non-Cash Loans <sup>(10)</sup>	6,880,451	5,459,747	904,769	13,244,967
<b>Prior Period</b>				
Total Assets	18,641,733	10,454,622	3,579,010	32,675,365
Total Liabilities	15,077,986	23,650,644	3,560,926	42,289,556
Net Balance Sheet Position	3,563,747	(13,196,022)	18,084	(9,614,191)
Net Off-Balance Sheet Position	(3,989,557)	14,029,951	(27,304)	10,013,090
Financial Derivative Assets <sup>(9)</sup>	9,515,256	27,120,475	892,119	37,527,850
Financial Derivative Liabilities <sup>(9)</sup>	13,504,813	13,090,524	919,423	27,514,760
Non-Cash Loans <sup>(10)</sup>	6,531,063	5,941,120	896,004	13,368,187

(1) Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey includes the balances of expected credit losses amounting to TL 1,890.

(2) The banks include TL 9,059 of expected credit loss provisions.

(3) Foreign currency indexed loans amounting to TL 495,451 (31 December 2018: TL 1,337,691) are included in the loan portfolio. Also, it includes TL 368,603 amounting to expected credit loss.

(4) Financial assets at amortized cost includes expected credit loss amounting to TL 305.

(5) TL 14,112 (31 December 2018: None) income accruals from derivative financial instruments is deducted from derivative financial assets held for risk management. TL 184,862 (31 December 2018: TL 200,454) income accruals from derivative financial instruments is deducted from other assets.

(6) Precious metal accounts amounting to TL 2,349,023 (31 December 2018: TL 1,182,236) are included in the foreign currency deposits.

(7) TL 90,922 (31 December 2018: TL 70,397) expense accruals from derivative financial instruments are deducted from other liabilities.

(8) Forward asset and marketable securities purchase-sale commitments of TL 1,395,075 (31 December 2018: TL 1,076,006) are added to derivative financial assets and TL 883,345 (31 December 2018: TL 970,306) has been added to derivative financial assets.

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

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**V. 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.

Since the Bank does not allow maturity mismatches or imposes limits on mismatch, no significant interest rate risk exposure is expected.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing <sup>(1)</sup>	Total
<b>Current Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	8,951,411	-	-	-	-	3,002,600	11,954,011
Banks <sup>(3)</sup>	6,057,109	-	-	-	-	2,485,247	8,542,356
Financial Assets at Fair Value Through Profit and Loss	180,593	132,240	55,307	669,506	132,752	125,025	1,295,423
Money Market Placements	840,263	-	-	-	-	(29)	840,234
Financial Assets at Fair Value Through Other Comprehensive Income <sup>(4)</sup>	1,057,349	529,972	523,340	2,416,056	1,005,005	7,895	5,539,617
Loans <sup>(5)</sup>	16,882,302	4,579,167	11,359,041	28,333,166	3,917,453	506,014	65,577,143
Financial Assets Measured at Amortized Cost <sup>(6)</sup>	164,665	796,314	2,075,934	1,699,969	169,736	(1,104)	4,905,514
Other Assets	105,790	7,652	315,615	948,324	94,067	7,224,422	8,695,870
<b>Total Assets</b>	<b>34,239,482</b>	<b>6,045,345</b>	<b>14,329,237</b>	<b>34,067,021</b>	<b>5,319,013</b>	<b>13,350,070</b>	<b>107,350,168</b>
<b>Liabilities</b>							
Bank Deposits	362,573	-	-	-	-	23,739	386,312
Other Deposits	49,530,928	4,829,633	677,235	7,293	-	16,762,927	71,808,016
Money Market Borrowings	1,644,665	-	-	-	-	-	1,644,665
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	1,692,304	641,573	-	-	-	-	2,333,877
Funds Provided From Other Financial Institutions	1,736,892	2,987,103	5,676,760	100,473	1,266,257	-	11,767,485
Other Liabilities	23,862	117	711,943	2,330,152	86,263	16,257,476	19,409,813
<b>Total Liabilities</b>	<b>54,991,224</b>	<b>8,458,426</b>	<b>7,065,938</b>	<b>2,437,918</b>	<b>1,352,520</b>	<b>33,044,142</b>	<b>107,350,168</b>
<b>Off-Balance Sheet Items</b>							
Balance Sheet Long Position	-	-	7,263,299	31,629,103	3,966,493	-	42,858,895
Balance Sheet Short Position	(20,751,742)	(2,413,081)	-	-	-	(19,694,072)	(42,858,895)
Off-Balance Sheet Long Position	5,720,979	4,734,356	-	-	-	-	10,455,335
Off-Balance Sheet Short Position	-	-	(4,006,053)	(5,678,954)	(623,850)	-	(10,308,857)
<b>Total Position</b>	<b>(15,030,763)</b>	<b>2,321,275</b>	<b>3,257,246</b>	<b>25,950,149</b>	<b>3,342,643</b>	<b>(19,694,072)</b>	<b>146,478</b>

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

<sup>(2)</sup>Cash and cash equivalents include cash balances (cash in hand, cash in the safe deposit box, purchased checks) and the Central Bank of Turkey's outstanding loss provisions in the amount of TL 1,959

<sup>(3)</sup>The banks include TL 9,809 of expected loss provisions.

<sup>(4)</sup>Receivables from money markets includes the expected losses provisions amounting to TL 29.

<sup>(5)</sup>The revolving loans amounting to TL 7,177,755 (31 December 2018: TL 7,205,162) are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 3,640,892.

<sup>(6)</sup>Financial assets at amortized cost include losses amounting to TL 1,104.

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**V. Explanations Related to Interest Rate Risk (continued)**

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 877,782 intangible assets amounting to TL 555,886, subsidiaries amounting to TL 115,962 and entities under common control (joint vent.) amounting to TL 5, assets held for sale amounting to TL 131,362 while other liabilities line includes the shareholders' equity of TL 9,720,574.

**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	Total
<b>Prior Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	12,069,370	-	-	-	-	3,591,682	15,661,052
Banks	2,946,059	-	-	-	-	972,377	3,918,436
Financial Assets at Fair Value Through Profit and Loss	56,889	18,679	18,937	117,376	316,013	88,680	616,574
Money Market Placements	281,696	-	-	-	-	-	281,696
Financial Assets at Fair Value Through Other Comprehensive Income	496,598	156,047	1,642,804	608,100	382,198	5,610	3,291,357
Loans <sup>(1)</sup>	16,238,534	5,258,061	12,002,096	24,529,354	4,844,969	1,125,809	63,998,823
Financial Assets Measured at Amortized Cost	51,006	777,955	1,963,119	-	-	-	2,792,080
Other Assets	245,013	83,555	378,505	1,313,595	31,531	4,384,947	6,437,146
<b>Total Assets</b>	<b>32,385,165</b>	<b>6,294,297</b>	<b>16,005,461</b>	<b>26,568,425</b>	<b>5,574,711</b>	<b>10,169,105</b>	<b>96,997,164</b>
<b>Liabilities</b>							
Bank Deposits	227,383	-	-	-	-	47,697	275,080
Other Deposits	41,252,575	8,292,678	2,790,922	8,753	-	11,597,158	63,942,086
Money Market Borrowings	62,543	-	-	-	-	-	62,543
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	368,498	158,094	-	-	-	-	526,592
Funds Provided From Other Financial Institutions	2,369,599	3,406,012	6,831,921	121,305	1,880,474	-	14,609,311
Other Liabilities	84,363	178,702	187,209	932,224	11,292	16,187,762	17,581,552
<b>Total Liabilities</b>	<b>44,364,961</b>	<b>12,035,486</b>	<b>9,810,052</b>	<b>1,062,282</b>	<b>1,891,766</b>	<b>27,832,617</b>	<b>96,997,164</b>
Balance Sheet Long Position	-	-	6,195,409	25,506,143	3,682,945	-	35,384,497
Balance Sheet Short Position	(11,979,796)	(5,741,189)	-	-	-	(17,663,512)	(35,384,497)
Off-Balance Sheet Long Position	13,311,342	-	-	-	-	-	13,311,342
Off-Balance Sheet Short Position	-	(1,554,023)	(5,253,328)	(5,630,348)	(123,999)	-	(12,561,698)
<b>Total Position</b>	<b>1,331,546</b>	<b>(7,295,212)</b>	<b>942,081</b>	<b>19,875,795</b>	<b>3,558,946</b>	<b>(17,663,512)</b>	<b>749,644</b>

(1) Revolving loans amounting to TL 7,205,162 are included in "Up to 1 Month".

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 292,290 intangible assets amounting to TL 528,440, subsidiaries amounting to TL 115,986 and entities under common control (joint vent.) amounting to TL 5, assets held for sale amounting to TL 109,104 while other liabilities line includes the shareholders' equity of TL 9,738,508.

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**V. Explanations Related to Interest Rate Risk (continued)**

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

	EUR %	USD %	YEN %	TL %
<b>End of Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	10.00
Banks	-	1.59	-	11.43
Financial Assets at Fair Value Through Profit and Loss	1.52	4.89	-	8.66
Money Market Placements	-	-	-	11.46
Financial Assets at Fair Value Through Other Comprehensive Income	2.11	4.57	-	13.83
Loans	3.23	4.95	5.28	16.42
Financial Assets Measured at Amortized Cost	2.48	4.51	-	14.63
<b>Liabilities</b>				
Bank Deposits	-	1.40	-	5.10
Other Deposits	0.16	1.86	0.25	10.26
Money Market Borrowings	-	-	-	11.02
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	12.05
Funds Provided From Other Financial Institutions	2.16	5.65	-	12.31
	EUR %	USD %	YEN %	TL %
<b>End of Prior Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	2.00	-	13.00
Banks	(0.55)	2.30	-	24.09
Financial Assets at Fair Value Through Profit and Loss	4.89	6.53	-	18.54
Money Market Placements	-	-	-	25.47
Financial Assets at Fair Value Through Other Comprehensive Income	2.77	6.67	-	23.08
Loans	3.66	6.24	5.15	20.05
Financial Assets Measured at Amortized Cost	-	-	-	22.21
<b>Liabilities</b>				
Bank Deposits	-	-	-	14.08
Other Deposits	1.34	3.77	1.57	22.01
Money Market Borrowings	-	3.10	-	25.03
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	24.40
Funds Provided From Other Financial Institutions	1.76	5.23	-	11.84

**Interest rate risk arising from banking accounts:**

- a) Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining historic the reaction of housing loans to interest movements in the previous periods. By analyzing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above mentioned products in interest rate sensitivity calculations.

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**V. Explanations Related to Interest Rate Risk (continued)**
**Interest rate risk arising from banking accounts: (continued)**

- b) Economic value differences arising from fluctuations in interest rates in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method":

Currency	Applied shock (+/- x base point)	Gains/ (Losses)	Gains /Equity– (Losses)/ Equity
TL	(400)	828,119	5.78%
TL	500	(935,100)	(6.52)%
EURO	(200)	100,615	0.70%
EURO	200	(83,923)	(0.59)%
USD	(200)	(66,370)	(0.46)%
USD	200	66,387	0.46%
<b>Total (For negative shocks)</b>	<b>(800)</b>	<b>862,364</b>	<b>6.01%</b>
<b>Total (For positive shocks)</b>	<b>900</b>	<b>(952,636)</b>	<b>(6.64)%</b>

**VI. Explanations Related to Certificates Share Position Risk from Banking Book:**

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 whereby fair value can not be calculated properly.

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

**VII. Explanations Related to Liquidity Risk 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 audited 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 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 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.

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**VII. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (continued)**

- 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 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 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.

- 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 Parent 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 analyse how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analysed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Parent Bank and in the whole banking system, in cases of stress event are analysed. 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 Parent 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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**VII. 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(*)	
Current Period – 31 December 2019		TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			22,314,509	14,243,288
<b>Cash Outflows</b>					
2	Real Person and Retail Deposits	52,470,993	25,987,479	4,616,009	2,598,748
3	Stable Deposits	12,621,803	-	631,090	-
4	Less Stable Deposits	39,849,190	25,987,479	3,984,919	2,598,748
5	Unsecured Debts Other than Real Person and Retail Deposits	21,413,624	11,074,642	11,928,061	5,872,051
6	Operational Deposits	70,441	-	17,610	-
7	Non-Operational Deposits	16,335,675	8,860,962	6,932,951	3,658,371
8	Other Unsecured Funding	5,007,508	2,213,680	4,977,500	2,213,680
9	Secured Funding			-	-
10	Other Cash Outflows	1,576,774	2,328,433	1,576,774	2,328,433
11	Outflows Related to Derivative Exposures and Other Collateral Requirements	1,576,774	2,328,433	1,576,774	2,328,433
12	Outflows Related to Restructured 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	32,629,677	10,716,211	2,666,309	1,124,445
<b>16</b>	<b>Total Cash Outflows</b>			<b>20,787,153</b>	<b>11,923,677</b>
<b>Cash Inflows</b>					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	12,666,308	5,508,103	9,352,475	4,874,984
19	Other cash Inflows	1,731,364	8,382,892	1,731,364	8,382,892
<b>20</b>	<b>Total Cash Inflows</b>	<b>14,397,672</b>	<b>13,890,995</b>	<b>11,083,839</b>	<b>13,257,876</b>
<b>Values to which the upper limit is applied</b>					
<b>21</b>	<b>Total High Quality Liquid Assets</b>			<b>22,314,509</b>	<b>14,243,288</b>
<b>22</b>	<b>Total Net Cash Outflows</b>			<b>9,703,314</b>	<b>2,980,919</b>
<b>23</b>	<b>Liquidity Coverage Ratio (%)</b>			<b>229.97</b>	<b>477.82</b>

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

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**VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)****Liquidity Coverage Ratio: (continued)**

		Rate of Percentage to Be Taken into Account not Implemented Total Value(*)		Rate of Percentage to Be Taken into Account Implemented Total Value(*)	
Prior Period – 31 December 2018		TL+FC	FC	TL+FC	TL
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			19,863,412	12,787,421
<b>Cash Outflows</b>					
2	Real Person and Retail Deposits	46,047,668	19,001,748	4,231,081	1,900,175
3	Stable Deposits	7,473,714	-	373,686	-
4	Less Stable Deposits	38,573,954	19,001,748	3,857,395	1,900,175
5	Unsecured Debts Other than Real Person and Retail Deposits	20,490,098	11,165,935	10,525,594	5,868,710
6	Operational Deposits	77,909	-	19,477	-
7	Non-Operational Deposits	17,138,861	9,048,318	7,263,320	3,751,093
8	Other Unsecured Funding	3,273,328	2,117,617	3,242,797	2,117,617
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	2,330,531	4,885,588	2,330,531	4,885,588
11	Outflows Related to Derivative Exposures and Other Collateral Requirements	2,330,531	4,885,588	2,330,531	4,885,588
12	Outflows Related to Restructured 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	30,608,384	11,731,104	2,523,910	1,141,458
<b>16</b>	<b>Total Cash Outflows</b>			<b>19,611,116</b>	<b>13,795,931</b>
<b>Cash Inflows</b>					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	15,351,445	9,923,979	12,307,906	9,191,743
19	Other cash Inflows	604,281	7,531,871	604,281	7,531,871
<b>20</b>	<b>Total Cash Inflows</b>	<b>15,955,726</b>	<b>17,455,850</b>	<b>12,912,187</b>	<b>16,723,614</b>
		Values to which the upper limit is applied			
<b>21</b>	<b>Total High Quality Liquid Assets</b>			<b>19,863,412</b>	<b>12,787,421</b>
<b>22</b>	<b>Total Net Cash Outflows</b>			<b>6,698,929</b>	<b>3,448,983</b>
<b>23</b>	<b>Liquidity Coverage Ratio (%)</b>			<b>296.52</b>	<b>370.76</b>

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

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

High quality liquid assets in order of their priority consist of the time accounts, bond portfolio, reserve deposit and cash. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effects 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.

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**VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)****Liquidity Coverage Ratio: (continued)**

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 other significant cash inflow or outflow item which are not required by section two of 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	153.35%	358.28%	251.23%	282.54%
Week	4.10.2019	18.10.2019	09.11.2018	26.10.2018
Highest	375.55%	610.47%	412.39%	495.66%
Week	6.12.2019	6.12.2019	21.12.2018	14.12.2018

# TÜRK EKONOMİ BANKASI A.Ş.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### 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 <sup>(1)</sup>	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	3,004,559	8,951,411	-	-	-	-	(1,959)	11,954,011
Banks <sup>(3)</sup>	2,495,056	6,057,109	-	-	-	-	(9,809)	8,542,356
Financial Assets at Fair Value Through Profit and Loss	-	1,018	132,240	7,539	896,848	132,753	125,025	1,295,423
Money Market Placements <sup>(4)</sup>	-	840,263	-	-	-	-	(29)	840,234
Financial Assets at Fair Value Through Other Comprehensive Income	7,895	21,593	529,972	820,187	2,757,434	1,402,536	-	5,539,617
Loans <sup>(4)</sup>	-	16,391,161	4,579,167	11,322,142	28,861,206	3,917,453	506,014	65,577,143
Financial Assets Measured at Amortized Cost <sup>(5)</sup>	-	-	643,151	377,217	3,665,566	220,684	(1,104)	4,905,514
Other Assets	-	1,016,563	69,900	405,800	1,008,985	94,067	6,100,555	8,695,870
<b>Total Assets</b>	<b>5,507,510</b>	<b>33,279,118</b>	<b>5,954,430</b>	<b>12,932,885</b>	<b>37,190,039</b>	<b>5,767,493</b>	<b>6,718,693</b>	<b>107,350,168</b>
<b>Liabilities</b>								
Bank Deposits	23,739	362,573	-	-	-	-	-	386,312
Other Deposits	16,762,927	49,529,146	4,829,381	679,269	7,293	-	-	71,808,016
Funds Provided From Other Financial Institutions	-	1,031,444	378,656	7,036,595	130,287	3,190,503	-	11,767,485
Money Market Placements	-	1,644,665	-	-	-	-	-	1,644,665
Securities Issued	-	1,692,304	641,573	-	-	-	-	2,333,877
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	-	4,823,754	91,263	841,197	2,655,037	452,006	10,546,556	19,409,813
<b>Total Liabilities</b>	<b>16,786,666</b>	<b>59,083,886</b>	<b>5,940,873</b>	<b>8,557,061</b>	<b>2,792,617</b>	<b>3,642,509</b>	<b>10,546,556</b>	<b>107,350,168</b>
<b>Liquidity Gap</b>	<b>(11,279,156)</b>	<b>(25,804,768)</b>	<b>13,557</b>	<b>4,375,824</b>	<b>34,397,422</b>	<b>2,124,984</b>	<b>(3,827,863)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>217,295</b>	<b>(20,526)</b>	<b>21,127</b>	<b>62,051</b>	<b>1,665</b>	<b>-</b>	<b>281,612</b>
Financial Derivative Assets	-	18,322,414	6,162,762	13,378,270	15,125,169	3,374,022	-	56,362,637
Financial Derivative Liabilities	-	18,105,119	6,183,288	13,357,143	15,063,118	3,372,357	-	56,081,025
Non-Cash Loans	6,078,123	942,642	2,658,433	5,667,723	7,028,565	-	-	22,375,486
<b>Prior Period</b>								
Total Assets	4,569,669	31,979,084	5,802,469	14,035,118	29,573,845	6,509,223	4,527,756	96,997,164
Total Liabilities	11,644,855	48,278,549	11,799,850	10,599,993	1,420,836	2,854,441	10,398,640	96,997,164
Liquidity Gap	(7,075,186)	(16,299,465)	(5,997,381)	3,435,125	28,153,009	3,654,782	(5,870,884)	-
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>147,524</b>	<b>(56,654)</b>	<b>(3,761)</b>	<b>375,087</b>	<b>1,838</b>	<b>-</b>	<b>464,034</b>
Financial Derivative Assets	-	13,461,374	10,708,847	16,665,546	14,044,584	646,865	-	55,527,216
Financial Derivative Liabilities	-	13,313,850	10,765,501	16,669,307	13,669,497	645,027	-	55,063,182
Non-Cash Loans	6,070,838	1,470,618	2,589,098	5,765,025	6,774,921	-	-	22,670,500

<sup>(1)</sup> 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.

<sup>(2)</sup> Cash and cash equivalents include cash balances (cash in hand, cash in the safe deposit box, purchased checks) and the Central Bank of Turkey's outstanding loss provisions amounting to TL 1,959.

<sup>(3)</sup> The banks include TL 9,809 of expected loss provisions.

<sup>(4)</sup> Receivables from money markets includes the expected losses provisions amounting to TL 29.

<sup>(5)</sup> The revolving loans amounting to TL 7,177,755 (31 December 2018: TL 7,205,162) are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 3,640,892.

<sup>(6)</sup> Financial assets at amortized cost include losses amounting to TL 1,104.

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

**Analysis of financial liabilities by remaining contractual maturities:**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
<b>31 December 2019</b>								
Money Market Borrowings	-	1,644,941	-	-	-	-	(276)	1,644,665
Other Deposits	16,762,927	49,590,016	4,856,525	702,372	8,133	-	(111,957)	71,808,016
Banks Deposits	23,739	362,650	-	-	-	-	(77)	386,312
Funds From Other Financial Institutions	-	1,058,591	400,531	7,466,273	1,197,495	4,214,894	(2,570,299)	11,767,485
<b>Total</b>	<b>16,786,666</b>	<b>52,656,198</b>	<b>5,257,056</b>	<b>8,168,645</b>	<b>1,205,628</b>	<b>4,214,894</b>	<b>(2,682,609)</b>	<b>85,606,478</b>
<b>31 December 2018</b>								
Money Market Borrowings	-	62,586	-	-	-	-	(43)	62,543
Other Deposits	11,597,158	41,406,134	8,487,709	3,033,077	10,606	-	(592,598)	63,942,086
Banks Deposits	47,697	227,557	-	-	-	-	(174)	275,080
Funds From Other Financial Institutions	-	1,946,439	2,747,162	7,335,274	543,770	4,446,642	(2,409,976)	14,609,311
<b>Total</b>	<b>11,644,855</b>	<b>43,642,716</b>	<b>11,234,871</b>	<b>10,368,351</b>	<b>554,376</b>	<b>4,446,642</b>	<b>(3,002,791)</b>	<b>78,889,020</b>

**Analysis of contractual maturity of the Bank’s derivative financial instruments:**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated
<b>31 December 2019</b>						
<b>Derivative financial instruments for hedging purposes</b>						
Fair Value Hedge	-	935,776	-	804,408	-	1,740,184
Cash Flow Hedge	617,006	335,892	4,195,289	6,305,070	107,140	11,560,397
<b>Trading Transactions</b>						
Forward foreign exchange agreement	1,738,432	1,661,071	1,479,351	466,529	-	5,345,383
Swap money selling agreement	13,932,004	2,992,549	5,848,387	6,105,848	2,806,467	31,685,255
Swap interest agreement	26,051	14,667	105,270	142,349	9,818	298,155
Futures monetary agreement	-	-	-	35,164	-	35,164
Money exchange options contract	1,709,590	1,694,963	743,905	62,871	-	4,211,329
<b>Total</b>	<b>18,023,083</b>	<b>7,634,918</b>	<b>12,372,202</b>	<b>13,922,239</b>	<b>2,923,425</b>	<b>54,875,867</b>
<b>31 December 2018</b>						
<b>Derivative financial instruments for hedging purposes</b>						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	1,478,649	1,269,268	992,614	1,429,446	133,980	5,303,957
<b>Trading Transactions</b>						
Forward foreign exchange agreement	1,420,228	1,571,984	2,149,526	735,469	-	5,877,207
Swap money selling agreement	7,774,826	7,166,400	7,779,132	8,143,920	179,003	31,043,281
Swap interest agreement	1,807	783	15,680	106,620	5,816	130,706
Futures monetary agreement	-	-	-	-	-	-
Money exchange options contract	1,523,162	2,271,203	2,508,514	11,330	-	6,314,209
<b>Total</b>	<b>12,198,672</b>	<b>12,279,638</b>	<b>13,445,466</b>	<b>10,426,785</b>	<b>318,799</b>	<b>48,669,360</b>

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**VIII. Explanations Related to Leverage Ratio**

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

There is an increase in the leverage ratio in line with the decrease in derivative risk and main capital increase.

b) Leverage ratio:

	<b>Assets on the Balance Sheet</b>	<b>Current Period(*)</b>	<b>Prior Period(*)</b>
1	Assets on the Balance Sheet (Excluding Derivative Financial Instruments and Loan Derivatives, Including Collaterals)	103,210,045	97,481,641
2	(Assets Deducted from Core Capital)	(580,323)	(556,281)
3	<b>Total Risk Amount for Assets on the Balance Sheet</b>	<b>102,629,722</b>	<b>96,925,360</b>
	<b>Derivative Financial Instruments and Credit Derivatives</b>		
4	Renewal Cost of Derivative Financial Instruments and Loan Derivatives	438,483	2,799,266
5	Potential Credit Risk Amount of Derivative Financial Instruments and Loan Derivatives	560,417	728,753
6	<b>Total Risk Amount of Derivative Financial Instruments and Loan Derivatives</b>	<b>998,900</b>	<b>3,528,019</b>
	<b>Financing Transactions With Securities Or Goods Warranties</b>		
7	Risk Amount of Financial Transactions with Securities or Goods Warranties (Excluding Those in the Balance Sheet)	3,323	-
8	Risk Amount Arising from Intermediated Transactions	-	-
9	<b>Total Risk Amount of Financing Transactions with Securities or Goods Warranties</b>	<b>3,323</b>	<b>-</b>
	<b>Off-the-Balance Sheet Transactions</b>		
10	Gross Nominal Amount of the Off-Balance Sheet Transactions	46,734,215	41,032,512
11	(Adjustment Amount Arising from Multiplying by the Credit Conversion Rate)	-	-
12	<b>Total Risk Amount for Off-Balance Sheet Transactions</b>	<b>46,734,215</b>	<b>41,032,512</b>
	<b>Capital and Total Risk</b>		
13	Tier 1 Capital	10,224,843	9,294,595
14	<b>Total Risk Amount</b>	<b>150,366,160</b>	<b>141,485,891</b>
	<b>Leverage Ratio</b>		
15	<b>Leverage Ratio</b>	<b>6.80%</b>	<b>6.57%</b>

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

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**IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values**

The table below shows the book value and fair value of financial assets and liabilities that are not shown at the fair value of the Bank's financial statements.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>85,404,864</b>	<b>74,282,392</b>	<b>87,155,529</b>	<b>72,123,860</b>
Receivables From Money Markets	840,234	281,696	840,234	281,696
Banks	8,542,356	3,918,436	8,542,356	3,918,436
Financial Assets at Fair Value Through Other Comprehensive Income	5,539,617	3,291,357	5,539,617	3,291,357
Financial Assets Valued Over Amortized Cost	4,905,514	2,792,080	5,032,899	2,771,118
Loans	65,577,143	63,998,823	67,200,423	61,861,253
<b>Financial Liabilities</b>	<b>91,123,255</b>	<b>81,727,766</b>	<b>91,289,902</b>	<b>82,314,177</b>
Banks Deposits	386,312	275,080	386,312	275,080
Other Deposits	71,808,016	63,942,086	71,903,320	64,471,685
Funds Received From Other Financial Institutions (*)	13,412,150	14,671,854	13,483,493	14,728,666
Securities Issued	2,333,877	526,592	2,333,877	526,592
Miscellaneous Payables	3,182,900	2,312,154	3,182,900	2,312,154

(\*) Debts to money markets and subordinated loans are included in the line of funds from other financial institutions.

Investment securities in the current period include financial assets valued at their amortized cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions, is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure; by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

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**IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values**

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

<b>31 December 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>6,681,437</b>	<b>2,016,319</b>	<b>48,833</b>	<b>8,746,589</b>
<i>Financial Assets at Fair Value Through Profit or Loss</i>	<i>1,170,398</i>	<i>1,754,129</i>	<i>40,938</i>	<i>2,965,465</i>
<i>- Government Debt Securities</i>	<i>1,167,994</i>	<i>-</i>	<i>-</i>	<i>1,167,994</i>
<i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>	<i>-</i>	<i>1,670,042</i>	<i>-</i>	<i>1,670,042</i>
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	<i>2,404</i>	<i>84,087</i>	<i>40,938</i>	<i>127,429</i>
<i>Derivative Financial Assets for Hedging Purposes</i>	<i>-</i>	<i>241,507</i>	<i>-</i>	<i>241,507</i>
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	<i>5,511,039</i>	<i>20,683</i>	<i>7,895</i>	<i>5,539,617</i>
<i>Government Debt Securities</i>	<i>5,511,039</i>	<i>20,683</i>	<i>-</i>	<i>5,531,722</i>
<i>Other Fair Value Differences Financial Assets Reflected to Other Comprehensive Income</i>	<i>-</i>	<i>-</i>	<i>7,895</i>	<i>7,895</i>
<b>Financial Liabilities</b>	<b>-</b>	<b>3,511,558</b>	<b>-</b>	<b>3,511,558</b>
<i>Derivative Financial Liabilities at Fair Value Through Profit or Loss</i>	<i>-</i>	<i>1,586,584</i>	<i>-</i>	<i>1,586,584</i>
<i>Derivative Financial Liabilities for Hedging Purposes</i>	<i>-</i>	<i>1,924,974</i>	<i>-</i>	<i>1,924,974</i>
<b>31 December 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>3,793,605</b>	<b>3,185,799</b>	<b>41,803</b>	<b>7,021,207</b>
<i>Financial Assets at Fair Value Through Profit or Loss</i>	<i>527,894</i>	<i>2,663,284</i>	<i>36,193</i>	<i>3,227,371</i>
<i>- Government Debt Securities</i>	<i>527,894</i>	<i>-</i>	<i>-</i>	<i>527,894</i>
<i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>	<i>-</i>	<i>2,610,797</i>	<i>-</i>	<i>2,610,797</i>
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	<i>-</i>	<i>52,487</i>	<i>36,193</i>	<i>88,680</i>
<i>Derivative Financial Assets for Hedging Purposes</i>	<i>-</i>	<i>502,479</i>	<i>-</i>	<i>502,479</i>
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	<i>3,265,711</i>	<i>20,036</i>	<i>5,610</i>	<i>3,291,357</i>
<i>Government Debt Securities</i>	<i>3,265,711</i>	<i>20,036</i>	<i>-</i>	<i>3,285,747</i>
<i>Other Fair Value Differences Financial Assets Reflected to Other Comprehensive Income</i>	<i>-</i>	<i>-</i>	<i>5,610</i>	<i>5,610</i>
<b>Financial Liabilities</b>	<b>-</b>	<b>2,764,943</b>	<b>-</b>	<b>2,764,943</b>
<i>Derivative Financial Liabilities at Fair Value Through Profit or Loss</i>	<i>-</i>	<i>2,375,761</i>	<i>-</i>	<i>2,375,761</i>
<i>Derivative Financial Liabilities for Hedging Purposes</i>	<i>-</i>	<i>389,182</i>	<i>-</i>	<i>389,182</i>

There is no transition between levels in the current year.

**X. Explanations Related to Transaction Carried Out on Behalf of Other Parties and Fiduciary Assets**

The Bank performs buying transactions on behalf of customers, and gives custody, administration and advisory services.

The Bank does not deal with fiduciary transactions.

**XI. Explanations Related to Risk Management**

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

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**XI. Explanations Related to Risk Management (continued)**

**1. Risk management approach and Risk Weighted Amounts**

**1.1 Bank’s risk management approach**

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Bank aims to,

- i) Identify the main risks to which bank is exposed and identified risks are within the controlled range,
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Audit Committee

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**XI. Explanations Related to Risk Management (continued)****1. Risk management approach and Risk Weighted Amounts (continued)****1.2 Overview of Risk Weighted Amounts**

	Risk Weighted Amounts		Minimum capital
	Current Period	Prior Period	Requirement
1 Credit Risk (Excluding Counterparty Credit Risk) (CCR)	73,382,817	66,532,643	5,870,625
2 Of which Standardized Approach (SA)	73,382,817	66,532,643	5,870,625
3 Of which Internal Rating-Based (IRB) Approach	-	-	-
4 Counterparty Credit risk	1,203,770	1,306,710	96,302
5 Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	1,203,770	1,306,710	96,302
6 Of which Internal Model Method (IMM)	-	-	-
7 Equity positions in banking book under market-based approach	-	-	-
8 Equity Investment in Funds - Look-Through Approach	-	-	-
9 Equity Investment in Funds - Mandate-Based Approach	-	-	-
10 Equity Investment in Funds - 1250% Weighted Risk Approach	-	-	-
11 Settlement Risk	-	-	-
12 Securitization Positions in banking accounts	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	1,649,750	706,725	131,980
17 Of which Standardized approach (SA)	1,649,750	706,725	131,980
18 Of which Internal model approaches (IMM)	-	-	-
19 Operational Risk	8,372,744	7,395,528	669,820
20 Of which Basic Indicator Approach	8,372,744	7,395,528	669,820
21 Of which Standard Approach	-	-	-
22 Of which Advanced Measurement Approach	-	-	-
23 Amounts Below the Thresholds for Deduction (Subject to a 250% Risk Weight)	-	-	-
24 Floor Adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>84,609,081</b>	<b>75,941,606</b>	<b>6,768,727</b>

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**XI. Explanations Related to Risk Management (continued)**

**2. Linkages Between Financial Statements and Regulatory Exposures**

**2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**

Current Period	Carrying values as reported in published financial statements (*)	Carrying value of items			Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework (**)	
<b>Assets</b>					
Cash Values and Central Bank	11,955,970	11,955,970	-	-	-
Banks	8,552,165	8,553,619	-	-	-
Receivables From Money Markets	840,263	-	840,263	-	-
Financial Assets at Fair Value through Profit Loss	1,295,423	125,026	-	1,170,397	-
Financial Assets at Fair Value Through Other Comprehensive Income	5,539,617	5,539,546	-	-	-
Financial Assets Measured by Amortized Cost	4,906,618	4,906,618	-	-	-
Part of Derivative Financial Assets at Fair Value Through Profit Loss	1,670,042	-	1,670,042	1,670,042	-
The Fair Value Differences of Derivative Financial Assets Reflected to Other Comprehensive Income	241,507	-	241,507	241,507	-
Frozen Financial Assets	-	-	-	-	-
Expected Loss Reserves (-)	3,653,793	2,352,545	-	-	-
Credits	69,218,035	69,218,035	-	-	-
Factoring Receivables	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	131,362	131,362	-	-	-
Affiliates (Net)	-	-	-	-	-
Subsidiaries (Net)	115,986	115,986	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-
Property, Plant and Equipment (Net)	877,782	832,905	-	-	44,877
Intangible Assets (Net)	555,886	-	-	-	555,885
Investment Properties (Net)	-	-	-	-	-
Current Tax Asset	10,958	10,958	-	-	-
Deferred Tax Asset	650,094	650,094	-	-	-
Other Assets (*)	4,442,248	2,554,356	1,889,567	531	-
<b>Total assets</b>	<b>107,350,168</b>	<b>102,241,935</b>	<b>4,641,379</b>	<b>3,082,477</b>	<b>600,762</b>
<b>Liabilities</b>					
Deposit	72,194,328	-	-	-	-
Loans received	8,576,982	-	-	-	-
Debts to money markets	1,644,665	-	1,644,665	-	-
Issued securities	2,333,877	-	-	-	-
Financial Liabilities with Fair Value Differences Reflected to Profit Loss	-	-	-	-	-
Derivative Financial Liabilities	3,511,558	-	2,571,144	-	-
Factoring Obligations	-	-	-	-	-
Payables From Leasing	653,707	-	-	-	-
Provisions	825,982	-	-	-	-
Current Tax Liability	213,516	-	-	-	-
Deferred Tax Liability	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-
Subordinated loans	3,190,503	-	-	-	-
Other Liabilities	4,484,476	-	730,161	-	-
Equity	9,720,574	-	-	-	-
<b>Total liabilities</b>	<b>107,350,168</b>	<b>-</b>	<b>4,945,970</b>	<b>-</b>	<b>-</b>

(\*) Refers to Bank's unconsolidated financial statements.

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**XI. Explanations Related to Risk Management (continued)**

**2. Linkages Between Financial Statements and Regulatory Exposures**

**2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**

Prior Period	Carrying values as reported in published financial statements (*)	Carrying value of items			Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework (**)	
<b>Assets</b>					
Cash Values and Central Bank	15,661,052	15,661,052	-	-	-
Banks	3,918,436	3,919,503	-	-	-
Receivables From Money Markets	281,696	-	281,696	-	-
Financial Assets at Fair Value through Profit Loss	616,574	88,680	-	527,894	-
Financial Assets at Fair Value Through Other Comprehensive Income	3,291,357	3,292,097	-	-	-
Financial Assets Measured by Amortized Cost	2,792,080	2,792,080	-	-	-
Part of Derivative Financial Assets at Fair Value Through Profit Loss	2,610,797	-	2,610,797	2,610,797	-
The Fair Value Differences of Derivative Financial Assets Reflected to Other Comprehensive Income	502,479	-	502,479	502,479	-
Frozen Financial Assets	2,774,744	2,774,744	-	-	-
Expected Loss Reserves (-)	2,858,742	1,658,180	-	-	-
Credits (*)	64,073,863	64,073,863	-	-	-
Factoring Receivables	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	109,104	109,104	-	-	-
Affiliates (Net)	-	-	-	-	-
Subsidiaries (Net)	115,986	115,986	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-
Property, Plant and Equipment (Net)	292,290	243,336	-	-	48,954
Intangible Assets (Net)	528,440	-	-	-	528,440
Investment Properties (Net)	-	-	-	-	-
Current Tax Asset	1,358	1,358	-	-	-
Deferred Tax Asset	187,325	187,325	-	-	-
Other Assets (*)	2,098,320	1,801,457	297,053	495	-
<b>Total assets</b>	<b>96,997,164</b>	<b>93,402,410</b>	<b>3,692,025</b>	<b>3,641,665</b>	<b>577,394</b>
<b>Liabilities</b>					
Deposit	64,217,166	-	-	-	-
Loans received	11,766,163	-	-	-	-
Debts to money markets	62,543	-	62,543	-	-
Issued securities	526,592	-	-	-	-
Financial Liabilities with Fair Value Differences Reflected to Profit Loss	-	-	-	-	-
Derivative Financial Liabilities	2,764,943	-	1,807,845	-	-
Factoring Obligations	-	-	-	-	-
Provisions	660,132	-	-	-	-
Current Tax Liability	291,338	-	-	-	-
Deferred Tax Liability	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-
Subordinated loans	2,843,148	-	-	-	-
Other Liabilities	4,126,631	-	466,742	-	-
Equity	9,738,508	-	-	-	-
<b>Total liabilities</b>	<b>96,997,164</b>		<b>2,337,130</b>	-	-

(\*) Refers to Bank's unconsolidated financial statements.

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### XI. Explanations Related to Risk Management (continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures

##### 2.2 Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Current Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Asset carrying value amount under scope of regulatory consolidation	107,350,168	102,241,935	4,641,379	3,082,477
2	Liabilities carrying value amount under regulatory scope of consolidation	4,945,970	-	4,945,970	-
3	Total net amount under regulatory scope of consolidation	102,404,201	102,241,935	(304,591)	3,082,477
4	Off-balance sheet amounts	96,510,498	17,225,190	567,789	-
5	Differences in valuations	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-
8	Differences due to prudential filters	-	-	-	-
9	Exposure amounts considered for regulatory purposes	-	119,467,125	263,198	3,082,477

Prior Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Asset carrying value amount under scope of regulatory consolidation	96,997,164	93,402,411	3,692,025	3,641,664
2	Liabilities carrying value amount under regulatory scope of consolidation	2,337,131	-	2,337,131	-
3	Total net amount under regulatory scope of consolidation	94,660,033	93,402,411	1,354,894	3,641,664
4	Off-balance sheet amounts	90,528,859	16,948,427	480,953	-
5	Differences in valuations	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-
8	Differences due to prudential filters	-	-	-	-
9	Exposure amounts considered for regulatory purposes	-	110,350,838	1,835,847	3,641,664

#### 2.3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and audited annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure

##### 3.1. General information about credit risk

##### 3.1.1. General qualitative information about credit risk

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and present risk expectations. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to Senior Management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports are presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Audit Committee, and Board of Directors. The Bank’s credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee and the Board of Directors.

The risk appetite declaration is approved by the Board of Directors and audited once a year. The Bank combines existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the Bank.

The Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

##### 3.1.2. Credit quality of assets

Current Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
Loans	4,146,906	65,071,129	3,640,892	65,577,143
Debt Securities	-	10,438,340	1,104	10,437,236
Off-balance sheet exposures	-	42,657,485	243,480	42,414,005
<b>Total</b>	<b>4,146,906</b>	<b>118,166,954</b>	<b>3,885,476</b>	<b>118,428,384</b>

Prior Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/ Impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
Loans	2,774,744	64,073,863	2,849,784	63,998,823
Debt Securities	-	6,077,827	629	6,077,198
Off-balance sheet exposures	-	38,746,911	202,659	38,544,252
<b>Total</b>	<b>2,774,744</b>	<b>108,898,601</b>	<b>3,053,072</b>	<b>108,620,273</b>

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**XI. Explanations Related to Risk Management (continued)**

**3. Credit Risk Disclosure (continued)**

**3.1. General information about credit risk (continued)**

**3.1.3. Changes in stock of defaulted loans and debt securities**

<b>1</b>	<b>Defaulted loans and debt securities at end of the 31 December 2018</b>	<b>2,774,744</b>
2	Loans and debt securities that have defaulted since the last reporting period	3,062,812
3	Returned to non-defaulted status	-
4	Amounts written off(*)	639,870
5	Other changes (**)	1,050,780
<b>6</b>	<b>Defaulted loans and debt securities at end of 31 December 2019 (1+2-3-4-5)</b>	<b>4,146,906</b>

(\*)The bank wrote off TL 171,832 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 467,640 for which a provision of TL 450,294 was provided, was sold in 2019 with a price of TL 26,363 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

(\*\*)Includes collections during the period.

<b>1</b>	<b>Defaulted loans and debt securities at end of the 31 December 2017</b>	<b>1,946,625</b>
2	Loans and debt securities that have defaulted since the last reporting period	2,195,549
3	Returned to non-defaulted status	2,018
4	Amounts written off(*)	503,724
5	Other changes (**)	861,688
<b>6</b>	<b>Defaulted loans and debt securities at end of 31 December 2018 (1+2-3-4-5)</b>	<b>2,774,744</b>

(\*) The Bank's non-performing loan portfolio amounting to TL 500,538 with provision TL 483,618 was sold in 2018 with a price of TL 24,061, after the completion of the necessary procedures, non-performing loans were written off from the records.

(\*\*) Includes collections during the period

**3.1.4. Additional disclosure related to the credit quality**

- a) The scope and definitions of “past due” and “impaired” exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting purposes

According to the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as “non-performing loan” in the Accounting Practice.

Receivables past due more than 90 days are considered as “impaired receivables”, and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past due exposures (more than 90 days) that are not considered to be impaired and the reasons for this

A specific provision is allocated for receivables for which collection is deferred more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments

Provision amount is determined in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”.

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

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**XI. Explanations Related to Risk Management (continued)**

**3. Credit Risk Disclosure (continued)**

**3.1. General information about credit risk (continued)**

**3.1.4. Additional disclosure related to the credit quality (continued)**

e) Breakdown of exposures by geographical areas, industry and residual maturity:

Breakdown of Loans and Receivables by Sector

	Current Period			
	TL	(%)	FC	(%)
Agriculture	1,272,531	2.42	139,879	1.12
Farming and Stockbreeding	1,210,438	2.30	138,905	1.11
Forestry	-	-	-	-
Fishery	62,093	0.12	974	0.01
Manufacturing	14,855,656	28.26	5,936,539	47.53
Mining and Quarrying	1,158,785	2.20	203,068	1.63
Production	13,147,577	25.01	5,450,083	43.63
Electricity, Gas and Water	549,294	1.05	283,388	2.27
Construction	1,247,839	2.37	335,191	2.68
Services	13,222,498	25.15	5,735,750	45.91
Wholesale and Retail Trade	5,205,663	9.90	1,005,417	8.05
Accommodation and Dining	805,003	1.53	1,373,359	10.99
Transportation and Telecom.	2,099,437	3.99	336,643	2.69
Financial Institutions	1,936,249	3.68	1,516,889	12.14
Real Estate and Rental Services	1,070,901	2.04	1,402,519	11.23
Self-Employment Services	680,584	1.29	100,360	0.80
Educational Services	82,751	0.16	563	0.00
Health and Social Services	1,341,910	2.55	-	-
Other	21,979,889	41.80	345,357	2.76
<b>Total</b>	<b>52,578,413</b>	<b>100.00</b>	<b>12,492,716</b>	<b>100.00</b>

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	1,784,550	3.56	173,750	1.24
Farming and Stockbreeding	1,735,415	3.46	166,198	1.19
Forestry	-	-	-	-
Fishery	49,135	0.10	7,552	0.05
Manufacturing	15,615,539	31.15	6,890,850	49.44
Mining and Quarrying	1,654,923	3.30	254,849	1.83
Production	13,554,411	27.04	6,165,453	44.23
Electricity, Gas and Water	406,205	0.81	470,548	3.38
Construction	2,327,789	4.64	590,798	4.24
Services	14,384,915	28.69	6,217,596	44.60
Wholesale and Retail Trade	6,412,554	12.79	1,255,522	9.01
Accommodation and Dining	973,171	1.94	1,051,394	7.54
Transportation and Telecom.	2,294,804	4.58	420,794	3.02
Financial Institutions	1,554,116	3.10	1,419,802	10.19
Real Estate and Rental Services	1,209,616	2.41	1,985,634	14.24
Self-Employment Services	708,475	1.41	80,243	0.58
Educational Services	88,151	0.18	4,207	0.03
Health and Social Services	1,144,028	2.28	-	-
Other	16,021,672	31.96	66,404	0.48
<b>Total</b>	<b>50,134,465</b>	<b>100.00</b>	<b>13,939,398</b>	<b>100.00</b>

Breakdown of loans and receivables according to remaining maturities is provided in the note VI. of section 4 under the “Presentation of assets and liabilities according to their remaining maturities”.

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**XI. Explanations Related to Risk Management (continued)****3. Credit Risk Disclosure (continued)****3.1. General information about credit risk (continued)****3.1.4. Additional disclosure related to the credit quality (continued)**

- f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Bank’s loans under follow-up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under “Information in terms of major sectors and type of counterparties”.

- g) Ageing analysis of accounting past-due exposures

<b>31 December 2019</b>	<b>1-30 Day</b>	<b>31-60 Day</b>	<b>61-90 Day</b>	<b>Total</b>
Loans and Receivables				
Commercial Loans	455,811	357,891	1,093,620	1,907,322
Consumer Loans	482,022	297,618	380,699	1,160,339
Credit Cards	96,362	103,803	73,313	273,478
<b>Total</b>	<b>1,034,195</b>	<b>759,312</b>	<b>1,547,632</b>	<b>3,341,139</b>

<b>31 December 2018</b>	<b>1-30 Day</b>	<b>31-60 Day</b>	<b>61-90 Day</b>	<b>Total</b>
Loans and Receivables				
Commercial Loans	632,672	777,110	1,215,500	2,625,282
Consumer Loans	602,920	355,875	430,668	1,389,463
Credit Cards	106,973	136,331	99,341	342,645
<b>Total</b>	<b>1,342,565</b>	<b>1,269,316</b>	<b>1,745,509</b>	<b>4,357,390</b>

- h)

- i) Breakdown of restructured exposures between impaired and not impaired exposures

Not impaired loans:

		<b>Significant Increase in Credit Risk (Stage 2)</b>	
<b>Current Period</b>	<b>Gross Amount</b>		<b>Net Amount</b>
Commercial Loans	1,927,889	393,754	1,534,135
Consumer Loans	137,661	14,402	123,259
Credit Cards	61,116	3,605	57,511
<b>Total</b>	<b>2,126,666</b>	<b>411,761</b>	<b>1,714,905</b>

		<b>Significant Increase in Credit Risk (Stage 2)</b>	
<b>Prior Period</b>	<b>Gross Amount</b>		<b>Net Amount</b>
Commercial Loans	1,866,363	290,760	1,575,603
Consumer Loans	97,445	8,455	88,990
Credit Cards	49,128	4,263	44,865
<b>Total</b>	<b>2,012,936</b>	<b>303,478</b>	<b>1,709,458</b>

Impaired loans:

		<b>Default (Stage 3)</b>	
<b>Current Period</b>	<b>Gross Amount</b>		<b>Net Amount</b>
Commercial Loans	47,120	28,442	18,678
Consumer Loans	56,711	34,791	21,920
Credit Cards	11,972	9,355	2,617
<b>Total</b>	<b>115,803</b>	<b>72,588</b>	<b>43,215</b>

		<b>Default (Stage 3)</b>	
<b>Prior Period</b>	<b>Gross Amount</b>		<b>Net Amount</b>
Commercial Loans	14,325	11,363	2,962
Consumer Loans	26,861	15,352	11,509
Credit Cards	8,072	5,464	2,608
<b>Total</b>	<b>49,258</b>	<b>32,179</b>	<b>17,079</b>

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### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.2 Credit Risk Mitigation

###### 3.2.1. Qualitative disclosure requirements related to credit risk mitigation techniques

- a) Core features of policies and processes for which the Bank makes on and off-balance sheet netting

The Bank does not perform on and off balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

- b) Core features of policies and processes for collateral evaluation and management.

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

- c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).

Guarantor entity's credit risk value is to be considered in credit risk mitigation process in cases where Bank credit customers obtained guarantee from other entities.

Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk concentration risk.

###### 3.2.2. Credit risk mitigation techniques – Overview

Current Period		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
1	Loans	51,501,497	10,623,941	9,464,806	4,740,052	3,794,739	-	-
2	Debt securities	10,438,340	-	-	-	-	-	-
3	<b>Total</b>	<b>61,939,837</b>	<b>10,623,941</b>	<b>9,464,806</b>	<b>4,740,052</b>	<b>3,794,739</b>	-	-
4	Of which defaulted	3,816,599	312,828	221,411	17,479	1,122	-	-

Prior Period		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
1	Loans	46,362,565	9,664,219	8,690,629	9,163,643	6,601,291	-	-
2	Debt securities	6,078,567	-	-	-	-	-	-
3	<b>Total</b>	<b>52,441,132</b>	<b>9,664,219</b>	<b>8,690,629</b>	<b>9,163,643</b>	<b>6,601,291</b>	-	-
4	Of which defaulted	2,675,160	89,333	66,566	10,251	948	-	-

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**XI. Explanations Related to Risk Management (continued)**
**3. Credit Risk Disclosure (continued)**
**3.3. Credit risk under standardized approach**
**3.3.1. Disclosures on banks’ use of credit ratings under the standard approach for credit risk**

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- a) Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period;

The Bank uses Fitch Ratings International Rating Agency’s external ratings.

- b) The risk classes for which each ECAI or ECA is used;

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight on is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

- c) A description of the process used to apply the issuer credit ratings onto other issuer comparable assets in the banking book

A 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and a 50% risk weight is used for receivables with a maturity period of more than three months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

- d) The alignment of the alphanumerical scale of each agency used with risk buckets (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply).

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long- Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA and AA-	0%	20%	50%	100%
2	A+ and A-	20%	20%	50%	100%
3	BBB+ and BBB-	50%	50%	50%	100%
4	BB+ and BB-	100%	100%	100%	100%
5	B+ and B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

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**XI. Explanations Related to Risk Management (continued)****3. Credit Risk Disclosures (continued)****3.3. Credit risk under standardized approach (continued)****3.3.1 Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects**

Current Period		Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amounts and Risk Weighted Amounts density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted amounts	Risk Weighted amounts density
1	Exposures to central governments or central banks	20,795,764	-	22,823,247	445	4,686,792	21%
2	Exposures to regional governments or local authorities	1,247,638	4,566	1,242,201	2,087	622,150	50%
3	Exposures to public sector entities	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to institutions	10,917,720	2,235,018	10,819,861	1,718,566	4,387,903	35%
7	Exposures to corporates	21,700,590	18,703,110	20,454,546	11,499,334	30,921,617	97%
8	Retail exposures	29,340,715	15,428,657	27,088,081	3,014,696	22,568,577	75%
9	Exposures secured by residential property	5,473,079	374,142	5,473,079	146,464	1,966,840	35%
10	Exposures secured by commercial real estate	6,506,468	1,174,811	6,236,649	512,230	4,765,201	71%
11	Past-due loans	1,794,352	244,545	1,793,224	77,444	1,691,079	90%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16	Other assets	4,335,114	4,450,530	4,335,112	2,649	1,639,738	38%
17	Investments in equities	132,920	-	132,920	-	132,920	100%
18	<b>Total</b>	<b>102,244,360</b>	<b>42,615,379</b>	<b>100,398,920</b>	<b>16,973,915</b>	<b>73,382,817</b>	<b>63%</b>

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**XI. Explanations Related to Risk Management (continued)**

**3. Credit Risk Disclosures (continued)**

**3.3. Credit risk under standardized approach (continued)**

**3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects(continued)**

Prior Period		Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amounts and Risk Weighted Amounts density	
Asset classes		On-balance sheet Amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amounts	Risk Weighted Amounts density
1	Exposures to central governments or central banks	20,198,597	-	25,377,088	40,788	3,232,295	13%
2	Exposures to regional governments or local authorities	992,484	6,578	984,538	3,144	494,165	50%
3	Exposures to public sector entities	-	-	-	-	-	-
4	Exposures to multilateral development Banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to institutions	6,006,593	1,366,431	5,661,657	1,551,717	2,349,501	33%
7	Exposures to corporates	26,152,538	20,226,548	24,223,728	12,033,390	35,789,239	99%
8	Retail exposures	27,267,455	12,620,886	22,628,331	2,709,599	18,997,345	75%
9	Exposures secured by residential Property	6,067,061	327,662	6,067,062	132,530	2,169,857	35%
10	Exposures secured by commercial real Estate	2,558,285	211,302	2,558,285	114,482	1,336,383	50%
11	Past-due loans	1,113,563	205,582	1,112,615	65,022	1,217,144	103%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16	Other assets	2,960,154	3,737,223	2,953,765	2,242	852,424	29%
17	Investments in equities	94,290	-	94,290	-	94,290	100%
18	<b>Total</b>	<b>93,411,020</b>	<b>38,702,212</b>	<b>91,661,359</b>	<b>16,652,914</b>	<b>66,532,643</b>	<b>61%</b>

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**XI. Explanations Related to Risk Management (continued)**

**3. Credit Risk Disclosures (continued)**

**3.3. Credit risk under standardized approach (continued)**

**3.3.3 Standardized approach – exposures by asset classes and risk weights**

	Current Period Asset Classes / Risk Weights	0%	10%	20%	35%	50% secured by real estate (*)	75%	100%	150%	200%	Other risk weights	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to regional governments or local authorities	18,136,900	-	-	-	-	-	4,686,792	-	-	-	22,823,692
2	Exposures to regional governments or local authorities	-	-	-	-	1,244,276	-	12	-	-	-	1,244,288
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	9,044,671	-	1,838,724	-	1,645,882	9,150	-	-	12,538,427
7	Exposures to corporates	-	-	786,895	-	805,495	-	30,361,490	-	-	-	31,953,880
8	Retail exposures	-	-	5,755	-	21,615	30,075,157	250	-	-	-	30,102,777
9	Exposures secured by residential property	-	-	-	5,619,543	-	-	-	-	-	-	5,619,543
10	Exposures secured by commercial real estate	-	-	-	-	3,967,356	-	2,781,523	-	-	-	6,748,879
11	Past-due loans	-	-	-	-	601,830	-	1,026,186	242,652	-	-	1,870,668
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	132,920	-	-	-	132,920
17	Other assets	2,660,399	-	47,029	-	-	-	1,630,333	-	-	-	4,337,761
<b>18</b>	<b>Total</b>	<b>20,797,299</b>	<b>-</b>	<b>9,884,350</b>	<b>5,619,543</b>	<b>8,479,296</b>	<b>30,075,157</b>	<b>42,265,388</b>	<b>251,802</b>	<b>-</b>	<b>-</b>	<b>117,372,835</b>

(\*) The amount shown on the line of “Exposures secured by commercial real estate” is “Exposures secured by real estate” and other amounts shown on this column represented exposures subject to 50% risk weight.

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### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosures (continued)

#### 3.3. Credit risk under standardized approach (continued)

##### 3.3.3 Standardized approach – exposures by asset classes and risk weights (continued)

Prior Period Asset Classes / Risk Weights	0%	10%	20%	35%	50% secured by real estate (*)	75%	100%	150%	200%	Other risk weights	Total credit risk exposure amount (after CCF and CRM)
1 Exposures to regional governments or local authorities	22,185,581	-	-	-	-	-	3,232,295	-	-	-	25,417,876
2 Exposures to regional governments or local authorities	-	-	-	-	987,037	-	645	-	-	-	987,682
3 Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to banks and financial intermediaries	-	-	5,154,440	-	1,484,779	-	570,019	4,136	-	-	7,213,374
7 Exposures to corporates	-	-	160,786	-	678,504	-	35,417,828	-	-	-	36,257,118
8 Retail exposures	-	-	7,903	-	7,021	25,323,006	-	-	-	-	25,337,930
9 Exposures secured by residential property	-	-	-	6,199,592	-	-	-	-	-	-	6,199,592
10 Exposures secured by commercial real estate	-	-	-	-	2,672,767	-	-	-	-	-	2,672,767
11 Past-due loans	-	-	-	-	331,085	-	436,453	410,099	-	-	1,177,637
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13 Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
16 Investments in equities	-	-	-	-	-	-	94,290	-	-	-	94,290
17 Other assets	2,066,839	-	45,928	-	-	-	843,240	-	-	-	2,956,007
<b>18 Total</b>	<b>24,252,420</b>	<b>-</b>	<b>5,369,057</b>	<b>6,199,592</b>	<b>6,161,193</b>	<b>25,323,006</b>	<b>40,594,770</b>	<b>414,235</b>	<b>-</b>	<b>-</b>	<b>108,314,273</b>

(\*) The amount shown on the line of “Exposures secured by commercial real estate” is “Exposures secured by real estate” and other amounts shown on this column represented exposures subject to 50% risk weight.

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**XI. Explanations Related to Risk Management (continued)**

**4. Counterparty Credit Risk**

**4.1. Qualitative disclosure related to counterparty credit risk**

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement that varies according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market volatility, all tables are reviewed without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and the Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data, and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel II portfolios of derivative customers and banks are audited and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

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**XI. Explanations Related to Risk Management (continued)****4. Counterparty Credit Risk (continued)****4.2. Analysis of counterparty credit risk (CCR) exposure by approach**

<b>Current Period</b>	<b>Replacement cost</b>	<b>Potential future exposure</b>	<b>EEPE(*)</b>	<b>Alpha used for computing regulatory EAD</b>	<b>EAD post CRM</b>	<b>Risk Weighted Amounts</b>
Standardized Approach - CCR (For Derivatives)	424,504	567,790		1.4	978,777	807,495
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					20,589	3,653
<b>Total</b>						<b>811,148</b>

(\*) Effective Expected Positive Exposure

<b>Prior Period</b>	<b>Replacement Cost</b>	<b>Potential future exposure</b>	<b>EEPE(*)</b>	<b>Alpha used for computing regulatory EAD</b>	<b>EAD post CRM</b>	<b>Risk Weighted Amounts</b>
Standardized Approach - CCR (For Derivatives)	749,662	480,953		1.4	1,215,124	953,104
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					11,621	2,970
<b>Total</b>						<b>956,074</b>

(\*) Effective Expected Positive Exposure

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**XI. Explanations Related to Risk Management (continued)**

**4. Counterparty Credit Risk (continued)**

**4.3. Credit valuation adjustment (CVA) capital charge**

<b>Current Period</b>	<b>EAD post-CRM</b>	<b>Risk Weighted Amounts</b>
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) VaR component (including the 3×multiplier)		-
(ii) Stressed VaR component (including the 3×multiplier)		-
All portfolios subject to the Standardized CVA capital charge	978,777	392,622
<b>Total subject to the CVA capital charge</b>	<b>978,777</b>	<b>392,622</b>
<b>Prior Period</b>	<b>EAD post-CRM</b>	<b>Risk Weighted Amounts</b>
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) VaR component (including the 3×multiplier)		-
(ii) Stressed VaR component (including the 3×multiplier)		-
All portfolios subject to the Standardized CVA capital charge	1,215,124	350,636
<b>Total subject to the CVA capital charge</b>	<b>1,215,124</b>	<b>350,636</b>

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### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.4. Counterparty credit risk by risk classes and risk weights

Current Period Risk Weight / Regulatory portfolio	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure(*)
Claims from central governments and central banks	13,012	-	-	-	-	-	-	-	-	13,012
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from banks and financial intermediaries	-	-	9,946	-	297,308	-	46,481	-	-	353,735
Corporates	-	-	131	-	15,706	-	574,234	-	-	590,071
Retail portfolios	-	-	-	-	-	42,548	-	-	-	42,548
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-
Other assets(**)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,012</b>	<b>-</b>	<b>10,077</b>	<b>-</b>	<b>313,014</b>	<b>42,548</b>	<b>620,715</b>	<b>-</b>	<b>-</b>	<b>999,366</b>

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

**TÜRK EKONOMİ BANKASI A.Ş.**

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**XI. Explanations Related to Risk Management (continued)**

**4. Counterparty Credit Risk (continued)**

**4.4. Counterparty credit risk by risk classes and risk weights (continued)**

Prior Period Risk Weight/ Regulatory portfolio	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure(*)
Claims from central governments and central banks	-	-	-	-	-	-	5,601	-	-	5,601
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from banks and financial intermediaries	-	-	9,468	-	515,103	-	-	477	-	525,048
Corporates	-	-	769	-	2,673	-	677,319	-	-	680,761
Retail portfolios	-	-	-	-	-	15,328	7	-	-	15,335
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-
Other assets(**)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>10,237</b>	-	<b>517,776</b>	<b>15,328</b>	<b>682,927</b>	<b>477</b>	-	<b>1,226,745</b>

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

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**XI. Explanations Related to Risk Management (continued)****4. Counterparty Credit Risk (continued)****4.5. Composition of collateral for CCR exposure**

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Current Period</b>						
Cash – domestic currency	-	298	-	-	-	-
Cash – other currencies	-	12,916	-	-	-	-
Domestic sovereign debt	-	74	-	-	-	-
Other sovereign debt	-	229	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	<b>13,517</b>	-	-	-	-

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Prior Period</b>						
Cash – domestic currency	-	1,642	-	-	-	-
Cash – other currencies	-	13,849	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	<b>15,491</b>	-	-	-	-

**4.6. Credit derivatives exposures**

	Current Period	
	Protection bought	Protection sold
<b>Nominal</b>		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
<b>Total Notionals</b>	-	-
<b>Fair Values</b>		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-
	Prior Period	
	Protection bought	Protection sold
<b>Nominal</b>		
Single-name credit default swaps	105,480	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
<b>Total Notionals</b>	<b>105,480</b>	-
<b>Fair Values</b>	<b>(5,875)</b>	
Positive fair value (asset)	390	-
Negative fair value (liability)	(6,265)	-

**4.7. Exposures to central counterparties**

None.

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**XI. Explanations Related to Risk Management (continued)**

**5. Securitization Disclosures**

Since the Bank does not hold securitization position, the notes to be presented according to the “Communiqué on Disclosures about Risk Management to be announced to Public by Banks” have not been presented.

**6. Market Risk Disclosures**

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitization positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with the “Communiqué on Disclosures about Risk Management to be announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. The notes to be presented on annually basis according to Communiqué have not been presented due to usage of standard approach for the calculation of market risk by the Bank.

**6.1. Qualitative disclosure requirements related to market risk**

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Bank’s assets, liabilities and off balance sheet items values. The Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents Bank’s value’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

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**XI. Explanations Related to Risk Management (continued)**
**6. Market Risk Disclosures (continued)**
**6.1. Qualitative disclosure requirements related to market risk (continued)**

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings are prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted.

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, VAR (value at risk) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product based cash flows are formed, repricing, maturity and product based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All limit and risk positions are represented to Audit Committee and to The Board of Directors.

**6.2. Standardized Approach**

<b>Current Period</b>		<b>Risk Weighted Amounts</b>
Outright products		
1	Interest rate risk (general and specific)	1,437,126
2	Equity risk (general and specific)	-
3	Foreign exchange risk	82,917
4	Commodity risk	107,119
Options		
5	Simplified approach	-
6	Delta-plus method	22,588
7	Scenario approach	-
8	Securitization	-
<b>9</b>	<b>Total</b>	<b>1,649,750</b>

<b>Prior Period</b>		<b>Risk Weighted Amounts</b>
Outright product		
1	Interest rate risk (general and specific)	634,338
2	Equity risk (general and specific)	-
3	Foreign exchange risk	36,949
4	Commodity risk	12,000
Options		
5	Simplified approach	-
6	Delta-plus method	23,438
7	Scenario approach	-
8	Securitization	-
<b>9</b>	<b>Total</b>	<b>706,725</b>

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**XI. Explanations Related to Risk Management (continued)**

**7. Explanations Related to Operational Risk**

- a) Operational risk has been calculated using the Basic Indicator Approach. Market risk measurements are performed monthly.
- b) In case of Basic Indicator Approach the following:

	31.12.2016	31.12.2017	31.12.2018	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	4,103,251	4,133,929	5,159,211	4,465,464	15	669,820
Operational Risk Capital Requirement (Total*12.5)						8,372,744

	31.12.2015	31.12.2016	31.12.2017	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	3,595,664	4,103,251	4,133,929	3,944,281	15	591,642
Operational Risk Capital Requirement (Total*12.5)						7,395,528

- c) The Bank does not use the standard method.
- d) The Bank does not use any alternative approach in standard method
- e) The Bank does not use Advanced Measurement Approach.

**8. Explanations Related to Remuneration Policy in Banks**

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees’ collective and individual success.

An annual performance bonus is determined based on the Bank’s profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA’s Communiqué on Corporate Management of Banks and Guidance on Good Remuneration Practices in Banks, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank’s activities, long-term targets, the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to the risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the human resources, financial affairs, risk, compliance, and internal control groups. The remuneration policy is audited and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

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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	410,344	2,031,625	442,449	1,564,017
Balances with the Central Bank of Turkey	305,709	8,942,832	1,516,100	12,032,184
Other	-	265,460	-	106,302
<b>Total</b>	<b>716,053</b>	<b>11,239,917</b>	<b>1,958,549</b>	<b>13,702,503</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	297,130	-	1,478,914	-
Unrestricted Time Deposit	-	3,932,318	-	5,243,049
Restricted Time Deposit	8,579	5,010,514	37,186	6,789,135
<b>Total</b>	<b>305,709</b>	<b>8,942,832</b>	<b>1,516,100</b>	<b>12,032,184</b>

Foreign currency unrestricted deposit amounting to TL 3,932,318 (31 December 2018: TL 5,243,049), foreign currency restricted deposit amounting to TL 5,010,514 (31 December 2018: TL 6,789,135), unrestricted deposit balance amounting to TL 297,130 (31 December 2018: TL 1,478,914) and restricted deposit amounting to TL 8,579 (31 December 2018: TL 37,186) comprises of reserve deposits. As of 31 December 2019, the Turkish lira required reserve ratios are determined to be within the range of 1% - 2% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2018: 1.5% - 8%), and the required reserve ratios for foreign currency deposits and other liabilities within the range of 5% - 21% (31 December 2018: 4% - 20%).

**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 2018: None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2018: None).

Net book value of unrestricted financial assets at fair value through profit and loss is TL 1,167,994 (31 December 2018: TL 527,894).

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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	144,959	9,474	458,840	10,370
Swap Transactions	1,302,918	179,827	1,812,191	186,750
Futures Transactions	-	-	-	-
Options	25,918	6,946	129,526	12,730
Other	-	-	-	390
<b>Total</b>	<b>1,473,795</b>	<b>196,247</b>	<b>2,400,557</b>	<b>210,240</b>

**4. Information on banks:**

## a) Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	1,015,539	185,361	800,909	98
Foreign Banks	55,635	7,295,630	82,122	3,035,307
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>1,071,174</b>	<b>7,480,991</b>	<b>883,031</b>	<b>3,035,405</b>

## b) Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	5,946,715	2,587,570	-	-
USA, Canada	211,172	43,364	-	-
OECD Countries (*)	739,820	58,094	-	-
Coastal Banking Regions	446,599	383,071	-	-
Other	6,959	45,330	-	-
<b>Total</b>	<b>7,351,265</b>	<b>3,117,429</b>	<b>-</b>	<b>-</b>

(\*) OECD countries other than EU countries, USA and Canada.

**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	333,201	-	266,235	-
Other	-	-	-	-
<b>Total</b>	<b>333,201</b>	<b>-</b>	<b>266,235</b>	<b>-</b>

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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)**

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	77,088	-	64,511	-
Treasury Bills	-	-	-	-
Other Government Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>77,088</b>	<b>-</b>	<b>64,511</b>	<b>-</b>

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 5,129,328 (31 December 2018: TL 2,960,611).

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

	Current Period	Prior Period
Debt Securities	5,531,722	3,285,747
Quoted at Stock Exchange	5,511,108	3,265,711
Unquoted at Stock Exchange	20,614	20,036
Share Certificates	7,895	5,610
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	7,895	5,610
Impairment Provision (-)	-	-
<b>Total</b>	<b>5,539,617</b>	<b>3,291,357</b>

**6. Information on loans:**

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	1,596	182,856	19,520	260,569
Corporate Shareholders	1,596	182,856	19,520	260,569
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	139,703	-	108,259	-
<b>Total</b>	<b>141,299</b>	<b>182,856</b>	<b>127,779</b>	<b>260,569</b>

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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:

Cash Loans	Loans under Close Monitoring			
	Standard Loans	Loans Not Subject to Restructuring	Restructured	
			Loans with Revised Contract Terms	Refinance
Non-specialized Loans	56,206,747	6,737,716	173,945	1,952,721
Working Capital Loans	3,684,645	980,501	32,544	760,873
Export Loans	6,394,926	295,101	31,772	115,963
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,329,532	-	-	-
Consumer Loans	14,593,587	2,474,537	3,949	133,712
Credit Cards	4,026,952	652,669	61,116	-
Other	25,177,105	2,334,908	44,564	942,173
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>56,206,747</b>	<b>6,737,716</b>	<b>173,945</b>	<b>1,952,721</b>

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	394,194	-	355,390	-
Significant increase in Credit Risk	-	894,153	-	836,214
<b>Total</b>	<b>394,194</b>	<b>894,153</b>	<b>355,390</b>	<b>836,214</b>

c) Distribution of cash loans by maturity structure

	Loans in Close Monitoring		
	Standard Loans	Loans not Subject to Restructuring	Restructured
Short Term Loans	25,316,671	1,719,581	350,218
Medium and Long Term Loans	30,890,076	5,018,135	1,776,448
<b>Total</b>	<b>56,206,747</b>	<b>6,737,716</b>	<b>2,126,666</b>

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**I. Explanations and Disclosures Related to the Assets (continued)****6. Information on loans: (continued)**

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

<b>Current Period</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>567,813</b>	<b>15,880,140</b>	<b>16,447,953</b>
Housing Loans	3,287	5,334,276	5,337,563
Vehicle Loans	18,385	422,741	441,126
General Purpose Loans	546,141	10,123,123	10,669,264
Other	-	-	-
<b>Consumer Loans –Indexed to FC</b>	<b>-</b>	<b>18,308</b>	<b>18,308</b>
Housing Loans	-	18,308	18,308
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>-</b>	<b>27,949</b>	<b>27,949</b>
Housing Loans	-	6,031	6,031
Vehicle Loans	-	3,655	3,655
General Purpose Loans	-	18,263	18,263
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>3,135,899</b>	<b>54,120</b>	<b>3,190,019</b>
With Instalments	1,012,747	54,120	1,066,867
Without Instalments	2,123,152	-	2,123,152
<b>Individual Credit Cards-FC</b>	<b>11,775</b>	<b>-</b>	<b>11,775</b>
With Instalments	-	-	-
Without Instalments	11,775	-	11,775
<b>Personnel Loans-TL</b>	<b>13,520</b>	<b>89,484</b>	<b>103,004</b>
Housing Loans	-	517	517
Vehicle Loans	-	-	-
General Purpose Loans	13,520	88,967	102,487
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>31,920</b>	<b>-</b>	<b>31,920</b>
With Instalments	10,293	-	10,293
Without Instalments	21,627	-	21,627
<b>Personnel Credit Cards-FC</b>	<b>393</b>	<b>-</b>	<b>393</b>
With Instalments	-	-	-
Without Instalments	393	-	393
<b>Overdraft Accounts-TL(Real Persons) (*)</b>	<b>608,567</b>	<b>-</b>	<b>608,567</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b>Total</b>	<b>4,369,891</b>	<b>16,070,001</b>	<b>20,439,892</b>

(\*) Overdraft accounts include personnel loans amounting to TL 4,386.

(\*\*) 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 consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

<b>Prior Period</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>368,621</b>	<b>12,344,890</b>	<b>12,713,511</b>
Housing Loans	1,514	5,971,254	5,972,768
Vehicle Loans	8,649	403,124	411,773
General Purpose Loans	358,458	5,970,512	6,328,970
Other	-	-	-
<b>Consumer Loans –Indexed to FC</b>	<b>-</b>	<b>21,184</b>	<b>21,184</b>
Housing Loans	-	21,172	21,172
Vehicle Loans	-	-	-
General Purpose Loans	-	12	12
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>12</b>	<b>36,064</b>	<b>36,076</b>
Housing Loans	-	6,992	6,992
Vehicle Loans	-	6,639	6,639
General Purpose Loans	12	22,433	22,445
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>2,681,027</b>	<b>43,729</b>	<b>2,724,756</b>
With Instalments	807,930	43,729	851,659
Without Instalments	1,873,097	-	1,873,097
<b>Individual Credit Cards-FC</b>	<b>9,541</b>	<b>-</b>	<b>9,541</b>
With Instalments	-	-	-
Without Instalments	9,541	-	9,541
<b>Personnel Loans-TL</b>	<b>7,220</b>	<b>62,445</b>	<b>69,665</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	7,220	62,445	69,665
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>32,513</b>	<b>82</b>	<b>32,595</b>
With Instalments	10,064	82	10,146
Without Instalments	22,449	-	22,449
<b>Personnel Credit Cards-FC</b>	<b>168</b>	<b>-</b>	<b>168</b>
With Instalments	-	-	-
Without Instalments	168	-	168
<b>Overdraft Accounts-TL(Real Persons) (*)</b>	<b>483,742</b>	<b>-</b>	<b>483,742</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	<b>3,688</b>	<b>-</b>	<b>3,688</b>
<b>Total</b>	<b>3,586,532</b>	<b>12,508,394</b>	<b>16,094,926</b>

(\*) Overdraft accounts include personnel loans amounting to TL 5,831.

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

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

**6. Information on loans: (continued)**

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

<b>Current Period</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with instalment – TL</b>	<b>1,006,177</b>	<b>9,781,970</b>	<b>10,788,147</b>
Business Loans	1,000	170,690	171,690
Vehicle Loans	26,836	682,638	709,474
General Purpose Loans	978,341	8,928,642	9,906,983
Other	-	-	-
<b>Commercial loans with instalment - Indexed to FC</b>	<b>-</b>	<b>331,604</b>	<b>331,604</b>
Business Loans	-	5,899	5,899
Vehicle Loans	-	83,943	83,943
General Purpose Loans	-	241,762	241,762
Other	-	-	-
<b>Commercial loans with instalment – FC</b>	<b>478</b>	<b>-</b>	<b>478</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	478	-	478
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>1,504,191</b>	<b>-</b>	<b>1,504,191</b>
With Instalments	385,150	-	385,150
Without Instalments	1,119,041	-	1,119,041
<b>Corporate Credit Cards-FC</b>	<b>2,439</b>	<b>-</b>	<b>2,439</b>
With Instalments	-	-	-
Without Instalments	2,439	-	2,439
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>849,525</b>	<b>-</b>	<b>849,525</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,362,810</b>	<b>10,113,574</b>	<b>13,476,384</b>
<b>Prior Period</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with instalment – TL</b>	<b>762,278</b>	<b>10,663,963</b>	<b>11,426,241</b>
Business Loans	97	254,815	254,912
Vehicle Loans	34,312	614,286	648,598
General Purpose Loans	727,869	9,794,862	10,522,731
Other	-	-	-
<b>Commercial loans with instalment - Indexed to FC</b>	<b>4,407</b>	<b>740,855</b>	<b>745,262</b>
Business Loans	2,031	10,297	12,328
Vehicle Loans	48	236,460	236,508
General Purpose Loans	2,328	494,098	496,426
Other	-	-	-
<b>Commercial loans with instalment – FC</b>	<b>236</b>	<b>-</b>	<b>236</b>
Business Loans	-	-	-
Vehicle Loans	3	-	3
General Purpose Loans	233	-	233
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>1,488,228</b>	<b>-</b>	<b>1,488,228</b>
With Instalments	389,791	-	389,791
Without Instalments	1,098,437	-	1,098,437
<b>Corporate Credit Cards-FC</b>	<b>2,289</b>	<b>-</b>	<b>2,289</b>
With Instalments	-	-	-
Without Instalments	2,289	-	2,289
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>1,277,559</b>	<b>-</b>	<b>1,277,559</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,534,997</b>	<b>11,404,818</b>	<b>14,939,815</b>

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**I. Explanations and Disclosures Related to the Assets (continued)****6. Information on loans: (continued)**

f) Distribution of loans by users:

	<b>Current Period</b>	<b>Prior Period</b>
Public	2,096,489	1,047,745
Private	62,974,640	63,026,118
<b>Total</b>	<b>65,071,129</b>	<b>64,073,863</b>

g) Domestic and foreign loans:

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	64,523,379	63,118,948
Foreign Loans	547,750	954,915
<b>Total</b>	<b>65,071,129</b>	<b>64,073,863</b>

h) Loans granted to subsidiaries and associates:

	<b>Current Period</b>	<b>Prior Period</b>
Direct Loans Granted to Subsidiaries and Associates	277,729	97,952
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>277,729</b>	<b>97,952</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectability	349,033	329,331
Loans and Receivables with Doubtful Collectability	572,537	342,439
Uncollectible Loans and Receivables	1,430,975	986,410
<b>Total</b>	<b>2,352,545</b>	<b>1,658,180</b>

j) Information on loans under follow-up (Net):

j.1) Information on loans and other receivables included in loans under follow-up which are restructured or rescheduled:

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and Receivables with Limited Collectability</b>	<b>Loans and Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Receivables</b>
<b>Current Period</b>			
Gross Amounts before Provisions	55,867	41,008	18,928
Restructured Loans	55,867	41,008	18,928
<b>Prior Period</b>			
Gross Amounts before Provisions	26,606	15,968	6,684
Restructured Loans	26,606	15,968	6,684

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**I. Explanations and Disclosures Related to the Assets (continued)****6. Information on loans (continued) :**

j) Information on loans under follow-up (Net) (continued) :

j.2) Movement of loans under follow-up:

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and Receivables with Limited Collectability</b>	<b>Loans and Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Receivables</b>
<b>Prior period end balance</b>	<b>699,709</b>	<b>670,305</b>	<b>1,404,730</b>
Additions (+)	2,580,464	84,813	397,535
Transfers from other Categories of Loans under Follow-up (+)	-	2,386,370	1,633,666
Transfers to other Categories of Loans under Follow-up (-)	2,386,370	1,633,666	-
Collections (-)	269,325	332,692	448,763
Write-Offs (-)	4	18	172,208
Sold Portfolio (-)(*)	153	6,118	461,369
Corporate and Commercial Loans	113	5,598	284,602
Retail Loans	-	42	91,071
Credit Cards	40	478	85,696
Other	-	-	-
<b>Current period end balance</b>	<b>624,321</b>	<b>1,168,994</b>	<b>2,353,591</b>
Provision (-)	349,033	572,537	1,430,975
<b>Net Balances on Balance Sheet</b>	<b>275,288</b>	<b>596,457</b>	<b>922,616</b>

(\*) Past due receivables amounting to TL 467,640 for which TL 450,294 of provision had been allocated, is sold for TL 26,363 during 2019. After all sales procedures were completed, these past due receivables have been written off from the portfolio.

j.3) Information on foreign currency loans under follow-up:

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and Receivables with Limited Collectability</b>	<b>Loans and Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Receivables</b>
<b>31 December 2019</b>			
Period End Balance	40,984	76,556	153,192
Provision (-)	22,125	42,944	121,969
<b>Net Balance on Balance Sheet</b>	<b>18,859</b>	<b>33,612</b>	<b>31,223</b>
<b>31 December 2018</b>			
Prior Period End Balance	21,749	30,099	228,009
Provision (-)	14,989	12,713	198,615
<b>Net Balance on Balance Sheet</b>	<b>6,760</b>	<b>17,386</b>	<b>29,394</b>

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

**6. Information on loans: (continued)**

j.4) Information regarding gross and net amounts of loans under follow-up with respect to user groups:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	624,321	1,168,994	2,353,591
Provision (-)	349,033	572,537	1,430,975
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>275,288</b>	<b>596,457</b>	<b>922,616</b>
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	699,709	670,305	1,404,730
Provision (-)	329,331	342,439	986,410
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>370,378</b>	<b>327,866</b>	<b>418,320</b>
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Current Period(Net)</b>	<b>18,822</b>	<b>77,767</b>	<b>229,640</b>
Interest Accruals, Rediscounts and Valuation Differences	76,914	175,092	394,218
Provision (-)	58,092	97,325	164,578
<b>Prior Period (Net)</b>	<b>13,322</b>	<b>18,468</b>	<b>5,838</b>
Interest Accruals, Rediscounts and Valuation Differences	70,640	102,720	97,595
Provision (-)	57,318	84,252	91,757

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**I. Explanations and Disclosures Related to the Assets (continued)**
**6. Information on loans: (continued)**

k) Outline of the liquidation policy for losses and other receivables:

Loans and other receivables, which are deemed not possible to be collected according to the "Regulation on Classification of Loans and Provisions and Provisions for Reserves" published in the Official Gazette dated 22 June 2016 and numbered 29750, are fulfilled by the requirements of the Tax Procedure Law in line with the decision taken by the Bank's senior management classified as a loan as a loss.

l) Disclosures regarding the unregistered policy:

The Fifth Group - Loans classified as Loss Loans, with at least one reporting period in this group, and the lifetime expected credit loss due to the default of the debtor constitutes the Bank's credits to be deducted. Deregistration is an accounting practice and does not result in the right to waive. Loans deducted from the record do not affect the legal follow-up of the Bank. Indicators are utilized regarding the absence of reasonable expectations regarding the recovery of loans. The deregistration is examined on an incident basis with predefined criteria and the following deregistration indicators are considered:

- The possibility of recovery is limited: Loans with low collateralization, limited collateral capability, limited assets that provide foreclosure collection, and less than expected cost income for collection are evaluated.

- Financial indicators: Financial indicators evaluating that the entire loan is not capable of recovering are evaluated,

- Long-term follow-up: Those who do not have reasonable collection expectations are evaluated in order to recover the loans that have been pursuing for a long time.

Although the bank has been unrecorded, the following practices for the loans it monitors cannot be different from its registered loans.

- The methods applied for legal collection of loans from debtors,
- Decisions to be subjected to the sale of non-performing loans,
- Decisions to waive the credit by waiving the loans.

Within the scope of TFRS 9, the deducted amount during the period is 171,832 TL (31 December 2018: None) and its effect on NPL ratio is 0.23%. The follow-up conversion rate, after deductions, is 5.99% in the current period frozen loan figures, while the calculated rate including the loans deducted during the year is 6.22%.

m) Other explanations and footnotes

<b>Current Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	37,586,208	14,593,587	4,026,952	56,206,747
Loans under Close Monitoring	5,538,399	2,612,198	713,785	8,864,382
Loans Under Follow-Up	3,617,237	398,230	131,439	4,146,906
<b>Total</b>	<b>46,741,844</b>	<b>17,604,015</b>	<b>4,872,176</b>	<b>69,218,035</b>
12 Month Expected Credit Loss (Stage I) (-)	192,135	144,831	57,228	394,194
Significant Increase in Credit Risk (Stage II) (-)	686,025	161,159	46,969	894,153
Default (Stage III) (-)	2,009,282	250,895	92,368	2,352,545
<b>Total</b>	<b>2,887,442</b>	<b>556,885</b>	<b>196,565</b>	<b>3,640,892</b>
<b>Net Credit Balance on the Balance Sheet</b>	<b>43,854,402</b>	<b>17,047,130</b>	<b>4,675,611</b>	<b>65,577,143</b>
<b>Prior Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	39,823,754	10,568,447	3,492,684	53,884,885
Loans under Close Monitoring	6,664,666	2,759,419	764,893	10,188,978
Loans Under Follow-Up	1,207,174	1,395,223	172,347	2,774,744
<b>Total</b>	<b>47,695,594</b>	<b>14,723,089</b>	<b>4,429,924</b>	<b>66,848,607</b>
12 Month Expected Loss Reserves (Stage I) (-)	218,413	85,416	51,561	355,390
Significant Increase in Credit Risk (Stage II) (-)	634,220	149,047	52,947	836,214
Default (Stage III) (-)	760,528	769,345	128,307	1,658,180
<b>Total</b>	<b>1,613,161</b>	<b>1,003,808</b>	<b>232,815</b>	<b>2,849,784</b>
<b>Net Credit Balance on the Balance Sheet</b>	<b>46,082,433</b>	<b>13,719,281</b>	<b>4,197,109</b>	<b>63,998,823</b>

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

**6. Information on loans: (continued)**

m) Other explanations and footnotes (continued)

The following is a reclassification of provision for impairment on loans by stage;

**Current Period**

<b>Commercial</b>	<b>Standard Loans (Stage 1)</b>	<b>Loans under close monitoring (Stage 2)</b>	<b>Non- performing loans (Stage 3)</b>	<b>Total</b>
31 December 2018	218,413	634,220	760,528	1,613,161
Transfers;				
- Stage 1 to Stage 2	(19,564)	104,626	-	85,062
- Stage 1 to Stage 3	(5,387)	-	169,762	164,375
- Stage 2 to Stage 3	-	(82,960)	378,714	295,754
- Stage 2 to Stage 1	2,817	(17,869)	-	(15,052)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	117,210	243,941	1,388,936	1,750,087
Collections	(127,005)	(224,291)	(236,201)	(587,497)
Sold Portfolio	-	-	(282,227)	(282,227)
Write-off	-	-	(171,832)	(171,832)
Currency differences	5,651	28,358	1,602	35,611
<b>Total expected credit losses 31 December 2019</b>	<b>192,135</b>	<b>686,025</b>	<b>2,009,282</b>	<b>2,887,442</b>

**Prior Period**

<b>Commercial</b>	<b>Standard Loans (Stage 1)</b>	<b>Loans under close monitoring (Stage 2)</b>	<b>Non- performing loans (Stage 3)</b>	<b>Total</b>
31 December 2017	230,885	43,711	632,158	906,754
TFRS 9 Transition Effect	(36,347)	450,918	(18,231)	396,340
Transfers;				
- Stage 1 to Stage 2	(24,754)	151,248	-	126,494
- Stage 1 to Stage 3	(11,368)	-	500,864	489,496
- Stage 2 to Stage 3	-	(96,204)	385,882	289,678
- Stage 2 to Stage 1	17,600	(46,301)	-	(28,701)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	124,318	230,005	(338,461)	15,862
Collections	(81,921)	(99,157)	(43,819)	(224,897)
Write-offs	-	-	(361,058)	(361,058)
Currency differences	-	-	3,193	3,193
<b>Total expected credit losses 31 December 2018</b>	<b>218,413</b>	<b>634,220</b>	<b>760,528</b>	<b>1,613,161</b>

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

**6. Information on loans: (continued)**

m) Other explanations and footnotes (continued)

<b>Current Period</b>				
<b>Consumer</b>	<b>Standard Loans (Stage 1)</b>	<b>Loans under close monitoring (Stage 2)</b>	<b>Non- performing loans (Stage 3)</b>	<b>Total</b>
31 December 2018	85,416	149,047	769,345	1,003,808
Transfers;				
- Stage 1 to Stage 2	(7,719)	37,698	-	29,979
- Stage 1 to Stage 3	(2,701)	-	54,025	51,324
- Stage 2 to Stage 3	-	(13,970)	74,977	61,007
- Stage 2 to Stage 1	4,716	(28,485)	-	(23,769)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	91,331	52,767	(555,612)	(411,514)
Collections	(26,212)	(35,898)	(6,672)	(68,782)
Sold Portfolio	-	-	(85,168)	(85,168)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2019</b>	<b>144,831</b>	<b>161,159</b>	<b>250,895</b>	<b>556,885</b>
<b>Prior Period</b>				
<b>Consumer</b>	<b>Standard Loans (Stage 1)</b>	<b>Loans under close monitoring (Stage 2)</b>	<b>Non- performing loans (Stage 3)</b>	<b>Total</b>
31 December 2017	182,562	19,386	527,953	729,901
IFRS 9 transition effect	(144,411)	100,100	38,155	(6,156)
Transfers;				
- Stage 1 to Stage 2	(6,035)	46,437	-	40,402
- Stage 1 to Stage 3	(1,875)	-	82,465	80,590
- Stage 2 to Stage 3	-	(7,047)	71,777	64,730
- Stage 2 to Stage 1	8,175	(39,428)	-	(31,253)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	55,028	51,262	119,984	226,274
Collections	(8,028)	(21,663)	(11,284)	(40,975)
Write-offs	-	-	(59,705)	(59,705)
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2018</b>	<b>85,416</b>	<b>149,047</b>	<b>769,345</b>	<b>1,003,808</b>

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

**6. Information on loans: (continued)**

m) Other explanations and footnotes (continued)

**Current Period**

<b>Credit Cards</b>	<b>Standard Loans (Stage 1)</b>	<b>Loans under close monitoring (Stage 2)</b>	<b>Non- performing loans (Stage 3)</b>	<b>Total</b>
31 December 2018	51,561	52,947	128,307	232,815
Transfers;				
- Stage 1 to Stage 2	(5,389)	27,657	-	22,268
- Stage 1 to Stage 3	(2,850)	-	71,316	68,466
- Stage 2 to Stage 3	-	(7,962)	67,091	59,129
- Stage 2 to Stage 1	7,383	(17,452)	-	(10,069)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	13,240	3,035	(91,447)	(75,172)
Collections	(6,717)	(11,256)	-	(17,973)
Sold Portfolio	-	-	(82,899)	(82,899)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2019</b>	<b>57,228</b>	<b>46,969</b>	<b>92,368</b>	<b>196,565</b>

**Prior Period**

<b>Credit Cards</b>	<b>Standard Loans (Stage 1)</b>	<b>Loans under close monitoring (Stage 2)</b>	<b>Non- performing loans (Stage 3)</b>	<b>Total</b>
31 December 2017	47,714	3,258	82,700	133,672
IFRS 9 transition effect	(6,092)	26,142	5,823	25,873
Transfers;				
- Stage 1 to Stage 2	(6,304)	31,837	-	25,533
- Stage 1 to Stage 3	(732)	-	39,448	38,716
- Stage 2 to Stage 3	-	(1,302)	17,590	16,288
- Stage 2 to Stage 1	5,922	(11,082)	-	(5,160)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	15,536	11,413	45,601	72,550
Collections	(4,483)	(7,319)	-	(11,802)
Write-offs	-	-	(62,855)	(62,855)
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2018</b>	<b>51,561</b>	<b>52,947</b>	<b>128,307</b>	<b>232,815</b>

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired at 31 December 2019 is TL 2,272,171 (31 December 2018: TL 1,365,215 ).

**The fair value of the collateral of non-performing loans that do not exceed the risk:**

	<b>Current Period</b>	<b>Prior Period</b>
Mortgage	1,595,390	952,032
Vehicle	161,143	173,263
Cash	1,068	500
Other (*)	514,570	239,420
<b>Total</b>	<b>2,272,171</b>	<b>1,365,215</b>

(\*) Other amount includes Treasury backed and Portfolio guaranteed KGF guarantee amounting to TL 514,570 (31 December 2018: TL 239,407).

As of 31 December 2019, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring is TL 3,406,585 (31 December 2018: TL 3,107,199).

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**I. Explanations and Disclosures Related to the Assets (continued)****6. Information on loans: (continued)**

m) Other explanations and footnotes (continued)

**Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:**

	Current Period	Prior Period
Mortgage	2,741,280	2,071,083
Vehicle	304,501	381,068
Cash	265,836	98,298
Other	94,968	937,818
<b>Total</b>	<b>3,406,585</b>	<b>3,488,267</b>

As of 31 December 2019 and 31 December 2018, the details of the commodities and real estates that the bank has acquired for disposal of credit receivables are as follows:

31 December 2019	Commercial	Consumer	Total
Residential, commercial or industrial properties	123,326	8,036	131,362
Other	-	-	-
<b>Total</b>	<b>123,326</b>	<b>8,036</b>	<b>131,362</b>

31 December 2018	Commercial	Consumer	Total
Residential, commercial or industrial properties	103,828	5,197	109,025
Other	79	-	79
<b>Total</b>	<b>103,907</b>	<b>5,197</b>	<b>109,104</b>

**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	1,194,716	405,580	-	-
<b>Total</b>	<b>1,194,716</b>	<b>405,580</b>	<b>-</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	1,978,084	-	480,116	-
Other	-	-	-	-
<b>Total</b>	<b>1,978,084</b>	<b>-</b>	<b>480,116</b>	<b>-</b>

Financial assets valued over their amortized cost classified as free warehouse TL 1,328,238 (31 December 2018: TL 2,311,964).

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	4,906,618	2,792,080
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
<b>Total</b>	<b>4,906,618</b>	<b>2,792,080</b>

a.4) Information government debt securities measured at amortized cost:

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	4,906,618	2,792,080
Quoted on a Stock Exchange	4,906,618	2,792,080
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>4,906,618</b>	<b>2,792,080</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Beginning Balance	2,792,080	401,854
Foreign Currency Differences on Monetary Assets	-	-
Purchases During the Year <sup>(*)(**)(***)</sup>	2,114,538	2,682,111
Disposals Through Sales and Redemptions	-	(291,885)
Impairment Provision (-)	-	-
<b>Closing Balance</b>	<b>4,906,618</b>	<b>2,792,080</b>

(\*) In the current period, the securities portfolio of the Chief Investment Office were transferred to the Asset-Liability Management and Treasury Group due to the change in the business model of the Bank management. During this transition, securities held as "Financial Assets at Fair Value through Other Comprehensive Income" amounting to TL 291,603 were classified as "Financial Assets Measured at Amortized Cost". After this reclassification, the valuation difference amounting to TL 20,141 has been reversed from equity.

(\*\*) This line includes discount amounts.

(\*\*\*) The Bank has reviewed the marketable securities management model in the prior period in accordance with TFRS 9 and valued securities that are previously classified as available-for-sale and amounting to TL 1,969,425 which are measured at fair value, are valued at amortized cost, due to the collection of cash flows of the appropriate management model.

**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 2018: None).

a.2) Information on the unconsolidated associates: None (31 December 2018: None).

a.3) Explanations of consolidated associates: None (31 December 2018: None).

a.4) Information on sector information on consolidated associates: None (31 December 2018: None).

a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2018: None).

# TÜRK EKONOMİ BANKASI A.Ş.

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(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):

- 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	30,000	28,794	6,860
Reserves	81,570	45,609	6,780
Net income for the period and prior period income	50,423	56,615	7,259
Income/ Loss recognized under equity in accordance with TAS	-	-	(116)
Leasehold Improvements on Operational Leases (-)	286	171	-
Goodwill and intangible asset and the related deferred tax liability (-)	2,613	2,544	389
<b>Total Common Equity Tier 1 Capital</b>	<b>159,094</b>	<b>128,303</b>	<b>20,394</b>
General Provision	3,439	-	-
<b>Total Equity</b>	<b>162,533</b>	<b>128,303</b>	<b>20,394</b>

- 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 2018: None).

- c) Information on the unconsolidated subsidiaries: None (31 December 2018: None).

- d) Information on the consolidated subsidiaries:

- d.1) Information on the consolidated subsidiaries:

	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	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	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (*)	ir Value
1	2,084,042	161,993	2,483	219,469	-	39,385	35,992	-
2	175,654	131,018	3,252	41,739	-	31,755	31,424	-
3	26,749	20,783	1,301	3,561	157	4,917	3,698	-

(\*) These figures are shown per BRSA financial statements as of 31 December 2018.

- 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	-	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
<b>Balance at the end of the period</b>	<b>115,986</b>	<b>115,986</b>
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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### NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

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

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies/TEB Faktoring A.Ş.	43,417	43,417
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries/TEB Yatırım Men. Değ. A.Ş.	70,511	70,511
TEB Portföy Yönetimi A.Ş.	2,058	2,058
<b>Total</b>	<b>115,986</b>	<b>115,986</b>

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2018: None).

##### 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	82,142	55,477	12,367	209,770	(175,403)

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. and 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 2018: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	7,024	14,112	-	-
Cash Flow Hedge	219,494	877	502,479	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>226,518</b>	<b>14,989</b>	<b>502,479</b>	<b>-</b>

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

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 20,286 (31 December 2018: TL 24,658) is recorded under equity as of 31 December 2019 and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

**TÜRK EKONOMİ BANKASI A.Ş.**

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

**13. Information on investment properties:**

	31 December 2018	TFRS 16 Transition Effect 1 January 2019	Purchases	Sales	Other	31 December 2019
Cost:						
Real estate	113,912	-	525	(4,738)	12	109,711
Right of Use	-	918,718	142,762	(44,241)	-	1,017,239
Furniture, Furnishings, Office Machines and Other Securities	791,439	-	134,121	(45,952)	(12)	879,596
<b>Total cost</b>	<b>905,351</b>	<b>918,718</b>	<b>277,408</b>	<b>(94,931)</b>	<b>-</b>	<b>2,006,546</b>

	31 December 2018	TFRS 16 Transition Effect 1 January 2019	Period Charge	Sales	Other	31 December 2019
Accumulated Depreciation:						
Real estate	50,819	-	4,103	(3,120)	-	51,802
Right of Use Depreciation	-	383,630	139,751	(44,241)	-	479,140
Furniture, Furnishings, Office Machines and Other Securities	562,242	-	80,875	(45,317)	22	597,822
<b>Total Accumulated Depreciation</b>	<b>613,061</b>	<b>383,630</b>	<b>224,729</b>	<b>(92,678)</b>	<b>22</b>	<b>1,128,764</b>
<b>Net Book Value</b>	<b>292,290</b>					<b>877,782</b>

a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.

b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

**14. Information on intangible assets:**

	31 December 2018	Purchases	Sales	Other	31 December 2019
Cost:					
Other Intangible Assets	370,563	98,323	(553)	-	468,333
<b>Total cost</b>	<b>370,563</b>	<b>98,323</b>	<b>(553)</b>	<b>-</b>	<b>468,333</b>

	31 December 2018	Depreciation Expense	Sales	Other	31 December 2019
Accumulated Depreciation:					
Other Intangible Assets	263,247	70,560	(214)	(22)	333,571
<b>Total Accumulated Depreciation</b>	<b>263,247</b>	<b>70,560</b>	<b>(214)</b>	<b>(22)</b>	<b>333,571</b>
<b>Net Book Value</b>	<b>107,316</b>				<b>134,762</b>

a) Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.

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**I. Explanations and Disclosures Related to the Assets (continued)****14. Information on intangible assets: (continued)**

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.

d) Book value of intangible assets that are restricted or pledged in use: None.

e) Amount of purchase commitments for intangible fixed assets: None.

f) Information on revalued intangible assets according to their types: None.

g) Amount of total research and development expenses recorded in income statement within the period if any: None.

h) Positive or negative consolidation goodwill on entity basis: Not applicable for unconsolidated financial statements.

i) Information on goodwill:

Following the publication of the BRSA's permission dated February 10, 2011 in the Official Gazette dated February 12, 2011 and numbered 27844, all rights by the termination of the legal personality of Fortis Bank A.Ş. The merger of two banks was realized through the transfer of receivables, liabilities and liabilities to the Bank in the form of ashes. The shareholders of Fortis Bank A.Ş., which was dismissed due to the merger, were given 1.0518 registered TEB shares for each share with a nominal value of 1 TL to be replaced with their existing shares. Since the enterprises subject to this merger are not controlled by the same person or persons before and after the business merger, the transaction has been evaluated within the scope of TFRS 3. Fortis Bank A.Ş. The difference between this value and the fair value of Fortis Bank A.Ş.'s identifiable net assets acquired is recognized as goodwill, considering the fair value of the equity shares subject to change as a result of the merger as of 14 February 2011. It has been recognized.

j) Beginning of the period, the balance of the period and the intra-period movements of the goodwill:

	<b>Current Period</b>	<b>Prior Period</b>
Beginning period	421,124	421,124
Exchange differences	-	-
Acquisitions	-	-
<b>Balance at the end of the period</b>	<b>421,124</b>	<b>421,124</b>

**15. Information on investment properties: None (31 December 2018: None)****16. Information on deferred tax assets:**

a) As of 31 December 2019, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 650,094 (31 December 2018: TL 187,325). There are no tax exemptions or deductions over which deferred tax asset is computed.

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

**TÜRK EKONOMİ BANKASI A.Ş.****NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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**I. Explanations and Disclosures Related to the Assets (continued)****16. Information on deferred tax assets (continued)**

d) Movement of deferred tax:

	<b>Current Period</b>	<b>Prior Period</b>
<b>As of January 1</b>	<b>187,325</b>	<b>69,095</b>
TFRS 9 Transition Effect	-	219,896
TFRS 16 Transition Effect	24,083	-
Deferred Tax Income / (Expense)	182,340	(99,544)
Deferred Tax Accounted Under Equity	256,346	(2,122)
<b>Deferred Tax Asset</b>	<b>650,094</b>	<b>187,325</b>

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax income of TL182,340 is stated under the tax provision in the income statement (31 December 2018: TL 99,544 expense). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

	<b>Current Period</b>	<b>Prior Period</b>
Financial assets fair value through other comprehensive income	(44,390)	29,676
From hedge accounting	302,891	(38,364)
Actuarial gains and losses	(2,155)	6,566
<b>Total</b>	<b>256,346</b>	<b>(2,122)</b>

**17. Information on assets held for sale and discontinued operations:**

	<b>Current Period</b>	<b>Prior Period</b>
Beginning of Period Cost	109,104	90,677
Accumulated Depreciation at the Beginning of the Period (-)	-	-
<b>Net Book Value</b>	<b>109,104</b>	<b>90,677</b>
Opening Balance	109,104	90,677
Acquired	149,647	109,037
Disposed (-)	122,922	88,923
Impairment (-)	4,467	1,687
Depreciation Value (-)	-	-
Period End Cost	131,362	109,104
Period End Accumulated Depreciation (-)	-	-
<b>Closing Net Book Value</b>	<b>131,362</b>	<b>109,104</b>

**18. Information on other assets:**

Other assets of the balance sheet amount to TL 4,442,248 (31 December 2018: TL 2,098,320) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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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	Accumulated Deposits	Total
Saving Deposits	2,913,675	-	11,685,382	8,760,022	198,974	159,316	142,791	-	23,860,160
Foreign Currency Deposits	8,689,233	-	9,179,868	16,994,157	220,469	75,587	91,126	-	35,250,440
Residents in Turkey	8,125,778	-	8,724,284	16,524,666	196,404	32,768	74,233	-	33,678,133
Residents Abroad	563,455	-	455,584	469,491	24,065	42,819	16,893	-	1,572,307
Public Sector Deposits	424,598	-	73,628	50,872	7,475	-	-	-	556,573
Commercial Deposits	3,315,957	-	3,921,717	1,904,438	101,496	3,210	55,398	-	9,302,216
Other Institutions Deposits	143,878	-	65,741	266,882	12,458	91	554	-	489,604
Precious Metals Deposits	1,275,586	-	90,788	700,588	38,080	142,511	101,470	-	2,349,023
Bank Deposits	23,739	-	362,573	-	-	-	-	-	386,312
Central Bank of Turkey	25	-	-	-	-	-	-	-	25
Domestic Banks	16	-	-	-	-	-	-	-	16
Foreign Banks	23,698	-	358,772	-	-	-	-	-	382,470
Special Financial Institutions	-	-	3,801	-	-	-	-	-	3,801
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,786,666</b>	<b>-</b>	<b>25,379,697</b>	<b>28,676,959</b>	<b>578,952</b>	<b>380,715</b>	<b>391,339</b>	<b>-</b>	<b>72,194,328</b>

**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	Accumulated Deposits	Total
Saving Deposits	1,843,615	-	7,064,993	12,635,918	2,592,790	347,412	135,942	-	24,620,670
Foreign Currency Deposits	6,125,847	-	5,702,852	13,314,064	362,293	219,166	168,175	-	25,892,397
Residents in Turkey	5,552,284	-	5,412,121	12,857,489	342,378	184,563	156,348	-	24,505,183
Residents Abroad	573,563	-	290,731	456,575	19,915	34,603	11,827	-	1,387,214
Public Sector Deposits	336,258	-	60,453	70,442	29,249	-	-	-	496,402
Commercial Deposits	2,672,300	-	1,769,680	3,147,808	820,947	255,150	388,716	-	9,054,601
Other Institutions Deposits	111,946	-	55,337	1,230,038	235,821	951,051	111,587	-	2,695,780
Precious Metals Deposits	507,192	-	34,816	512,511	32,089	95,628	-	-	1,182,236
Bank Deposits	47,697	-	227,383	-	-	-	-	-	275,080
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	21	-	-	-	-	-	-	-	21
Foreign Banks	17,495	-	227,383	-	-	-	-	-	244,878
Special Financial Institutions	30,181	-	-	-	-	-	-	-	30,181
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,644,855</b>	<b>-</b>	<b>14,915,514</b>	<b>30,910,781</b>	<b>4,073,189</b>	<b>1,868,407</b>	<b>804,420</b>	<b>-</b>	<b>64,217,166</b>

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

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

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

Saving Deposits	Under the Guarantee of Insurance (*)		Exceeding the Limit of Insurance (*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	14,607,157	11,576,580	8,731,764	12,344,862
Foreign Currency Saving Deposits	6,075,469	3,449,885	12,928,549	11,524,532
Other Deposits in the Form of Saving Deposits	781,197	271,856	1,320,538	764,746
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
<b>Total</b>	<b>21,463,823</b>	<b>15,298,321</b>	<b>22,980,851</b>	<b>24,634,140</b>

(\*) 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	615,203	590,915
Deposits of Controlling Shareholders and Their Close Families	3,823,134	1,393,010
Deposits of Chairman and Members of the Board of Directors and Their Close Families	68,002	58,066
Deposits Obtained Through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore 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	97,772	25,075	149,769	37,072
Swap Transactions	1,362,074	71,890	2,014,714	28,648
Futures Transactions	-	-	-	-
Options	26,488	3,285	134,174	5,119
Other	-	-	-	6,265
<b>Total</b>	<b>1,486,334</b>	<b>100,250</b>	<b>2,298,657</b>	<b>77,104</b>

**3. Information on funds borrowed:**

## 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	307,801	169,120	243,558	608,957
From Foreign Banks, Institutions and Funds	-	8,100,061	-	10,913,648
<b>Total</b>	<b>307,801</b>	<b>8,269,181</b>	<b>243,558</b>	<b>11,522,605</b>

As of 31 December 2019, the Bank has borrowings from its related parties amounting to TL 3,507,164 (31 December 2018: TL 4,671,779).

## b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	307,801	4,735,058	243,558	7,240,036
Medium and long-term	-	3,534,123	-	4,282,569
<b>Total</b>	<b>307,801</b>	<b>8,269,181</b>	<b>243,558</b>	<b>11,522,605</b>

## c) Additional explanations regarding the areas where the Bank's obligations are concentrated:

The Bank diversifies its funding sources with customer deposits, loans from abroad, securities issued and borrowings from money markets. Deposits are the most important source of funding of the Bank and do not present any risk concentration with its stable structure spread over a wide base. Loans received mainly consist of funds obtained from various foreign financial institutions with different features and maturity-interest structure. There is no risk concentration in the bank's funding sources.

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**II. Explanations and Disclosures Related to the Liabilities (continued)****3. Information on loans received and securities issued: (continued)**

d) Information on Debt Securities Issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,333,877	-	526,592	-
Treasury Bills	-	-	-	-
<b>Total</b>	<b>2,333,877</b>	<b>-</b>	<b>526,592</b>	<b>-</b>

**4. Funds provided through repurchase transactions:**

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>1,317,498</b>	<b>327,167</b>	<b>62,543</b>	<b>-</b>
Financial Institutions and Organizations	1,317,498	327,167	62,543	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
From Overseas Transactions	-	-	-	-
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
<b>Total</b>	<b>1,317,498</b>	<b>327,167</b>	<b>62,543</b>	<b>-</b>

**5. 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 foreign sources item of the balance sheet is TL 1,293,901 (31 December 2018: TL 1,806,383) and does not exceed 10% of the total balance sheet.

**6. Explanation on financial lease obligations (Net):**

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 Fixed Assets” as an asset (tenure) and under “Liabilities from Leasing” as a liability. Impact and application of IFRS 16 concerning the transition were explained in Section three, footnote XXVI.

**7. Negative differences table related to derivative financial liabilities for hedging purposes:**

	Current Period		Prior Period	
	TL	FC	TL	FC
For the protection of fair value risk	-	-	-	-
For cash flow hedge purposes	1,917,707	7,267	384,325	4,857
For protection from net investment risk abroad	-	-	-	-
<b>Total</b>	<b>1,917,707</b>	<b>7,267</b>	<b>384,325</b>	<b>4,857</b>

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

As of 31 December 2019, there are accumulated valuation differences of TL 20,286 (31 December 2018: TL 24,658) under equity as of 31 December 2019. This amount is spread over the remaining terms of the hedged items by the Bank and transferred to the income statement.

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**II. Explanations and Disclosures Related to the Liabilities (continued)**
**8. 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 2018: None).
- b) The specific provisions provided for unindemnifies non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	55,551	50,741
Stage 2	145,818	104,221
Stage 3	42,111	47,697
<b>Total</b>	<b>243,480</b>	<b>202,659</b>

- c) Liabilities regarding leave, premium, health and severance pay:

As of 31 December 2019, the Bank received a TL 12,344 (31 December 2018: TL 12,744) allowance, TL 192,002 (31 December 2018: TL 173,020), and 139,152 TL (31 December 2018: TL 143,382) related to the premiums to be paid to bank personnel. provision and 32,100 TL (31 December 2018: None) reflected the provision of other personnel expenses to the “Provisions for Employee Rights” account in the financial statements.

c.1) Severance pay:

In determining the liability, the Bank makes use of independent actuaries and makes assumptions on issues such as discount rate, employee turnover rate and future salary increases. These assumptions are reviewed annually:

	31 December 2019	31 December 2018
Discount rate (%)	12.51	16.70
Estimated inflation rate (%)	6.59	11.20
Salary increase rate over inflation rate (%)	1.00	1.00

Severance pay act table

	Current Period	Prior Period
As of January 1	173,020	118,236
Current service cost	18,702	12,398
Interest cost	28,185	13,552
Reductions and payments	(37,529)	(14,851)
Actuarial loss / (gain)	577	39,509
Compensations paid	9,047	4,176
<b>Total</b>	<b>192,002</b>	<b>173,020</b>

c.2) Pension Rights:

The employees who have joined the Bank as a consequence of the merger of TEB and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Bank 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 2019 and 31 December 2018. 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.

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**II. Explanations and Disclosures Related to the Liabilities (continued)**
**8. Information on provisions: (continued)**

c) Obligations related to leave, premium, health and severance pay: (continued)

c.2) Pension Rights: (continued)

Within the frame of the assumptions determined;

<b>Period Based Pension and Health Obligations:</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Net Present Value of Transferrable Retirement Liabilities	(919,469)	(762,544)
Net Present Value of Transferrable Retirement and Health Contributions	355,986	336,330
General Administration Expenses	(9,195)	(7,625)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(572,678)	(433,839)
Fair Value of Plan Assets (2)	2,646,999	2,221,325
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	2,074,321	1,787,486
Non-Transferable Benefits (4)	(404,727)	(414,945)
Asset Surplus over Total Benefits ((3)-(4))	1,669,594	1,372,541

As of 31 December 2019 and 31 December 2018, the distribution of the fair value of the total assets of the Pension Fund is as follows:

	<b>31 December 2019</b>	<b>31 December 2018</b>
Bank placements	1,119,326	2,084,814
Government bonds and treasury bills, fund and rediscount interest income	1,278,238	-
Property, plant and equipment	114,378	106,383
Other	135,057	30,128
<b>Total</b>	<b>2,646,999</b>	<b>2,221,325</b>

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

	<b>31 December 2019</b>	<b>31 December 2018</b>
Discount rates	12.51%	16.70%
Inflation expectations	6.59%	11.20%

As of 31 December 2019, health inflation is assumed to be above 20% (31 December 2018: 20%). It is assumed that general wage increase and SSI ceiling increase rates will be the same as inflation. CSO 2001 (31 December 2018: CSO 2001) Female / Male mortality table was used to represent the expected mortality rates both before and after retirement.

d) Information on other provisions:

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Non-Cash Loans	243,480	202,659
Provision for Legal Cases	51,069	65,111
Provision for Promotions of Credit Cards and Banking Services	12,936	12,622
Other	142,899	50,594
<b>Total</b>	<b>450,384</b>	<b>330,986</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)****8. Information on provisions: (continued)**

## d) Information on other provisions (continued)

Below is the reconciliation of impairment provisions for non-cash loans;

<b>Current Period</b>	<b>Standard Qualified Loans (Stage I)</b>	<b>Loans in Close Monitoring (Stage II)</b>	<b>Loans Under Follow-Up (Stage III)</b>	<b>Total</b>
31 December 2018	50,741	104,222	47,696	202,659
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(3,253)	30,060	-	26,807
- Stage 1 to Stage 3	(282)	-	6,045	5,763
- Stage 2 to Stage 3	-	(3,768)	31,155	27,387
- Stage 2 to Stage 1	2,084	(6,592)	-	(4,508)
- Stage 3 to Stage 2	-	-	-	-
Transmitted during the period	28,313	34,932	(27,256)	35,989
collections	(23,649)	(19,738)	(15,529)	(58,916)
deleted	-	-	-	-
Exchange differences	1,597	6,702	-	8,299
<b>Total Expected Loss Reserve 31 December 2019</b>	<b>55,551</b>	<b>145,818</b>	<b>42,111</b>	<b>243,480</b>

<b>Prior Period</b>	<b>Standard Qualified Loans (Stage I)</b>	<b>Loans in Close Monitoring (Stage II)</b>	<b>Loans Under Follow-Up (Stage III)</b>	<b>Total</b>
31 December 2017	30,407	359	48,741	79,507
TFRS9 transition effect	9,466	51,650	(26,949)	34,167
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(2,680)	22,071	-	19,391
- Stage 1 to Stage 3	(857)	-	17,513	16,656
- Stage 2 to Stage 3	-	(4,465)	42,305	37,840
- Stage 2 to Stage 1	7,063	(16,753)	-	(9,690)
- Stage 3 to Stage 2	-	-	-	-
Transmitted during the period	24,096	70,315	(13,757)	80,654
collections	(16,754)	(18,955)	(20,157)	(55,866)
deleted	-	-	-	-
Exchange differences	-	-	-	-
<b>Total Expected Loss Reserves 31 December 2018</b>	<b>50,741</b>	<b>104,222</b>	<b>47,696</b>	<b>202,659</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**
**9. Explanations on taxes payable:**
**a) Information on tax provision:**

As of 31 December 2019, the Bank's corporate tax liability is TL 29,289 (31 December 2018: TL 96,184). As of 31 December 2019, the Bank's debt on total taxes and premiums is TL 213,516 (31 December 2018: TL 291,338).

**b) Information on current tax liability:**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	29,289	96,184
Taxation on Securities	70,139	76,902
Property Tax	2,569	2,379
Banking Insurance Transaction Tax (BITT)	59,307	73,128
Foreign Exchange Transaction Tax	2,430	39
Value Added Tax Payable	5,073	4,712
Other (*)	23,408	20,192
<b>Total</b>	<b>192,215</b>	<b>273,536</b>

(\*) Others include income taxes deducted from wages amounting to TL 19,419 (31 December 2018: TL 16,820) and stamp taxes payable amounting to TL 1,518 (31 December 2018: TL 1,693).

**c) Information on premiums:**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employee	9,114	7,641
Social Security Premiums-Employer	10,133	8,432
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	775	656
Unemployment Insurance-Employer	1,279	1,073
Other	-	-
<b>Total</b>	<b>21,301</b>	<b>17,802</b>

d) Explanations on deferred tax liabilities, if any: the Bank does not have any deferred tax liabilities as of 31 December 2019 (31 December 2018: None).

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

**10. Information on fixed assets payables related to activities held and discontinued for sale:** None (31 December 2018: None).

**11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:**

The Bank earned a \$ 210 million USD with a 10-year maturity on 5 November 2018 at the earliest, but not earlier than 5 year. At the end of the 5th year and in the subsequent first interest payment period, it issued 2 subordinated debt securities with early amortization. The interest rate of the issuance is 10.40% per annum and will continue with the 6-month Libor + 7.32% annual interest rate after the first early amortization at the end of the 5th year. Said "contribution capital" was provided by BNP Paribas Fortis SA / NV.

At the Board of Directors meeting held on 8 May 2012, the Bank decided to issue a debt instrument of USD 65 million as Secondary Capital-like Borrowing on 14 May 2012. Issue interest rate of six months USD Libor + is determined as 5.75% annually. The maturity of the debt instrument is 14 May 2024 and there is no repayment option before the maturity in the first seven years. The debt instrument was amortized on 14 May 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 14 May 2019, the Bank issued a subordinated debt securities with a maturity of 60 million EURO with a maturity of 10 years, with no earliest 5 years, at the earliest in the 5th year and in the following first interest payment period. The interest rate of the issue is six months Euribor + 7.10% annually. The contribution capital" was provided by BNP Paribas Fortis SA / NV.

On 20 July 2012, the Bank decided to issue a debt instrument of EUR 100 million as Secondary Capital-like Borrowing. The interest rate of the issue is six months Euribor + 4.75% annually. The maturity of the debt instrument is 20 July 2024 and there is no repayment option before the maturity in the first seven years. The debt instrument was amortized on 22 July 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 22 July 2019, the Bank issued a subordinated debt securities with a maturity of 100 million EURO, with a maturity of 10 years, with no earliest 5 years, at the earliest at the end of the 5th year and in the first interest payment period thereafter. The interest rate of the issue is six months Euribor + 7.10% annually. The contribution capital" was provided by BNP Paribas Fortis SA / NV.

The Bank issued subordinated debt securities with a maturity of 125 million EUR on 27 June 2018, with a maturity of 10 years and an early amortization on 27 June 2023. The interest rate of the issue is 6 months Euribor + 5.10% annually. The "contribution capital" is provided by BNP Paribas Fortis SA / NV

All of the four subordinated loans mentioned above have been used in line with the BRSA's "loan capital" definitions, and have a positive impact on the Bank's capital adequacy ratio, as well as creating long-term funds for the Bank.

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**II. Explanations and Disclosures Related to the Liabilities (continued)****11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:**

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Tools to be Included in Additional Capital				
Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution				
Capital Calculation	-	3,190,503	-	2,843,148
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	3,190,503	-	2,843,148
<b>Total</b>	<b>-</b>	<b>3,190,503</b>	<b>-</b>	<b>2,843,148</b>

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	3,190,503	-	2,496,465
Branches and Head Office Abroad	-	-	-	346,683
<b>Total</b>	<b>-</b>	<b>3,190,503</b>	<b>-</b>	<b>2,843,148</b>

**12. 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.

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**II. Explanations and Disclosures Related to the Liabilities (continued)****12. Information on Shareholders' Equity: (continued)**

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	(3,474)	20,895	(131,232)	(8,323)
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(3,474)</b>	<b>20,895</b>	<b>(131,232)</b>	<b>(8,323)</b>

**13. Information on minority interests:** None (31 December 2018: None).

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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:

	<b>Current Period</b>	<b>Prior Period</b>
Commitments for Credit Card Expenditure Limits	8,506,931	6,093,650
Loan Granting Commitments	5,234,372	4,402,209
Asset Purchase and Sale Commitments	3,684,822	3,128,940
Payment Commitments for Cheques	1,769,641	1,681,617
Tax and Fund Liabilities from Export Commitments	71,566	54,955
Commitments for Promotions Related with Credit Cards and Banking Activities	4,975	4,357
Time Deposit Purchase and Sale Commitments	759,924	603,610
Other Irrevocable Commitments	249,768	107,073
<b>Total</b>	<b>20,281,999</b>	<b>16,076,411</b>

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Letters of credit	2,623,851	2,691,811
Bank acceptances	12,915	34,672
Other commitments	5,031,959	4,838,088
Other contingencies	1,153,720	1,033,453
<b>Total</b>	<b>8,822,445</b>	<b>8,598,024</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Final letters of guarantee	9,855,883	9,801,321
Advance letters of guarantee	1,481,220	1,681,247
Letters of guarantee given to the customs	429,999	519,302
Temporary letters of guarantee	286,101	386,289
Other letters of guarantee	1,499,838	1,684,317
<b>Total</b>	<b>13,553,041</b>	<b>14,072,476</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash Loans Given Against Achieving Cash Loans	1,499,838	1,684,317
With Maturity of One Year or Less Than One Year	130,687	268,524
With Maturity of More Than One Year	1,369,151	1,415,793
Other Non-Cash Loans	20,875,648	20,986,183
<b>Total</b>	<b>22,375,486</b>	<b>22,670,500</b>

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)**

**1. Information on off-balance sheet liabilities: (continued)**

**c.2) Information on sectoral risk breakdown of non-cash loans**

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	33,515	0.37	30,972	0.23	47,823	0.51	44,716	0.33
Farming and raising livestock	20,044	0.22	30,972	0.23	31,599	0.34	44,716	0.33
Forestry, Wood and Paper	-	-	-	-	-	-	-	-
Fishery	13,471	0.15	-	-	16,224	0.17	-	-
Manufacturing	2,361,726	25.87	6,761,713	51.05	2,708,372	29.12	7,080,287	52.96
Mining and Quarry	123,105	1.35	672,430	5.08	218,525	2.35	233,095	1.74
Production	2,159,522	23.65	5,914,253	44.65	2,370,092	25.48	6,588,980	49.29
Electricity, Gas and Water	79,099	0.87	175,030	1.32	119,755	1.29	258,212	1.93
Construction	1,548,096	16.96	2,273,895	17.17	1,943,616	20.89	2,317,908	17.34
Services	5,132,770	56.22	4,116,286	31.08	4,376,238	47.04	3,562,957	26.65
Wholesale and Retail Trade	1,257,201	13.77	1,112,311	8.40	1,304,288	14.02	1,220,149	9.13
Hotel, Tourism, Food and								
Beverage Services	133,984	1.47	71,748	0.54	109,997	1.18	62,813	0.47
Transportation and Communication	450,731	4.94	446,030	3.37	571,791	6.15	402,858	3.01
Financial Institutions	979,561	10.73	1,495,269	11.29	521,690	5.61	751,657	5.62
Real Estate and Renting	2,197,820	24.07	953,721	7.20	1,746,329	18.77	1,018,659	7.62
Self-employment Services	96,719	1.06	35,562	0.27	92,457	0.99	104,080	0.78
Education Services	6,349	0.07	178	-	9,825	0.11	96	-
Health and Social Services	10,405	0.11	1,467	0.01	19,861	0.21	2,645	0.02
Other	54,412	0.60	62,101	0.47	226,264	2.43	362,319	2.71
<b>Total</b>	<b>9,130,519</b>	<b>100.00</b>	<b>13,244,967</b>	<b>100.00</b>	<b>9,302,313</b>	<b>100.00</b>	<b>13,368,187</b>	<b>100.00</b>

**c.3) Information on Stage I and Stage II non-cash loans:**

**Current Period**

Non-cash loans	Stage I		Stage II	
	TL	FC	TL	FC
Letters of guarantee	5,763,889	6,558,086	717,216	513,850
Bank acceptances	-	12,695	-	220
Letters of credit	260	2,479,195	-	144,396
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	2,600,335	3,358,168	48,819	178,357
<b>Total</b>	<b>8,364,484</b>	<b>12,408,144</b>	<b>766,035</b>	<b>836,823</b>

**Prior Period**

Non-cash loans	Stage I		Stage II	
	TL	FC	TL	FC
Letters of guarantee	6,321,989	6,584,098	562,196	604,193
Bank acceptances	-	34,439	-	233
Letters of credit	2,738	2,631,520	-	57,553
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	2,384,877	3,247,711	30,513	208,440
<b>Total</b>	<b>8,709,604</b>	<b>12,497,768</b>	<b>592,709</b>	<b>870,419</b>

The Bank provided a reserve for TL 286,647 (31 December 2018: TL 259,393) of non-cash loans not indemnified which equals to net amounting to TL 42,111 (31 December 2018: TL 47,696 ).

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)****2. Information related to derivative financial instruments:**

	Derivative transactions according to purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	78,045,061	82,690,619	-	-
Forward transactions	10,742,282	11,993,806	-	-
Swap transactions	58,730,372	58,021,271	-	-
Futures transactions	71,526	-	-	-
Option transactions	8,500,881	12,675,542	-	-
Interest related derivative transactions (II):	8,401,316	3,099,012	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	8,401,316	3,099,012	-	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	43,150	141,773	-	-
<b>A.Total trading derivative transactions (I+II+III+IV)</b>	<b>86,489,527</b>	<b>85,931,404</b>	<b>-</b>	<b>-</b>
Types of hedging transactions				
Fair value hedges	-	-	1,740,184	-
Cash flow hedges	-	-	24,213,951	24,658,994
Net investment hedges	-	-	-	-
<b>B. Total hedging related derivatives</b>	<b>-</b>	<b>-</b>	<b>25,954,135</b>	<b>24,658,994</b>
<b>Total Derivative Transactions (A+B)</b>	<b>86,489,527</b>	<b>85,931,404</b>	<b>25,954,135</b>	<b>24,658,994</b>

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value.

## i) Derivative instruments for fair value hedging purposes:

In 2019, the Bank applied fair value hedge accounting in order to avoid the effects of interest rate fluctuations in the market by matching its swap portfolio with its loans and marketable securities. As of 31 December 2019, the nominal value of the derivative instruments for risk management purposes is TL 1,740,184 and the net fair value is TL 21,136.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	1,740,184	21,136	-	-	-	-
Interest Rate Swaps	-	-	-	-	-	-
<b>Total</b>	<b>1,740,184</b>	<b>21,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)**
**2. Information related to derivative financial instruments: (continued)**
**ii) Derivative instruments for cash flow hedge purposes:**

The Bank has applied cash flow hedge accounting by matching its swap portfolio with total notional amounting to TL 24,213,951 (31 December 2018: TL 24,658,994) and 1-90 days of maturity deposit portfolio together with selected borrowing portfolio. Effective portion of TL 1,112,750 (31 December 2018: TL 350,622) credit accounted for under equity is presented after deducting its deferred tax effect of TL 226,000 (31 December 2018: TL 76,890) debit in the financial statements. In 2019, ineffective portion of TL 20,286 (31 December 2018: 24,658) expense is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	7,611,850	218,639	875,965	2,936,400	295,600	198,026
Interest Rate Swaps	16,602,101	1,732	1,049,009	21,722,594	206,879	191,156
<b>Total</b>	<b>24,213,951</b>	<b>220,371</b>	<b>1,924,974</b>	<b>24,658,994</b>	<b>502,479</b>	<b>389,182</b>

**3. Credit derivatives and risk exposures on credit derivatives: None**
**4. Explanations on contingent liabilities and assets:**

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venture: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
  - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2019, there are no contingent assets that need to be explained (31 December 2018: None).
  - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank has provided provision amounting to TL 51,069 for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under Other Provisions in the financial statements.

**5. Custodian and intermediary services:**

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)**
**6. The information on the Bank’s rating by the international rating introductions (\*):**

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2019, TEB’s ratings were as follows:

**Moody’s Investor Services:**

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Deposits	B3
Short Term FC Deposits	NP
Long Term TL Deposits	B1
Short Term TL Deposits	NP
Outlook	Negative

**Fitch Ratings:**

<i>Foreign Currency</i>	
Long-term	B+
Short-term	B
Outlook	Stable
<i>Turkish Lira</i>	
Long-term	BB-
Short-term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Strength	b+

(\*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

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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
<b>Interest income on loans (*)</b>				
Short term loans	4,675,069	356,415	4,289,402	307,025
Medium and long term loans	5,137,128	269,578	4,611,920	336,819
Interest on loans under follow-up	229,865	-	148,034	1,295
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>10,042,062</b>	<b>625,993</b>	<b>9,049,356</b>	<b>645,139</b>

(\*) Includes fees and commissions obtained from cash loans amounting to TL 225,870 (31 December 2018: TL 120,720).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	22,728	-	19,422
Domestic banks	142,459	2,975	130,507	2,273
Foreign banks	15,024	51,081	14,102	58,460
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>157,483</b>	<b>76,784</b>	<b>144,609</b>	<b>80,155</b>

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	159,911	27,970	153,166	13,768
Financial Assets at Fair Value Through Other Comprehensive Income	282,760	48,203	493,807	15,350
Financial Assets Measured at Amortized Cost	571,203	41,639	435,730	-
<b>Total</b>	<b>1,013,874</b>	<b>117,812</b>	<b>1,082,703</b>	<b>29,118</b>

d) Interest Income on Subsidiaries and Associates:

	Current Period	Prior Period
	TL	TL
Interest received from Subsidiaries and Associates	17,214	1,114

**2. Explanations on Interest Expense**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
The Central Bank of Turkey	-	-	-	-
Domestic banks	43,880	16,087	14,298	15,056
Foreign banks	-	457,616	-	440,336
Branches and head office abroad	-	-	-	-
<b>Other financial institutions</b>				
	-	-	-	-
<b>Total</b>	<b>43,880</b>	<b>473,703</b>	<b>14,298</b>	<b>455,392</b>

(\*) Includes fees and commission expenses of cash loans amounting to TL 23,055 (31 December 2018: TL 18,654).

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

**2. Explanations on Interest Expense (continued)**

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	2,103	3,790

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	514,885	-	251,229	116
<b>Total</b>	<b>514,885</b>	<b>-</b>	<b>251,229</b>	<b>116</b>

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

Current Period	Time Deposits							Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulated Deposits	
TL								
Bank Deposits	-	39,449	-	-	-	-	-	39,449
Saving Deposits	9	1,595,995	1,948,510	137,972	45,953	35,407	-	3,763,846
Public Sector Deposits	-	4,463	6,465	2,174	-	-	-	13,102
Commercial Deposits	235	465,464	530,438	54,558	31,676	46,726	-	1,129,097
Other Deposits	-	7,238	158,706	14,990	73,986	4,870	-	259,790
7 Days Call Accounts	-	-	-	-	-	-	-	-
FC								
Foreign Currency Deposits	-	95,599	304,254	5,303	4,492	3,929	-	413,577
Bank Deposits	-	8,327	-	-	-	-	-	8,327
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	1	682	12,328	1,108	3,037	1,128	-	18,284
Total	1	104,608	316,582	6,411	7,529	5,057	-	440,188
Grand Total	245	2,217,217	2,960,701	216,105	159,144	92,060	-	5,645,472

Prior Period		Time Deposits						Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulated Deposits	
TL								
Bank Deposits	-	40,583	-	-	-	-	-	40,583
Saving Deposits	9	936,448	2,430,755	170,360	25,026	6,834	-	3,569,432
Public Sector Deposits	-	1,986	28,297	3,647	-	-	-	33,930
Commercial Deposits	7	324,551	779,885	133,348	47,432	29,421	-	1,314,644
Other Deposits	-	16,746	169,924	99,501	332,203	17,494	-	635,868
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	16	1,320,314	3,408,861	406,856	404,661	53,749	-	5,594,457
FC								
Foreign Currency Deposits	5	90,798	549,710	9,041	3,751	4,089	-	657,394
Bank Deposits	-	10,820	-	-	-	-	-	10,820
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	487	8,898	552	2,246	-	-	12,183
Total	5	102,105	558,608	9,593	5,997	4,089	-	680,397
Grand Total	21	1,422,419	3,967,469	416,449	410,658	57,838	-	6,274,854

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

**3. Information on dividend income:**

	<b>Current Period</b>	<b>Prior Period</b>
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1,326	435
Other	17,244	16,473
<b>Total</b>	<b>18,570</b>	<b>16,908</b>

**4. Information on trading gain / loss:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Gains</b>	<b>34,028,533</b>	<b>62,484,310</b>
Gains on capital market operations	449,304	165,933
Gains on derivative financial instruments <sup>(1)</sup>	14,068,159	23,020,693
Foreign exchange gains	19,511,070	39,297,684
<b>Losses (-)</b>	<b>35,039,066</b>	<b>62,909,232</b>
Losses on capital market operations	323,930	344,561
Losses on derivative financial instruments <sup>(1)</sup>	14,979,328	20,147,392
Foreign exchange losses	19,735,808	42,417,279

<sup>(1)</sup> Includes exchange rate fluctuations of hedging transactions net profit of TL 142,065 (31 December 2018: TL 231,265), derivative financial instruments exchange rate changes in profit / loss accounts amounting to TL 343,138 (31 December 2018: TL 669,843) net exchange income.

**5. Information on other operating income:**

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

**6. Provision expenses of banks for loans and other receivables:**

a) Allowance for Expected Credit Losses and Other Provisions:

	<b>Current Period</b>	<b>Prior Period</b>
Expected Credit Losses	1,404,288	1,228,110
12-Month Expected Credit Losses (Stage 1)	40,818	92,738
Significant Increase in Credit Risk (Stage 2)	64,476	247,599
Credit-Impaired (Stage 3)	1,298,994	887,773
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	89,173	19,644
<b>Total</b>	<b>1,493,461</b>	<b>1,247,754</b>

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

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

**7. Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for employee termination benefits <sup>(1)</sup>	18,405	15,275
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	224,729	77,969
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	70,560	59,240
Impairment for investments accounted with equity method	-	-
Impairment expenses of assets to be disposed	4,467	1,687
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	1,060,397	989,087
Leasing Expenses on TFRS 16 Exceptions <sup>(2)</sup>	52,448	248,941
Maintenance expenses	36,318	28,813
Advertisement expenses	67,796	86,823
Other expenses	903,835	624,510
Loss on sales of assets	10,778	4,762
Other <sup>(3)</sup>	355,756	266,280
<b>Total</b>	<b>1,745,092</b>	<b>1,414,300</b>

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

<sup>(2)</sup> 31 December 2018 amounts represent all operating lease expenses.

<sup>(3)</sup> Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 142,295 (31 December 2018: TL 101,862) and other taxes and fees paid in the amount of TL 149,358 (31 December 2018: TL 104,624).

**8. Information on profit loss before continuing and discontinued operations before tax:**

a) The portion of the profit before tax amounting to TL 5,499,238 (31 December 2018: TL 4,206,089) consists of net interest income, while TL 1,437,676 (31 December 2018: TL 1,270,224) consists of net fee and commission income; total operating expenses amount to TL 3,172,342 (31 December 2018: TL 2,646,846).

b) Explanations on discontinued operations profit loss: None.

**9. Information on tax provision for continuing and discontinued operations:**

a) As of 31 December 2019, the current tax expense is TL 525,749 (31 December 2018: TL 179,473). Deferred tax income is TL 182,340 (31 December 2018: TL 99,544 deferred tax expense) and there is no current and deferred tax income/expense from discontinued operations (31 December 2018: None).

b) Deferred tax income on temporary differences resulted from continued operations is TL 182,340 (31 December 2018: TL 99,544 deferred tax expense).

c) Tax reconciliation:

	<b>Current Period</b>	<b>Prior Period</b>
<b>Profit before tax</b>	<b>1,413,763</b>	<b>1,280,720</b>
<b>Additions</b>	<b>130,127</b>	<b>30,651</b>
Nonallowable expenses	96,927	28,621
Effect of different tax rate	33,200	2,030
<b>Deductions</b>	<b>16,095</b>	<b>(34,286)</b>
Dividend income	(18,218)	(16,718)
Other	34,313	(17,568)
<b>Taxable Profit/ (Loss)</b>	<b>1,559,985</b>	<b>1,277,085</b>
Corporate tax rate	%22	%22
<b>Tax calculated</b>	<b>343,197</b>	<b>280,959</b>
Prior year tax correction	212	(1,942)
<b>Tax charge</b>	<b>343,409</b>	<b>279,017</b>

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

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

**10. Information on net profit / loss of continuing and discontinued operations:**

Net profit of the Bank from the activities carried out as of 31 December 2019 is 1,070,354 TL (31 December 2018: TL 1,001,703), as of 31 December 2019 there is no net profit from discontinued operations (31 December 2018: None).

**11. The explanations on net income/loss for the period:**

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 December 2018: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2018: None).
- c) Profit/ loss attributable to minority interest: None (31 December 2018: None).

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

	<b>Current Period</b>	<b>Prior Period</b>
<b><u>Other fees and commissions received</u></b>		
Card Fees and Commissions	1,313,155	1,011,356
Insurance Commissions	185,916	130,011
Periodic Service Commissions	166,434	140,599
Settlement Expense Provision, Eft, Swift, Agency Commissions	44,630	40,078
Transfer Commissions	39,659	30,651
Fund Management Fees	31,072	21,220
Commissions and Fees Earned from Correspondent Banks	4,502	4,254
Intelligence Fee and Commissions	1,157	51,883
Other	240,225	256,465
<b>Total</b>	<b>2,026,750</b>	<b>1,686,517</b>
<b><u>Other fees and commissions paid</u></b>		
Credit Cards Commissions and Fees	701,669	498,961
Commission and Fees Paid to Correspondent Banks	39,026	36,409
Settlement Expense Provision, Eft, Swift, Agency Commissions	20,400	18,500
Other	108,273	86,486
<b>Total</b>	<b>869,368</b>	<b>640,356</b>

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**V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity**

- a) The effect of changes in the fair value of financial assets at fair value through profit or loss is recognized in the “Marketable Securities Valuation Differences” account under the equity. The relevant amount is increase by TL 201,250 in 2019 (31 December 2018: TL 135,494 decrease) and change effect to deferred tax is TL 44,275 (31 December 2018: TL 29,676).

- b) Increase in cash flow risk hedging items:

The Bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. The related amount in 2019 decreased by TL 1,463,373 (31 December 2018: TL175,504 increased) and the effect of this change to deferred tax is TL302,891 (31 December 2018: TL38,364).

- c) Explanations on profit distribution:

It has been resolved in the Ordinary General Assembly dated 27 March 2019 of the Bank, TL1,001,703 that constitutes the 2018 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, TL50,085 as Legal Reserves, TL 0.82 (full TL) as profit distributed to the holders of the founder jouissance certificates.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

**VI. Explanations and Disclosures Related to Statement of Cash Flows**

- 1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:**

TL 2,411,482 included in “Operating profit before change in assets and liabilities subject to banking” (31 December 2018: TL 6,644,599) consists of “Other” item, financial leasing expenses, severance pay provision, depreciation expenses and other operating expenses excluding taxes paid and fees and commissions.

The “net decrease in other liabilities” item in the “change in assets and liabilities subject to banking activities” amounting to TL 1,278,351 (31 December 2018: TL 1,999,209 increase) consists of various liabilities, other foreign sources, and changes in money markets. “Net increase in other assets” item amounting to TL 261,210 (31 December 2018: TL 56,907 increase) consists of changes in blocked reserve requirements, miscellaneous receivables and other assets.

“Other” item amounting to TL 98,323 (31 December 2018: TL 68,561) included in “Net cash flow from investment activities” consists of cash outflows for intangible assets received in the current period.

The effect of the change in foreign exchange rate on cash and cash equivalents includes the exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of the period, and as 475,011 TL for the year 2019 (31 December 2018: 1,516,339 TL) It has been realized.

**TÜRK EKONOMİ BANKASI A.Ş.****NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

**VI. Explanations and Disclosures Related to Statement of Cash Flows (continued)****2. Cash and cash equivalents at beginning and end of periods:**

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

<b>Beginning of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>8,834,731</b>	<b>3,424,493</b>
Cash in TL/Foreign Currency	2,006,466	919,549
Central Bank – Unrestricted amount	6,721,963	2,427,043
Other	106,302	77,901
<b>Cash equivalents</b>	<b>4,199,335</b>	<b>2,512,627</b>
Banks	3,917,835	2,512,627
Money market placements	281,500	-
<b>Total cash and cash equivalents</b>	<b>13,034,066</b>	<b>5,937,120</b>

<b>End of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>6,936,877</b>	<b>8,834,731</b>
Cash in TL/Foreign Currency	2,441,969	2,006,466
Central Bank – Unrestricted amount	4,229,448	6,721,963
Other	265,460	106,302
<b>Cash equivalents</b>	<b>9,391,646</b>	<b>4,199,335</b>
Banks	8,551,646	3,917,835
Money market placements	840,000	281,500
<b>Total cash and cash equivalents</b>	<b>16,328,523</b>	<b>13,034,066</b>

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2019**

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

**VII. Explanations and Disclosures Related to Risk Group of the Bank**

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

Balance sheet and income/expense items of previous periods are presented as of 31 December 2018.

**a) Current Period:**

Related Parties	Subsidiaries, associates and entities under common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	97,952	971	73,228	260,569	281,838	20,136
Balance at End of Period	277,729	716	15,616	182,856	248,301	101,145
Interest and Commission Income	17,214	40	29,774	2,541	10,850	1,140

Direct and indirect shareholders of the Bank balance above includes TL 14,020 and other entities included in the risk group balance above includes TL 60,244 placement in “Banks”.

**b) Prior Period:**

Related Parties	Subsidiaries, associates and entities under common Control (Joint Vent.)		Direct and indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	132,994	1,089	167,506	301,623	275,065	134,644
Balance at end of Period	97,952	971	73,228	260,569	281,838	20,136
Interest and Commission Income	1,114	64	17,331	1,310	6,728	450

Direct and indirect shareholders of the Bank balance above includes TL 53,708 and other entities included in the risk group balance above includes TL 279,827 placement in “Banks”.

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

Related parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current Period	Prior Period
Deposits						
Balance at Beginning of Period	57,033	42,863	1,497,789	1,524,306	1,055,942	756,839
Balance at End of Period	16,476	57,033	3,313,150	1,497,789	648,747	1,055,942
Interest on Deposits	2,103	3,790	90,121	95,774	92,318	103,901

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

**VII. Explanations and Disclosures Related to Risk Group of the Bank (continued)**

**c) Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances: (continued)**

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

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss						
Beginning of Period	34,685	-	28,512,967	35,229,756	1,210,586	655,880
End of Period	-	34,685	30,904,435	28,512,967	109,762	1,210,586
Total Profit/loss	2,376	3,578	1,403,566	(349,116)	(14,335)	(26,780)
Hedging Transactions purposes						
Beginning of Period	-	-	17,581,390	12,113,184	-	-
End of Period	-	-	19,143,820	17,581,390	-	-
Total Profit/Loss	-	-	(1,209,539)	637,693	-	-

d) As of 31 December 2019, the total amount of remuneration and benefits provided for the senior management of the Bank is TL44,125 (31 December 2018: TL 43,586).

## TÜRK EKONOMİ BANKASI A.Ş.

### NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### VIII. Explanations on the Bank's Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

##### 1. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Numbers	Employees			
Domestic branches	467	8,882			
Rep-offices abroad	-	-		Country	
Branches abroad	4	72		Cyprus	
Off-shore branches	-	-			
				Total Assets	Capital
				1,074,437	20,000
				-	-

##### 2. Explanations on Branch and Agency Openings or Closings of the Bank:

The Bank closed 32 branches in 2019, there are no branches opened during the year.

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

None.

### SECTION SIX

#### OTHER EXPLANATIONS

##### I. Other Disclosures Related to the Bank's Activity

None.

### SECTION SEVEN

#### INDEPENDENT AUDITOR'S REPORT

##### I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Bank were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor's report dated 5 February 2020 is presented preceding the financial statements.

##### II. Other Footnotes and Explanations Prepared by the Independent Auditors

None.

## **SECTION 5- CONSOLIDATED FINANCIAL STATEMENTS**

### **PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE PERIOD FROM 1 JANUARY TO DECEMBER 2019**

*CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND  
AUDITOR REPORT  
ORIGINALLY ISSUED IN TURKISH*

**TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES**

**PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND DISCLOSURES FOR  
THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2019  
WITH INDEPENDENT AUDITOR'S REPORT**

**(CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)**

**INDEPENDENT AUDITOR’S REPORT**

**To the General Assembly of Türk Ekonomi Bankası AŞ.**

**A) Report on the Audit of the Financial Statements**

**1) Opinion**

We have audited the financial statements of Türk Ekonomi Bankası AŞ (the “Bank”) and its consolidated subsidiaries (“the Group”), which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated statement of income, consolidated statement of income and expense items accounted for under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended and, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and 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 BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

**2) Basis for Opinion**

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3) Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p data-bbox="196 302 788 336"><b><i>Impairment of loans in accordance with TFRS 9</i></b></p> <p data-bbox="196 367 850 589">Impairment of loans is a key area of judgment for the management. The Group has the total loans and receivables amounting to TL 71,143,064 thousands, which comprise 65% of the Group's total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 3,675,783 as at 31 December 2019.</p> <p data-bbox="196 620 850 1131">As of 1 January 2018, the Group has started to recognize provisions for impairment in accordance with the TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this respect, the method of provisions for impairment as set out in accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies has been changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p data-bbox="196 1162 850 1579">The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans. There is a potential risk of impairment losses/provisions provided/will be provided may not meet the requirements of the TFRS 9. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans is considered as a key audit matter.</p> <p data-bbox="196 1610 850 1675">Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p>	<p data-bbox="876 302 1485 367">As part of our audit work, the following procedures were performed:</p> <p data-bbox="876 398 1516 600">We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p data-bbox="876 631 1516 734">We have assessed and analysed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples.</p> <p data-bbox="876 766 1516 1003">We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p data-bbox="876 1034 1516 1438">We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p data-bbox="876 1469 1516 1541">We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p data-bbox="876 1572 1516 1774">We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets' exposure periods.</p> <p data-bbox="876 1805 1516 1908">We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p data-bbox="876 1939 1516 2076">Based on our discussions with the Group management, we evaluated whether the key assumptions and other judgements underlying the estimations of impairments were reasonable.</p>

Key Audit Matters	How the matter was addressed in the audit
	<p>We assessed expected credit losses determined based on individual assessment per Group’s policy by means of supporting data, and evaluated appropriateness via communications with management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Group with respect to loans and receivables and related impairment provisions.</p>
<p><b>Pension Fund Obligations</b></p> <p>Defined benefit pension plan that the Group provides to its employees is managed by Fortis Bank AŞ Mensupları Emekli Sandığı (“Plan”) which is established by the 20th provisional article of the Social Security Law numbered 506 (the “Law”).</p> <p>As disclosed in the Section III Note XVII to the consolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation (“SSF”) as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Group that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds’ members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation voucher.</p> <p>As of 31 December 2019, the Group’s transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation of the Plan liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section V Note II.8.c2 considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical</p>	<p>Our audit work included the following procedures:</p> <p>We involved external experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Group’s actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations and legislation used in the calculations and whether the assumptions are reasonable.</p>

Key Audit Matters	How the matter was addressed in the audit
<p>interest rate is prescribed under the Law, we considered this as a key audit matter.</p>	
<p><b><i>Information Technologies Audit</i></b></p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk based scoping.</p>	<p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> <li>• We identified and tested the Group's controls over information systems as part of our audit procedures.</li> <li>• Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> <li>• Security management</li> <li>• Change management</li> <li>• Operations management</li> </ul> </li> <li>• We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.</li> <li>• We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.</li> <li>• Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation.</li> <li>• We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.</li> <li>• Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</li> </ul>

#### **4) Other Matter**

The consolidated financial statements of the Group for the year ended 31 December 2018 was audited by another auditor who expressed an unqualified opinion on 6 February 2019.

#### **5) Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Group Management is responsible for the preparation and fair presentation of the financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **6) Auditor's Responsibilities for the Audit of the Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**B) Other Responsibilities Arising From Regulatory Requirements**

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Group’s set of accounts for the period 1 January - 31 December 2019 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

**Additional Paragraph for English Translation**

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Group’s financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

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

Yaman Polat, SMMM  
Partner

İstanbul, 5 February 2020

**CONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.**  
**AS OF AND 31 DECEMBER 2019**

Address : Saray Mahallesi Sokullu Caddesi No:7/A – 7/B  
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The consolidated financial report for the year-end 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 Parent Bank
- Consolidated Financial Statements of the Parent Bank
- Explanations on the Accounting Policies Applied in The Related Period
- Information on Financial Structure and Risk Management of the Group which is under Consolidation
- Disclosures and Footnotes on Consolidated Financial Statements
- Other explanations
- Independent Auditor’s Audit Report

The subsidiaries, associates and jointly controlled entities, financial statements have been consolidated in this reporting package are as follows:

	<b>Subsidiaries</b>	<b>Associates</b>	<b>Jointly Controlled Entities</b>
1	TEB Yatırım Menkul Değerler A.Ş.	-	-
2	TEB Faktoring A.Ş.	-	-
3	TEB Portföy Yönetimi A.Ş.	-	-

Stichting TEB Diversified Payment Rights, which is not subsidiary of the Bank but over which the Bank has controlling power, have been included in the consolidation due to the reason that these companies are “Structured Entity”.

The accompanying audited consolidated financial statements for the year-end, related disclosures and footnotes which are 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 guidances, and incompliance with the financial records of the Parent Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Nicolas de Baudinet					
Yavuz Canevi	de Courcelles	Ayşe Aşardağ	Ümit Leblebici	M. Aşkın Dolaştır	Gökhan Kazcılar
Chairman	Chairman	Vice Chairman	Chief	Assistant General	Director
of the Board of	of the Audit	of the Audit	Executive	Manager Responsible	Responsible of
Directors	Committee	Committee	Officer	of Financial	Financial Reporting
				Reporting	

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

Name-Surname/Title : Aslıhan Kaya / External Reporting Senior Manager  
Tel No : (0216) 635 24 51  
Fax No : (0216) 636 36 36

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# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### SECTION ONE

#### GENERAL INFORMATION

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

Türk Ekonomi Bankası Anonim Şirketi (“TEB” or “The 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 Parent Bank’s Capital Structure, Shareholders of the Parent Bank who are in Charge of the Management and/or Auditing of the Parent Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Parent Bank’s Belongs to**

As of 31 December 2019 and 31 December 2018 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2019		31 December 2018	
	Paid in capital	%	Paid in capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	<b>2,204,390</b>	<b>100.00</b>	<b>2,204,390</b>	<b>100.00</b>

As of 31 December 2019, the Parent Bank’s paid-in-capital consists of 2,204,390,000 shares of TL1.00 (full TL) nominal each.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(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 Parent Bank They Possess

<u>Name</u>	<u>Title</u>	<u>Education</u>
<b>Board of Directors;</b>		
Yavuz Canevi	Chairman of the Board of Directors	Master
Dr.Akın Akbaygil	Deputy Chairman of the Board of Directors	PhD
Jean Paul Sabet	Deputy Chairman of the Board of Directors	University
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
François Andre Jesualdo Benaroya	Member of the Board of Directors	University
Yvan L.A.M De Cock	Member of the Board of Directors and Audit Committee	University
Sabri Davaz	Member of the Board of Directors and Audit Committee	Master
Xavier Henri Jean Guilmineau	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Jacques Roger Jean Marie Rinino	Member of the Board of Directors	University
Nicolas de Baudinet de Courcelles	Member of the Board of Directors and Chairman of the Audit Committee	University
Ümit Leblebici	General Manager and the Executive Director	Master
<b>Assistant General Managers;</b>		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Dr.Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources Group	PhD
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	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
Kubilay Güler	Assistant General Manager Responsible from Banking Operations and Support Services	University
Gülümser Özgün Henden	Assistant General Manager Responsible from Corporate Banking Group	University
Dr.Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay	Assistant General Manager Responsible from Fixed Income	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
<b>Group Heads (*);</b>		
Nimet Elif Akpınar	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
<b>Internal Audit(*);</b>		
Hakan Tıraşın	Internal Audit Group	University

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

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

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

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

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

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

The Parent 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 Parent Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetim A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2019, the Parent Bank has 467 local branches and 4 foreign branches (31 December 2018: 499 local branches, 4 foreign branches). As of 31 December 2019, the number of employees of the Group is 9,248 (31 December 2018: 9,790).

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

There is no difference between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting for the Bank.

The Parent 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.

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

None.

## **SECTION TWO**

### **CONSOLIDATED FINANCIAL STATEMENTS**

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019 AND 2018

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

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

ASSETS	Section 5 Note	Audited Current Period 31.12.2019			Audited Prior Period 31.12.2018		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>8,094,017</b>	<b>22,014,859</b>	<b>30,108,876</b>	<b>9,319,870</b>	<b>17,581,103</b>	<b>26,900,973</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>2,642,723</b>	<b>18,717,809</b>	<b>21,360,532</b>	<b>3,122,276</b>	<b>16,756,038</b>	<b>19,878,314</b>
1.1.1 Cash and Balances with Central Bank	(I-1)	716,054	11,239,917	11,955,971	1,958,549	13,702,503	15,661,052
1.1.2 Banks	(I-4)	1,087,213	7,488,841	8,576,054	883,672	3,060,760	3,944,432
1.1.3 Money Markets		840,304	-	840,304	281,788	-	281,788
1.1.4 Expected Loss Provision (-)		848	10,949	11,797	1,733	7,225	8,958
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>		<b>426,085</b>	<b>869,339</b>	<b>1,295,424</b>	<b>427,287</b>	<b>189,287</b>	<b>616,574</b>
1.2.1 Government Debt Securities	(I-2)	385,317	782,677	1,167,994	391,248	136,646	527,894
1.2.2 Equity Securities		40,768	84,258	125,026	36,039	52,641	88,680
1.2.3 Other Financial Assets		-	2,404	2,404	-	-	-
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(I-5)</b>	<b>3,324,896</b>	<b>2,216,475</b>	<b>5,541,371</b>	<b>2,867,309</b>	<b>425,538</b>	<b>3,292,847</b>
1.3.1 Government Debt Securities		3,317,001	2,216,475	5,533,476	2,861,699	425,538	3,287,237
1.3.2 Equity Securities		7,895	-	7,895	5,610	-	5,610
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>		<b>1,700,313</b>	<b>211,236</b>	<b>1,911,549</b>	<b>2,902,998</b>	<b>210,240</b>	<b>3,113,238</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	1,473,795	196,247	1,670,042	2,400,519	210,240	2,610,759
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	226,518	14,989	241,507	502,479	-	502,479
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>58,026,785</b>	<b>14,346,010</b>	<b>72,372,795</b>	<b>53,950,299</b>	<b>14,520,450</b>	<b>68,470,749</b>
<b>2.1 Loans</b>	<b>(I-6)</b>	<b>56,568,956</b>	<b>12,490,850</b>	<b>69,059,806</b>	<b>52,944,431</b>	<b>13,937,117</b>	<b>66,881,548</b>
<b>2.2 Lease Receivables</b>	<b>(I-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>	<b>(I-18)</b>	<b>1,209,538</b>	<b>873,720</b>	<b>2,083,258</b>	<b>817,135</b>	<b>890,663</b>	<b>1,707,798</b>
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>(I-7)</b>	<b>3,549,987</b>	<b>1,356,631</b>	<b>4,906,618</b>	<b>2,792,080</b>	<b>-</b>	<b>2,792,080</b>
2.4.1 Government Debt Securities		3,549,987	1,356,631	4,906,618	2,792,080	-	2,792,080
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Loss (-)</b>	<b>(I-6,18)</b>	<b>3,301,696</b>	<b>375,191</b>	<b>3,676,887</b>	<b>2,603,347</b>	<b>307,330</b>	<b>2,910,677</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		<b>131,362</b>	<b>-</b>	<b>131,362</b>	<b>109,104</b>	<b>-</b>	<b>109,104</b>
3.1 Held for Sale Purpose	(I-17)	131,362	-	131,362	109,104	-	109,104
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(I-8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	<b>(I-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(I-10)</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>5</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	<b>(I-13)</b>	<b>884,141</b>	<b>677</b>	<b>884,818</b>	<b>295,181</b>	<b>-</b>	<b>295,181</b>
<b>VI. INTANGIBLE ASSETS(Net)</b>	<b>(I-14)</b>	<b>561,432</b>	<b>-</b>	<b>561,432</b>	<b>532,595</b>	<b>-</b>	<b>532,595</b>
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		140,308	-	140,308	111,471	-	111,471
<b>VII. INVESTMENT PROPERTIES(Net)</b>	<b>(I-15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>14,810</b>	<b>-</b>	<b>14,810</b>	<b>1,358</b>	<b>-</b>	<b>1,358</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(I-16)</b>	<b>667,146</b>	<b>-</b>	<b>667,146</b>	<b>208,699</b>	<b>-</b>	<b>208,699</b>
<b>X. OTHER ASSETS(Net)</b>	<b>(I-19)</b>	<b>2,375,393</b>	<b>2,097,796</b>	<b>4,473,189</b>	<b>1,811,892</b>	<b>328,820</b>	<b>2,140,712</b>
<b>TOTAL ASSETS</b>		<b>70,755,091</b>	<b>38,459,342</b>	<b>109,214,433</b>	<b>66,229,003</b>	<b>32,430,373</b>	<b>98,659,376</b>

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019 AND 2018

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

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

LIABILITIES		Section 5 Note	Audited Current Period 31.12.2019			Audited Prior Period 31.12.2018		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	(II-1)	34,470,683	37,707,169	72,177,852	37,092,765	27,067,369	64,160,134
<b>II.</b>	<b>FUNDS BORROWED</b>	(II-3)	1,067,418	9,127,278	10,194,696	799,844	12,397,794	13,197,638
<b>III.</b>	<b>MONEY MARKET FUNDS</b>	(II-4)	1,323,300	327,167	1,650,467	104,977	-	104,977
<b>IV.</b>	<b>SECURITIES ISSUED (Net)</b>	(II-3)	2,333,877	-	2,333,877	526,592	-	526,592
4.1	Bills		2,333,877	-	2,333,877	526,592	-	526,592
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
<b>V.</b>	<b>FUNDS</b>		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
<b>VI.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>		3,404,041	107,517	3,511,558	2,683,023	81,961	2,764,984
7.1	Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	1,486,334	100,250	1,586,584	2,298,698	77,104	2,375,802
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-7)	1,917,707	7,267	1,924,974	384,325	4,857	389,182
<b>VIII.</b>	<b>FACTORING LIABILITIES</b>	(II-14)	274	538	812	1,434	6,527	7,961
<b>IX.</b>	<b>LEASE LIABILITIES (Net)</b>	(II-6)	617,693	39,964	657,657	-	-	-
<b>X.</b>	<b>PROVISIONS</b>	(II-8)	678,877	168,521	847,398	579,921	102,307	682,228
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		372,735	22,713	395,448	332,139	17,335	349,474
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		306,142	145,808	451,950	247,782	84,972	332,754
<b>XI.</b>	<b>CURRENT TAX LIABILITY</b>	(II-9)	222,365	-	222,365	301,912	-	301,912
<b>XII.</b>	<b>DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XIII.</b>	<b>LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(II-10)	-	-	-	-	-	-
13.1	Held For Sale		-	-	-	-	-	-
13.2	Held From Discontinued Operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SUBORDINATED DEBT INSTRUMENTS</b>	(II-11)	-	3,190,503	3,190,503	-	2,843,148	2,843,148
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	3,190,503	3,190,503	-	2,843,148	2,843,148
<b>XV.</b>	<b>OTHER LIABILITIES</b>		4,037,263	480,077	4,517,340	3,428,013	769,162	4,197,175
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(II-12)	9,894,657	15,251	9,909,908	9,886,100	(13,473)	9,872,627
16.1	Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2	Capital Reserves		391,754	-	391,754	488,101	-	488,101
16.2.1	Share Premiums		2,565	-	2,565	2,565	-	2,565
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		389,189	-	389,189	485,536	-	485,536
16.3	Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit and Loss		310,864	-	310,864	299,624	-	299,624
16.4	Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit and Loss		(884,644)	15,251	(869,393)	147,475	(13,473)	134,002
16.5	Profit Reserves		6,728,424	-	6,728,424	5,675,707	-	5,675,707
16.5.1	Legal Reserves		434,338	-	434,338	382,343	-	382,343
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		6,284,394	-	6,284,394	5,184,127	-	5,184,127
16.5.4	Other Profit Reserves		9,692	-	9,692	109,237	-	109,237
16.6	Profit or Loss		1,134,463	-	1,134,463	1,062,214	-	1,062,214
16.6.1	Prior Periods' Profit / Loss		9,497	-	9,497	9,497	-	9,497
16.6.2	Current Periods' Profit / Loss		1,124,966	-	1,124,966	1,052,717	-	1,052,717
16.7	Minority Shares	(II-13)	9,406	-	9,406	8,589	-	8,589
<b>TOTAL LIABILITIES</b>			<b>58,050,448</b>	<b>51,163,985</b>	<b>109,214,433</b>	<b>55,404,581</b>	<b>43,254,795</b>	<b>98,659,376</b>

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2019 AND 2018

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

### II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited Current Period 31.12.2019			Audited Prior Period 31.12.2018		
Section 5		Note			TL		
		TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>	<b>67,741,200</b>	<b>87,362,056</b>	<b>155,103,256</b>	<b>70,045,235</b>	<b>79,260,240</b>	<b>149,305,475</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>9,129,803</b>	<b>13,244,967</b>	<b>22,374,770</b>	<b>9,301,342</b>	<b>13,368,187</b>	<b>22,669,529</b>
1.1	Letters of Guarantee	6,480,389	7,071,936	13,552,325	6,883,214	7,188,291	14,071,505
1.1.1	Guarantees Subject to State Tender Law	93,314	79,406	172,720	123,696	83,710	207,406
1.1.2	Guarantees Given for Foreign Trade Operations	319,439	417,745	737,184	412,617	489,797	902,414
1.1.3	Other Letters of Guarantee	6,067,636	6,574,785	12,642,421	6,346,901	6,614,784	12,961,685
1.2	Bank Acceptances	-	12,915	12,915	-	34,672	34,672
1.2.1	Import Letter of Acceptance	-	12,915	12,915	-	34,672	34,672
1.2.2	Other Bank Acceptances	-	-	-	-	-	-
1.3	Letters of Credit	260	2,623,591	2,623,851	2,738	2,689,073	2,691,811
1.3.1	Documentary Letters of Credit	-	1,119,305	1,119,305	400	1,355,735	1,356,135
1.3.2	Other Letters of Credit	260	1,504,286	1,504,546	2,338	1,333,338	1,335,676
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	2,649,033	2,382,926	5,031,959	2,414,187	2,423,901	4,838,088
1.9	Other Collaterals	121	1,153,599	1,153,720	1,203	1,032,250	1,033,453
<b>II.</b>	<b>COMMITMENTS</b>	<b>16,824,116</b>	<b>3,460,708</b>	<b>20,284,824</b>	<b>13,167,163</b>	<b>2,913,113</b>	<b>16,080,276</b>
2.1	Irrevocable Commitments	16,824,116	3,460,708	20,284,824	13,167,163	2,913,113	16,080,276
2.1.1	Asset Purchase Commitments	1,406,402	2,278,420	3,684,822	1,082,628	2,046,312	3,128,940
2.1.2	Deposit Purchase and Sale Commitments	-	759,924	759,924	-	603,610	603,610
2.1.3	Share Capital Commitment to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4	Loan Granting Commitments	5,059,676	174,696	5,234,372	4,243,982	158,227	4,402,209
2.1.5	Securities Issuance Brokerage Commitments	-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments	1,769,641	-	1,769,641	1,681,617	-	1,681,617
2.1.8	Tax and Fund Liabilities from Export Commitments	71,566	-	71,566	54,955	-	54,955
2.1.9	Commitments for Credit Card Limits	8,506,931	-	8,506,931	6,093,650	-	6,093,650
2.1.10	Commitments for Credit Cards and Banking Services Promotions	4,975	-	4,975	4,357	-	4,357
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	4,925	247,668	252,593	5,974	104,964	110,938
2.2	Revocable Commitments	-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2	Other Revocable Commitments	-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>41,787,281</b>	<b>70,656,381</b>	<b>112,443,662</b>	<b>47,576,730</b>	<b>62,978,940</b>	<b>110,555,670</b>
3.1	Derivative Financial Instruments for Hedging Purposes	16,303,838	9,650,297	25,954,135	17,040,694	7,618,300	24,658,994
3.1.1	Fair Value Hedge	-	1,740,184	1,740,184	-	-	-
3.1.2	Cash Flow Hedge	16,303,838	7,910,113	24,213,951	17,040,694	7,618,300	24,658,994
3.1.3	Foreign Net Investment Hedges	-	-	-	-	-	-
3.2	Held for Trading Transactions	25,483,443	61,006,084	86,489,527	30,536,036	55,360,640	85,896,676
3.2.1	Forward Foreign Currency Buy/Sell Transactions	3,905,504	6,836,778	10,742,282	4,332,308	7,661,498	11,993,806
3.2.1.1	Forward Foreign Currency Transactions-Buy	2,186,296	3,210,603	5,396,899	2,332,275	3,784,324	6,116,599
3.2.1.2	Forward Foreign Currency Transactions-Sell	1,719,208	3,626,175	5,345,383	2,000,033	3,877,174	5,877,207
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	18,588,736	48,542,952	67,131,688	21,025,783	40,059,772	61,085,555
3.2.2.1	Foreign Currency Swap-Buy	4,003,482	25,326,796	29,330,278	6,432,076	22,606,791	29,038,867
3.2.2.2	Foreign Currency Swap-Sell	12,453,254	16,946,840	29,400,094	14,283,707	14,663,969	28,947,676
3.2.2.3	Interest Rate Swaps-Buy	1,066,000	3,134,658	4,200,658	155,000	1,394,506	1,549,506
3.2.2.4	Interest Rate Swaps-Sell	1,066,000	3,134,658	4,200,658	155,000	1,394,506	1,549,506
3.2.3	Foreign Currency, Interest Rate and Securities Options	2,952,821	5,548,060	8,500,881	5,177,945	7,497,597	12,675,542
3.2.3.1	Foreign Currency Options-Buy	1,726,935	2,562,617	4,289,552	2,295,403	4,065,930	6,361,333
3.2.3.2	Foreign Currency Options-Sell	1,225,886	2,985,443	4,211,329	2,882,542	3,431,667	6,314,209
3.2.3.3	Interest Rate Options-Buy	-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell	-	-	-	-	-	-
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	36,362	35,164	71,526	-	-	-
3.2.4.1	Foreign Currency Futures-Buy	36,362	-	36,362	-	-	-
3.2.4.2	Foreign Currency Futures-Sell	-	35,164	35,164	-	-	-
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	20	43,130	43,150	-	141,773	141,773
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>	<b>165,611,452</b>	<b>35,349,359</b>	<b>200,960,811</b>	<b>166,783,540</b>	<b>38,195,370</b>	<b>204,978,910</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>	<b>32,624,537</b>	<b>3,374,145</b>	<b>35,998,682</b>	<b>27,059,177</b>	<b>2,660,318</b>	<b>29,719,495</b>
4.1	Customer Fund and Portfolio Balances	7,318,390	-	7,318,390	5,114,637	-	5,114,637
4.2	Investment Securities Held In Custody	14,503,776	1,926,086	16,429,862	10,739,307	1,224,567	11,963,874
4.3	Cheques Received for Collection	10,011,245	929,338	10,940,583	10,337,345	914,949	11,252,294
4.4	Commercial Notes Received for Collection	507,526	129,914	637,440	520,901	150,183	671,084
4.5	Other assets Received for Collection	125	388,807	388,932	-	370,619	370,619
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items under Custody	283,475	-	283,475	346,987	-	346,987
4.8	Custodians	-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>	<b>128,531,847</b>	<b>31,315,316</b>	<b>159,847,163</b>	<b>134,055,340</b>	<b>34,300,621</b>	<b>168,355,961</b>
5.1	Marketable Securities	362,798	100,651	463,449	456,962	914,680	1,371,642
5.2	Guarantee Notes	49,046,126	21,152,188	70,198,314	51,983,348	21,448,844	73,432,192
5.3	Commodity	50,194	-	50,194	17,208	671,712	688,920
5.4	Warranty	-	-	-	-	-	-
5.5	Immovables	69,856,979	7,236,289	77,093,268	73,125,364	6,604,523	79,729,887
5.6	Other Pledged Items	9,215,750	2,826,188	12,041,938	8,472,458	4,660,862	13,133,320
5.7	Pledged Items-Depository	-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>	<b>4,455,068</b>	<b>659,898</b>	<b>5,114,966</b>	<b>5,669,023</b>	<b>1,234,431</b>	<b>6,903,454</b>
<b>TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)</b>		<b>233,352,652</b>	<b>122,711,415</b>	<b>356,064,067</b>	<b>236,828,775</b>	<b>117,455,610</b>	<b>354,284,385</b>

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018

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

### III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS	Section 5 Note	Audited Current Period 01.01-31.12.2019	Audited Prior Period 01.01-31.12.2018
<b>I. INTEREST INCOME</b>	<b>(IV-1)</b>	<b>12,667,409</b>	<b>11,549,019</b>
1.1 Interest Income on Loans		10,688,257	9,736,951
1.2 Interest Income on Reserve Requirements		108,777	134,151
1.3 Interest Income on Banks		235,855	229,849
1.4 Interest Income on Money Market Transactions		249,456	98,455
1.5 Interest Income on Securities Portfolio		1,131,843	1,111,977
1.5.1 Financial Assets at Fair Value Through Profit or Loss		187,881	166,934
1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income		331,120	509,313
1.5.3 Financial Assets Measured at Amortized Cost		612,842	435,730
1.6 Financial Lease Income		-	-
1.7 Other Interest Income	(IV-12)	253,221	237,636
<b>II. INTEREST EXPENSE (-)</b>	<b>(IV-2)</b>	<b>7,039,703</b>	<b>7,210,051</b>
2.1 Interest Expense on Deposits		5,643,369	6,271,064
2.2 Interest Expense on Funds Borrowed		627,280	601,201
2.3 Interest Expense on Money Market Transactions		123,913	76,881
2.4 Interest Expense on Securities Issued		514,885	251,345
2.5 Interest Expense on Leases		104,433	-
2.6 Other Interest Expenses		25,823	9,560
<b>III. NET INTEREST INCOME (I - II)</b>		<b>5,627,706</b>	<b>4,338,968</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>1,519,636</b>	<b>1,340,991</b>
4.1 Fees and Commissions Received		2,407,521	2,005,514
4.1.1 Non-cash Loans		285,265	227,286
4.1.2 Other	(IV-12)	2,122,256	1,778,228
4.2 Fees and Commissions Paid (-)		887,885	664,523
4.2.1 Non-cash Loans		5,880	4,575
4.2.2 Other	(IV-12)	882,005	659,948
<b>V. DIVIDEND INCOME</b>	<b>(IV-3)</b>	<b>1,326</b>	<b>435</b>
<b>VI. TRADING INCOME / LOSS (Net)</b>	<b>(IV-4)</b>	<b>(1,010,117)</b>	<b>(422,768)</b>
6.1 Securities Trading Gains / Losses		125,350	(178,667)
6.2 Gains / Losses on Derivative Financial Instruments		(912,199)	2,869,724
6.3 Foreign Exchange Gains / Losses		(223,268)	(3,113,825)
<b>VII. OTHER OPERATING INCOME</b>	<b>(IV-5)</b>	<b>132,609</b>	<b>105,924</b>
<b>VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>6,271,160</b>	<b>5,363,550</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(IV-6)</b>	<b>1,406,901</b>	<b>1,246,173</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(IV-6)</b>	<b>89,173</b>	<b>19,644</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>1,517,717</b>	<b>1,312,022</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(IV-7)</b>	<b>1,765,576</b>	<b>1,432,709</b>
<b>XIII. NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)</b>		<b>1,491,793</b>	<b>1,353,002</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED</b>		-	-
<b>XV. BASED ON EQUITY METHOD</b>		-	-
<b>XVI. INCOME/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>	<b>(IV-8)</b>	<b>1,491,793</b>	<b>1,353,002</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-9)</b>	<b>(364,604)</b>	<b>(298,611)</b>
18.1 Current Tax Provision		(541,836)	(202,705)
18.2 Deferred Tax Income Effect(+)		(212,472)	(603,814)
18.3 Deferred Tax Expense Effect(-)		389,704	507,908
<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(IV-10)</b>	<b>1,127,189</b>	<b>1,054,391</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1 Income from Non-current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Income from Other Discontinued Operations		-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1 Expenses from Non-current Assets Held for Sale		-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Expenses for Other Discontinued Operations		-	-
<b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>	<b>(IV-8)</b>	-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(IV-9)</b>	-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense Effect(+)		-	-
23.3 Deferred Tax Income Effect(-)		-	-
<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>	<b>(IV-10)</b>	-	-
<b>XXIV. NET INCOME/LOSS (XIX+XXIV)</b>	<b>(IV-11)</b>	<b>1,127,189</b>	<b>1,054,391</b>
25.1 Group's Profit / Loss		1,124,966	1,052,717
25.2 Minority Interest Profit / Loss (-)		2,223	1,674
Earnings per Share		0.5103	0.4776

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

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018

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

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

	Audited Current Period 01.01-31.12.2019	Audited Prior Period 01.01-31.12.2018
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>1,127,189</b>	<b>1,054,391</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(992,114)</b>	<b>5,420</b>
<b>2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss</b>	<b>11,186</b>	<b>(25,754)</b>
2.1.1 Gains (losses) on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Gains (losses) on Revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on Remeasurement of Defined Benefit Plans	10,299	(33,289)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	3,061	877
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	(2,174)	6,658
<b>2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss</b>	<b>(1,003,300)</b>	<b>31,174</b>
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	201,511	(135,678)
2.2.3 Income (loss) related with Cash Flow Hedges	(1,463,374)	175,504
2.2.4 Income (loss) related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Other Profit or Loss	-	-
2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	258,563	(8,652)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>135,075</b>	<b>1,059,811</b>

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2019 AND 2018

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss									
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Shares	Minority Shares	Total Shareholders' Equity	
Prior Period – 01.01-31.12.2018																	
I.	Prior Period End Balance	2,204,390	2,565	-	670,966	266,122	58,351	919	-	(38,394)	136,593	4,694,289	1,097,665	-	9,093,466	8,394	9,101,860
II.	Corrections According to TAS 8	-	-	-	(185,430)	-	-	-	-	4,562	-	(6,750)	-	-	(187,618)	-	(187,618)
2.1	The Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The Effects of Changes in Accounting Policy	-	-	-	(185,430)	-	-	-	-	4,562	(6,750)	-	-	-	(187,618)	-	(187,618)
III.	New Balance (I+II)	2,204,390	2,565	-	485,536	266,122	58,351	919	-	(33,832)	136,593	4,687,539	1,097,665	-	8,905,848	8,394	8,914,242
IV.	Total Comprehensive Income	-	-	-	-	-	(26,645)	877	-	(105,899)	137,140	-	-	1,052,717	1,058,190	1,621	1,059,811
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	-	-	-	-	-	-	-	-	-	988,168	(1,088,168)	-	(100,000)	(1,426)	(101,426)	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	(100,000)	-	(100,000)	(1,426)	(101,426)	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	988,168	(988,168)	-	-	-	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2018 (III+IV+V+VI+VII+VIII+IX+X+XI)																	
		2,204,390	2,565	-	485,536	266,122	31,706	1,796	-	(139,731)	273,733	5,675,707	9,497	1,052,717	9,864,038	8,589	9,872,627
Current Period – 01.01-31.12.2019																	
I.	Prior Period End Balance	2,204,390	2,565	-	485,536	266,122	31,706	1,796	-	(139,731)	273,733	5,675,707	1,062,214	-	9,864,038	8,589	9,872,627
II.	Corrections According to TAS 8	-	-	-	(96,347)	-	-	-	-	-	-	-	-	-	(96,347)	-	(96,347)
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	(96,347)	-	-	-	-	-	-	-	-	-	(96,347)	-	(96,347)
III.	Adjusted Beginning Balance (I+II)	2,204,390	2,565	-	389,189	266,122	31,706	1,796	-	(139,731)	273,733	5,675,707	1,062,214	-	9,767,691	8,589	9,776,280
IV.	Total Comprehensive Income	-	-	-	-	-	8,293	2,947	-	157,088	(1,160,483)	-	-	1,124,966	132,811	2,264	135,075
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	-	-	-	-	-	-	-	-	-	1,052,717	(1,052,717)	-	-	(1,447)	(1,447)	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,447)	(1,447)
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	1,052,717	(1,052,717)	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2019 (III+IV+V+VI+VII+VIII+IX+X+XI)																	
		2,204,390	2,565	-	389,189	266,122	39,999	4,743	-	17,357	(886,750)	6,728,424	9,497	1,124,966	9,900,502	9,406	9,909,908

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 consolidated financial statements.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2019 AND 2018 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Section 5 Note	Audited Current Period 01.01-31.12.2019	Audited Prior Period 01.01-31.12.2018
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>6,107,875</b>	<b>1,522,580</b>
1.1.1 Interest received		12,252,956	10,793,613
1.1.2 Interest paid		(7,341,806)	(6,947,399)
1.1.3 Dividend received		1,326	435
1.1.4 Fees and commissions received		2,377,393	2,027,384
1.1.5 Other income		2,325,852	2,251,484
1.1.6 Collections from previously written off loans		1,077,528	868,891
1.1.7 Payments to personnel and service suppliers		(1,497,992)	(1,296,160)
1.1.8 Taxes paid		(763,127)	(174,021)
1.1.9 Others	(VI-1)	(2,324,255)	(6,001,647)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(531,555)</b>	<b>5,302,105</b>
1.2.1 Net (increase) in financial asset at fair value through profit or loss		(676,908)	(122,269)
1.2.2 Net (increase) / decrease in due from banks and other financial institutions		68	8,379
1.2.3 Net (increase) in loans		(1,886,216)	(2,927,107)
1.2.4 Net (increase) in other assets	(VI-1)	(251,877)	(71,975)
1.2.5 Net increase in bank deposits		1,647,957	(93,794)
1.2.6 Net increase in other deposits		5,027,115	7,845,044
1.2.7 Net increase / (decrease) in financial asset at fair value through profit or loss		-	-
1.2.8 Net (decrease) / increase in funds borrowed		(2,934,379)	(1,428,242)
1.2.9 Net increase / (decrease) in matured payables		-	-
1.2.10 Net (decrease) / increase in other liabilities	(VI-1)	(1,457,315)	2,092,069
<b>I. Net cash provided from banking operations</b>		<b>5,576,320</b>	<b>6,824,685</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(4,431,612)</b>	<b>(642,163)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.3 Cash paid for purchase of tangible assets		(280,432)	(101,021)
2.4 Cash obtained from sale of tangible assets		22,434	2,547
2.5 Cash paid for purchase of financial assets at fair value through other comprehensive income		(4,627,548)	(1,178,960)
2.6 Cash obtained from sale of financial assets at fair value through other comprehensive income		2,281,659	987,426
2.7 Cash paid for purchase of financial assets measured at amortized cost		(1,726,438)	(573,615)
2.8 Cash obtained from sale of financial assets measured at amortized cost		-	291,886
2.9 Others	(VI-1)	(101,287)	(70,426)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>1,672,581</b>	<b>(598,943)</b>
3.1 Cash obtained from funds borrowed and securities issued		15,002,839	6,654,809
3.2 Cash used for repayment of funds borrowed and securities issued		(13,101,686)	(7,152,326)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(1,447)	(101,426)
3.5 Payments for financial leases		(227,125)	-
3.6 Others		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(VI-1)	<b>475,011</b>	<b>1,516,339</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>3,292,300</b>	<b>7,099,918</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>		<b>13,060,154</b>	<b>5,960,236</b>
<b>VII. Cash and cash equivalents at end of the period</b>	(VI-2)	<b>16,352,454</b>	<b>13,060,154</b>

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2019 AND 2018

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

### VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION

	Current Audited Period 31.12.2019(*)	Prior Audited Period 31.12.2018(*)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	-	-
1.2 TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1 Corporate tax (Income tax)	-	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	-	-
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(\*) The Bank does not distribute profit on consolidated accounts.

The accompanying notes are an integral part of these financial statements

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

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**SECTION THREE  
ACCOUNTING PRINCIPLES**

**I. Basis of Presentation**

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

The consolidated 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 Accounting Standard 34 “Interim Financial Reporting” 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 consolidated 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 consolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Parent 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.

In accordance with the “Communique amending the Communique on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” published in the Official Gazette dated 1 February 2019 with No. 30673, the accompanying previous period financial statements were made compatible with the new financial statement formats. The accompanying consolidated financial statements as of 1 January 2018 include the opening effects of TFRS 9 Financial Instruments standard (TFRS 9) which replaces (TAS 39) Financial Instruments: Recognition and Measurement Turkish Accounting Standard.

**Additional paragraph for convenience of translation into English:**

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which these accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**New standards are effective as of 1 January 2019**

“TFRS 16 Leasing” Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 1 January 2019. The Parent Bank applied TFRS 16 “Leasing” standard as of 1 January 2019 for the first time. Implementation and effects related to the transition of TFRS 16 are explained in Note XXVI of Section Three.

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

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**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. In accordance with the transition requirements of TFRS 16, prior period financial statements and footnotes have not been restated. Implementation and impacts related to the transition of TFRS 16 are explained in Note XXVI of Section Three.

The accounting policies and valuation principles applied in the preparation of the current period financial statements are explained between notes II and XXVI.

**c. Different Accounting Policies Applied in the Preparation of Consolidated Financial Statements:**

In case the accounting policies used by the subsidiaries are different from the Parent Bank, the differences are adjusted in the financial statements considering the materiality criterion.

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

The Group 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 Parent Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Group 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 Group, risk bearing short term 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 of the Parent Bank manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

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

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

The Parent Bank’s hedging activities for the currency risk due to foreign currency fair value through other comprehensive income equity instruments are described under the Currency Risk section; and the Parent 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 Parent 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 Parent Bank’s balance sheet structure.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### III. Information about the Parent Bank and its Consolidated Subsidiaries

The Parent Bank, with no difference in practice between TAS and TFRS, and also the subsidiaries are consolidated by using line-by-line consolidation method. Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, TEB Faktoring A.Ş. (TEB Faktoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line-by-line consolidation method. The Parent Bank and the entities included in the consolidation are referred to as “the Group” in this report.

The accompanying consolidated financial statements are prepared in accordance with “Communiqué on Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated November 8, 2006 numbered 26340.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in their respective country of incorporation and the Turkish Commercial Code and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and TFRS.

#### Explanations on Consolidation Method and Scope

The commercial names of the entities included in consolidation and the locations of the head offices of these institutions:

<u>Commercial Name</u>	<u>Head Office</u>
TEB Faktoring	Turkey
TEB Yatırım	Turkey
TEB Portföy (*)	Turkey

Line-by-line consolidation method is used for all the financial institutions included in the consolidation.

(\*) As of 31 May 2019, TEB Portfolio Management acquired all of ING Group's shares in ING Portfolio Management. The merger was registered on 16 August 2019. As of 31 December 2019, TEB Portfolio Management has consolidated ING Portfolio Management with full consolidation method. No goodwill has occurred as a result of this merger.

Stichting TEB Diversified Payment Rights and TEB Diversified Payment Rights S.A., which is not subsidiary of the Parent Bank but over which the Parent Bank has controlling power, has been included in the consolidation due to the reason that this company is “Structured Entity”. It has been publicly announced that the decision regarding the liquidation of “Stichting TEB Diversified Payment Rights” and “TEB Diversified Payment Rights S.A.” has been taken on 19 July 2019. “TEB Diversified Payment Rights S.A.” liquidation was completed on 23 July 2019.

The financial statements of subsidiaries were prepared as of 31 December 2019 and 31 December 2018.

The transactions and balances between the consolidated entities and the Parent Bank are eliminated.

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

The Parent 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 Parent 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”.

Assets and liabilities arising from derivative transactions are recorded in off-balance sheet through their contractual amounts. Derivative transactions are measured at fair value. In accordance with the classification of derivative financial instruments, if the fair value is positive, they are disclosed under “Derivative Financial Assets at Fair Value Through Profit or Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income”, if the fair value is negative, they are disclosed under “Derivative Financial Liabilities at Fair Value Through Profit or Loss” or “Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income”.

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

Differences arising from the fair value changes of derivative financial instruments at fair value through profit or loss are recognized under “Gains / Losses on Derivative Financial Instruments” in “Trading Income / Loss” in the statement of profit or loss. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

All derivative financial instruments are measured with fair value method. The fair value of the derivative financial instruments traded in organized markets is the price on the organized market.

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

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

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

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

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

During period where the relation between hedging instrument and the hedged item is measured;

- a) Within the scope fair value hedge accounting, the fair value change of the hedged item is recognized in profit or loss,
- b) Within the scope of cash flow hedge accounting, the fair value change of the hedged item is recognized in other comprehensive income and the ineffective part of the gain or loss arisen from the hedging instrument is booked in profit or loss.

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

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

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

## **TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES**

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#### **V. Explanations on Interest Income and Expenses**

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

Financial assets and liabilities for which the future cash payments and collections are known, are discounted by using effective interest rate.

Accrued interests and discounts of loans, which are not collected in cash, 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 loans under follow up is recognized under interest income and provision is booked for total amount. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

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

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

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

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

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

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

#### **VII. Explanations on Financial Assets**

The Group 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 "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.

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**VII. Explanations on Financial Assets (Continued)**

The Group recognizes a financial asset in the financial statement when, and only when, the Parent Bank becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the date (settlement date) that the asset is delivered to or by the Bank. When the Parent Bank first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management. In the current period, the securities portfolio of the Chief Investment Office were transferred to the Asset-Liability Management and Treasury Group due to the change in the business model of the Parent Bank management. During this transition held in 2019, in the financial statements, securities held as "Financial Assets at Fair Value through Other Comprehensive Income" amounting to TL 291,603 were classified as "Financial Assets Measured at Amortized Cost". After this reclassification, the valuation difference amounting to TL 20,141 has been reversed from equity.

*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 related to derivative financial instruments at fair value through profit or loss are explained in Section III. Footnote 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 Group may elect, at initial recognition, to irrevocably designate an equity investments 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.

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**VII. Explanations on Financial Assets (Continued)**

*Financial Assets Measured at Amortized Cost*

*Financial investment measured at amortized cost:*

A financial asset is classified as a financial asset measured at amortized cost when the Parent 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 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 to fund borrowers 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 rate method.

**VIII. Explanations on Impairment of Financial Assets**

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

Measurement of the expected credit losses reflects:

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

The Parent 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 is 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.

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**VIII. Explanations on Impairment of Financial Assets (Continued)**

***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 criterias have been taken into account in classification a financial asset as Stage 2:

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

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

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.

**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 Parent 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 is mainly three loan portfolios as commercial portfolios, retail portfolios and public portfolios.

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioural scores for the retail portfolios is used. It is determined whether there is any significant increase in credit risk by comparing the credit ratings/behavioural 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 Parent Bank does not have any financial asset as purchased or originated credit-impaired.

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**VIII. Explanations on Impairment of Financial Assets (Continued)**

**Expected Credit Loss Calculation (continued)**

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 behavioural 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. Behavioural score cards used in the retail portfolio include the behavioural data of the customer and the product in the Bank, the demographic information of the customer and the behavioural 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.

The Parent Bank calculates the recovery rates for each portfolio in a way that include the collateral types and several risk elements, 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 Parent 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 behavioural 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 “Favourable” 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 Parent 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)**

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 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 and concordatum exposures are also classified under this stage.

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

Quantitative assessments:

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

In the case of the internal credit rating of the loans is above a defined threshold without comparison with the origination date, the mentioned “high-risk portfolio” is 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 Parent 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.

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**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 at fair value through profit or loss, financial assets at fair value through other comprehensive income and financials assets measured at amortized cost 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 repos”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2019, the Parent Bank has reverse repo amounting to TL 840,304 (31 December 2018: TL 281,788).

As of 31 December 2019, the Group does not have any marketable securities lending transaction (31 December 2018: None).

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

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with “TFRS 5 Assets Held for Sale and Discontinued Operations”.

As of 31 December 2019, assets held for sale and discontinued operations of the Group are TL 131,362 (31 December 2018: TL 109,104). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL 10,598 (31 December 2018: TL 6,131) has been reserved as provision for impairment losses.

As of 31 December 2019 the Group has no discontinued operations.

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

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#### XII. Explanations on Goodwill and Other Intangible Assets (Continued)

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. The resulting difference of TL 48,783 is shown in related assets and liability section, the equity impact is shown under other shareholders’ equity section. The amount of TL 421,124, which is the difference between TL 2,385,482 which is the fair value of transferred amount and TL 1,964,358 which is the identifiable net asset value is accounted as goodwill in the financial statements of the Parent Bank and the equity impact is shown under other shareholders’ 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 Parent 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 Group 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’s used are mainly developed within the Parent Bank by the Parent 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.

#### XIII. Explanations on Tangible Fixed Assets

Tangible assets of the Group 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 in to consideration, over the estimated useful lives expressed in number of months. The calculation of depreciation is based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible fixed assets are as follows:

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Buildings	50 years
Furniture, fixtures and office equipment and others	5-15 years

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**XIII. Explanations on Tangible Fixed Assets (Continued)**

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

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of the related asset. Other maintenance costs are expensed. Leasehold improvements amount 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 Parent Bank's business plans.

The Parent 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**

With the “TFRS 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 recognised under “Tangible Assets” as an asset (tenure) and under “Lease Liabilities” as a liability. Effects and application of TFRS 16 concerning the transition were explained in Section three, footnote XXVI.

**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 Group'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”.

**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. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

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

In accordance with existing social legislation in Turkey, the Parent 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 Parent 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.

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**XVII. Explanations on Liabilities Regarding Employee Benefits (Continued)**

Employees transferred to the Parent Bank following the business combination defined in “General Information” of the Parent Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No. 506. Technical financial statements of the Pension Fund are reviewed by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2019, the Pension Fund has 1,552 employees and 1,139 pensioners (31 December 2018: 1,686 employees and 1,095 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 08 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 2019. Since the Parent 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 Parent 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 Parent Bank.

According to “Turkish Accounting Standard (TAS 19) about Benefits for Employee”, actuarial gain amounting to TL 8,239 (1 January - 31 December 2018: TL 26,645 loss) was classified as “Other Comprehensive Income” in financial statements for the period of 1 January-31 December 2019 and as of 31 December 2019, TL 39,999 of actuarial gain after tax (31 December 2018: TL 31,706) was accounted under “Other Reserves” for the period of 1 January – 31 December 2019.

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#### XVIII. Explanations on Taxation

##### *Corporate tax*

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated 21 June 2006, the corporate tax rate is 20% in Turkey. However, the corporate income tax rate will be applied as 22% for the years 2018, 2019 and 2020 regarding to the "Law on Amendment of Certain Tax Laws and Some Other Laws" numbered 7061 and published in the Official Gazette on 5 December 2017.

The 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 liability for 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 offset against the corporate tax levied in Turkey.

A 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 pre-emption rights is tax exempt. A 75% portion of the capital gains derived from the sale of equity investments and 50% portion of the immovable properties held for at least two years are exempt from corporate taxation, providing that such gains are added to paid-in capital or held in a special fund account under liability for five years.

Corporate tax are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment 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.

##### *Deferred Tax Asset / Liability*

The Group 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.

The deferred tax is calculated using the enacted tax rates that are valid as of the balance sheet date in accordance with the tax legislation in force. According to the Law, which was approved in the Grand National Assembly on 28 November 2017 and published in the Official Gazette dated 5 December 2017, the rate of Corporate Tax for the years 2018, 2019 and 2020 was increased from 20% to 22%. Therefore, deferred tax assets and liabilities are measured at the tax rate of 22% that are expected to apply to these periods when the assets is Realized or the liability is settled, based on the Law that have been enacted. For the periods 2021 and after, the reversals of temporary differences are measured by 20%.

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 benefit 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.

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**XX. Explanations on Issued Equity Securities**

There are no shares issued in the year 2019.

**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 Group.

**XXIII. Explanations on Reporting According to Segmentation**

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

Retail and private banking lines of the Parent 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 Parent 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 centre, 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 Parent Bank. The Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialised 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 Parent 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, jewellers, 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 Parent 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.

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#### XXIII. Explanations on Reporting According to Segmentation (Continued)

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 authorisations. The Parent 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.

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

Current Period	Retail and Private Banking(*)	Corporate	SME(*)	Other	Elimination	Total
Dividend Income	-	-	-	19,502	(18,176)	1,326
Profit Before Tax	656,105	911,375	(269,219)	212,779	(19,247)	1,491,793
Tax Provision (-)	-	-	-	364,629	(25)	364,604
<b>Net Profit for the Period</b>	<b>656,105</b>	<b>911,375</b>	<b>(269,219)</b>	<b>(151,850)</b>	<b>(19,222)</b>	<b>1,127,189</b>

Current Period	Retail and Private Banking	Corporate	SME	Other	Elimination	Total
Segment Assets	25,906,561	22,913,607	17,290,247	43,401,275	(297,262)	109,214,428
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	124,923	(124,918)	5
<b>Total Assets</b>	<b>25,906,561</b>	<b>22,913,607</b>	<b>17,290,247</b>	<b>43,526,198</b>	<b>(422,180)</b>	<b>109,214,433</b>
Segment Liabilities	51,517,147	16,048,947	6,479,553	25,556,598	(297,720)	99,304,525
Shareholders' Equity	-	-	-	10,034,368	(124,460)	9,909,908
<b>Total Liabilities</b>	<b>51,517,147</b>	<b>16,048,947</b>	<b>6,479,553</b>	<b>35,590,966</b>	<b>(422,180)</b>	<b>109,214,433</b>

(\*) In 2019 Portfolio is transferred from SME Banking to Retail and Private Banking.

Prior Period (31.12.2018)	Retail and Private Banking	Corporate	SME	Other	Elimination	Total
Dividend Income	-	-	-	18,374	(17,939)	435
Profit before Tax	235,407	561,474	417,321	157,252	(18,452)	1,353,002
Tax Provision (-)	-	-	-	298,637	(26)	298,611
<b>Net Profit For The Period</b>	<b>235,407</b>	<b>561,474</b>	<b>417,321</b>	<b>(141,385)</b>	<b>(18,426)</b>	<b>1,054,391</b>

Prior Period (31.12.2018)	Retail and Private Banking	Corporate	SME	Other	Elimination	Total
Segment Assets	12,641,490	22,276,779	25,057,150	38,839,771	(155,819)	98,659,371
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	124,429	(124,424)	5
<b>Total Assets</b>	<b>12,641,490</b>	<b>22,276,779</b>	<b>25,057,150</b>	<b>38,964,200</b>	<b>(280,243)</b>	<b>98,659,376</b>
Segment Liabilities	41,287,107	14,038,372	10,080,246	23,537,275	(156,251)	88,786,749
Shareholders' Equity	-	-	-	9,996,619	(123,992)	9,872,627
<b>Total Liabilities</b>	<b>41,287,107</b>	<b>14,038,372</b>	<b>10,080,246</b>	<b>33,533,894</b>	<b>(280,243)</b>	<b>98,659,376</b>

#### XXIV. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 27 March 2019 of the Parent Bank, TL 1,001,703 that constitutes the 2018 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 50,085 as Legal Reserves, TL 0.82 (full TL) as profit distributed to the holders of the founder jouissance certificates.

#### XXV. Reclassifications

In accordance with the Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published on the Official Gazette dated 1 February 2019 and numbered 30673, prior period financial statements have been adjusted to the current period financial statements.

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#### XXVI. Explanations on TFRS 16 Financial Instruments Standard

##### Explanations on TFRS 16 Leasing Standards

“TFRS 16 Leases” was published 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 Group has started to apply the related standard for the first time on 1 January 2019 by reflecting the application effects to the equity accounts.

##### Transferring, measuring and presenting the leases to the financial statements

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 Parent Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

The Group applies this standard with modified retrospective approach recognizing the cumulative effect of initially applying the standard at the date of initial application and reflected it as a correction in the opening balance of Other Capital Reserves With this method, all right to use assets are measured from the amount of the lease payables in the transition to the application. Equity effect of the mentioned transition amounting to TL 120,430 is classified under “Other Capital Reserves” in shareholders' equity as of 1 January 2019. In this context, deferred tax asset amounting to TL 24,083 is reflected to the financial statements of 1 January 2019 and this amount has been classified under “Other Capital Reserves” in shareholders' equity.

During the initial implementation, the Group has previously recorded a lease obligation to the leases classified as operational leases in accordance with TAS 17. These liabilities are measured at the present value of the remaining lease payments discounted at 1 January 2019 using the Parent Bank's average borrowing rate.

Details based on the asset with regard to the recognised right of use is as follows:

	1 January 2019	31 December 2019
Real Estate	877,811	933,279
Vehicles	46,318	90,318
<b>Total Asset Tenure</b>	<b>924,129</b>	<b>1,023,597</b>

Details of depreciation expense based on the asset with regard to the recognised asset tenure is as follows:

	1 January 2019	31 December 2019
Real Estate	367,720	448,956
Vehicles	15,910	32,822
<b>Total Asset Tenure Depreciation Expense</b>	<b>383,630</b>	<b>481,778</b>

Information on the leasing liability is presented as below:

	1 January 2019	31 December 2019
Lease Liability	660,929	657,657

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**SECTION FOUR**

**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT OF GROUP**

**I. Explanations Related to Components of Consolidated Shareholders' Equity**

Total capital and capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 31 December 2019, Group’s total capital has been calculated as TL 14,538,530 (31 December 2018: TL 12,996,601) and Capital Adequacy Ratio is 16.74% (31 December 2018: 16.70%). This ratio is well above the minimum ratio required by the legislation. The credit risk of banking accounts has been calculated by using the “Standard Approach”, the market risk of purchase and sale accounts by using the “Standard Method”, counterparty credit risk of derivative and repo transactions by using the “Fair Value Method”, credit valuation adjustments of over the counter derivative transactions by using the “Standard Model” and operational risk by using the “Basic Indicator Approach”.

**Information related to the components of Consolidated Shareholders' Equity:**

	<b>Current Period 31.12.2019</b>	<b>Amount related to treatment before 01.01.2014(*)</b>
<b>Common Equity Tier 1 Capital</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	
Share Premium	2,565	
Reserves	7,478,812	
Gains Recognized in Equity as per TAS	23,065	
Profit	1,134,463	
Current Period Profit	1,124,966	
Prior Period Profit	9,497	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527	
Minority interest	309	464
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>11,044,393</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	3,536	
Leasehold Improvements on Operational Leases	45,335	
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	130,077	130,077
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	-	
<b>Total Deductions from common equity Tier 1 Capital</b>	<b>600,072</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>10,444,321</b>	

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### I. Explanations Related to Components of Consolidated Shareholders’ (Continued)

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

	Current Period 31.12.2019	Amount related to treatment before 01.01.2014(*)
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	
Third Parties Share in the Additional Tier 1 Capital	67	
Third Parties Share in the Additional Tier 1 Capital (in the scope of Temporary Article 3)	67	
<b>Additional Tier 1 Capital before deductions</b>	<b>67</b>	
<b>Deductions from Additional Tier 1 Capital</b>		
Bank's direct or indirect investment on its own Tier 1 Capital	-	
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier 1 Capital which are compatible with the article 7 of the regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other Items Determined by BRSA	-	
<b>Items to be deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	
The amount to be deducted from Additional Tier 1 Capital (-)	-	
<b>Total Deductions from Additional Tier 1 Capital</b>	<b>-</b>	
<b>Total Additional Tier 1 Capital</b>	<b>67</b>	
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity + Additional Tier 1 Capital)</b>	<b>10,444,388</b>	
<b>TIER 2 CAPITAL</b>		
Bank's borrowing instruments and related issuance premium	3,145,908	
Bank's borrowing instruments and related issuance premium (in the scope of temporary Article 4)	-	
Third parties' share in the Tier 2 Capital	88	
Third parties' share in the Tier 2 Capital (in the scope of Temporary Article 3)	88	
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	956,837	
<b>Tier 2 Capital Before Deductions</b>	<b>4,102,833</b>	
<b>Deductions From Tier 2 Capital</b>		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital (-)	-	
Other Items Determined by BRSA (-)	-	
<b>Total Deductions From Tier 2 Capital</b>	<b>-</b>	
<b>Total Tier 2 Capital</b>	<b>4,102,833</b>	
<b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>	<b>14,547,221</b>	

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations Related to Components of Consolidated Shareholders' (Continued)

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

	Current Period 31.12.2019	Amount related to treatment before 01.01.2014(*)
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Equity)</b>	-	
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	2,467	
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	-	
Other items to be defined by the BRSA	6,224	
<b>Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period</b>	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II 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 I and Tier II 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 I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks.	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
<b>TOTAL CAPITAL</b>		
Total Capital	14,538,530	
Total Risk Weighted Assets	86,848,849	
<b>Capital Adequacy Ratios</b>		
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.03	
Tier 1 Capital Adequacy Ratio (%)	12.03	
Capital Adequacy Ratio (%)	16.74	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c) (%)	2.50	
a) Capital conservation buffer requirement (%)	2.50	
b) Bank specific counter-cyclical buffer requirement (%)	-	
c) Systemic significant bank buffer ratio (%)	-	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	3.52	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	124,855	
Amounts arising from the net long positions of investments made in Tier I 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)	667,146	
<b>Limits related to provisions considered in Tier II Calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1,507,423	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used (**)	956,837	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4		
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4		
Upper limit for Additional Tier II Capital subjected to temporary Article 4		
Amounts Excess the Limits of Additional Tier II 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	265,721	

(\*) Amounts in this column represents the amounts of items that are subject to phasing and taken into consideration at the end of transition process.

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

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

	Prior Period 31.12.2018	Amount related to treatment before 01.01.2014(*)
<b>Common Equity Tier 1 Capital</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	
Share Premium	2,565	
Reserves	6,601,021	
Gains Recognized in Equity as per TAS	-	
Profit	1,062,214	
Current Period Profit	1,052,717	
Prior Period Profit	9,497	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527	
Minority interest	209	314
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>10,071,188</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	139,731	
Leasehold Improvements on Operational Leases	49,477	
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	102,530	102,530
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	-	
<b>Total Deductions from common equity Tier 1 Capital</b>	<b>712,862</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>9,358,326</b>	

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

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

	Prior Period 31.12.2018	Amount related to treatment before 01.01.2014(*)
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Third Parties Share in the Additional Tier 1 Capital	45	-
Third Parties Share in the Additional Tier 1 Capital (in the scope of Temporary Article 3)	45	-
<b>Additional Tier 1 Capital before deductions</b>	<b>45</b>	-
<b>Deductions from Additional Tier 1 Capital</b>		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier 1 Capital which are compatible with the article 7 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-
<b>Items to be deducted from Tier 1 Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
<b>Total Deductions from Additional Tier 1 Capital</b>	<b>-</b>	-
<b>Total Additional Tier 1 Capital</b>	<b>45</b>	-
<b>Total Tier 1 Capital (Tier 1 Capital=Common Equity + Additional Tier 1 Capital)</b>	<b>9,358,371</b>	-
<b>TIER 2 CAPITAL</b>		
Bank's borrowing instruments and related issuance premium	2,465,663	-
Bank's borrowing instruments and related issuance premium (in the scope of temporary Article 4)	316,403	-
Third parties' share in the Tier 2 Capital	60	-
Third parties' share in the Tier 2 Capital (in the scope of Temporary Article 3)	60	-
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	868,480	-
<b>Tier 2 Capital Before Deductions</b>	<b>3,650,606</b>	-
<b>Deductions From Tier 2 Capital</b>		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital (-)	-	-
Other Items Determined by BRSA (-)	-	-
<b>Total Deductions From Tier 2 Capital</b>	<b>-</b>	-
<b>Total Tier 2 Capital</b>	<b>3,650,606</b>	-
<b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>	<b>13,008,977</b>	-

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

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

	Prior Period 31.12.2018	Amount related to treatment before 01.01.2014(*)
<b>The sum of Tier 1 Capital and Tier 2 Capital (Total Equity)</b>		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	12,375	
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	-	
Other items to be defined by the BRSA	1	
<b>Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period</b>		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II 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 I and Tier II 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 I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks.	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
<b>TOTAL CAPITAL</b>		
Total Capital	12,996,601	
Total Risk Weighted Assets	77,833,576	
<b>Capital Adequacy Ratios</b>		
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.02	
Tier 1 Capital Adequacy Ratio (%)	12.02	
Capital Adequacy Ratio (%)	16.70	
<b>BUFFERS</b>		
Total buffer requirement (%)	1.88	
Capital conservation buffer requirement (%)	1.88	
Bank specific counter-cyclical buffer requirement (%)	-	
The ratio of Additional Common Equity Tier 1 capital to Risk Weighted Assets calculated based on the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers (%)	-	
<b>Amounts below deduction thresholds</b>	4.14	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital		
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	88,526	
Mortgage servicing rights		
Deferred tax assets arising from temporary differences (net of related tax liability)	-	
<b>Limits related to provisions considered in Tier II Calculation</b>	208,699	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	-	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used (**)	1,358,020	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	868,480	
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II 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	354,295	

(\*) Amounts in this column represents the amounts of items that are subject to phasing and taken into consideration at the end of transition process.

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

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

	T	T-1	T-2	T-3	T-4
<b>CAPITAL ITEMS</b>					
Common Equity Tier 1 Capital	10,444,321	10,141,013	9,926,306	9,519,181	9,358,326
Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)	10,178,600	9,875,292	9,660,585	9,253,460	9,004,031
Tier 1 Capital	10,444,388	10,141,061	9,926,364	9,519,229	9,358,371
Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)	10,178,667	9,875,340	9,660,643	9,253,508	9,004,076
Capital	14,538,530	14,000,366	13,914,911	13,285,848	12,996,601
Capital where the transition impact of TFRS 9 has not been applied (c)	14,272,809	13,734,645	13,649,190	13,020,127	12,642,306
<b>TOTAL RISK WEIGHTED ASSETS</b>					
Total Risk Weighted Assets	86,848,849	85,541,783	84,742,241	85,648,245	77,833,576
<b>CAPITAL ADEQUACY RATIOS</b>					
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.03	11.86	11.71	11.11	12.02
Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (ç)	11.72	11.54	11.40	10.80	11.57
Tier 1 Capital Adequacy Ratio (%)	12.03	11.86	11.71	11.11	12.02
Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (ç)	11.72	11.54	11.40	10.80	11.57
Capital Adequacy Ratio (%)	16.74	16.37	16.42	15.51	16.70
Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (ç)	16.43	16.06	16.11	15.20	16.24
<b>LEVERAGE RATIO</b>					
Leverage Ratio Total Risk Amount	150,407,443	150,775,475	152,240,915	151,922,800	137,491,434
Leverage Ratio	6.94%	6.73%	6.52%	6.27%	6.81%
FTA not Applied Leverage Ratio (d)	6.77%	6.55%	6.35%	6.09%	6.55%

#### 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.

ç: Capital adequacy ratios calculated with capital items if Temporary Article 5 of the Regulation on banks has not applied.

d: 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:

<b>Total Capital per Balance Sheet</b>	<b>9,909,908</b>
Hedging Funds (effective portion)	886,750
Deductions Made Under Regulation	(618,058)
Transition Impact of TFRS 9 (Temporary 5th Article)	265,721
<b>Common Equity Tier 1 Capital</b>	<b>10,444,321</b>
Additional Tier 1 Capital - Third Party Shares in Additional Tier 1 Capital	67
<b>Tier 1 Capital</b>	<b>10,444,388</b>
General Provisions	956,837
Bank's Borrowing Instruments	3,145,908
Deductions Made Under Regulation	(8,691)
Third parties' share in the Tier 2 Capital	88
<b>Total Equity</b>	<b>14,538,530</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations Related to Components of Consolidated Shareholders’ Equity (Continued)

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

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

Issuer	TEB	TEB	TEB	TEB
Unique identifier (e.g. CUSIP, ISIN)	XS1895575071	XS2023308278	XS1973559484	XS1845118865
Governing law(s) of the instrument	Turkey	Turkey	Turkey	Turkey
<b>Regulatory treatment</b>				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible at solo/group/group and solo	Available	Available	Available	Available
Instrument type	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	1,246.1	666.6	400	833.3
Par value of instrument(TL Currency in mil)	1,246.1	666.6	400	833.3
Accounting classification	34701100	34701100	34701100	34701100
Original date of issuance	05.11.2018	22.07.2019	14.05.2019	27.06.2018
Perpetual or dated	Time	Time	Time	Time
Original maturity date	05.11.2028	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	05.11.2023	22.07.2024	14.05.2024	27.06.2023
Subsequent call dates, if applicable	-	-	-	-
<b>Coupons/dividends</b>				
Fixed or floating dividend/coupon	Stable	Floating	Floating	Floating
Coupon rate and any related index	10.40%	Euribor+7.10%	Euribor+7.10%	Euribor+5.10%
Existence of a dividend stopper	None	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
<b>Convertible or non-convertible</b>				
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
<b>Write-down feature</b>				
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to 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 (g) mechanism of write-down or conversion to common shares are stated.

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

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**II. Explanations Related to the Consolidated Credit Risk**

Credit risk is the risk and financial loss that the Parent Bank is a party in a contract whereby the counterparty fails to meet its obligation and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Parent Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Parent Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Parent Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower's encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are

- A change in the terms and conditions of the loan or
- Partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund (“CGF loans”) is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

Non-required delay time loans that is not classified as Stage III Loans defined in “Regulation on Procedures and Principles for Classification of Loans And Provisions to be Set Aside” published in the Official Gazette numbered 29750 dated 22 June 2016, amended by the regulation published in the Official Gazette dated December 14, 2016 and numbered 29918, whose principal and interest payment collection delayed more than 30 days are considered as “Past-due Loan” in the Accounting Practice; group III, IV and V loans defined in the mentioned communiqué are considered as “impaired receivables” without considering refinancing or addition of the accrued interest and quasi-interest principal amount.

The Parent bank provides specific reserves to Group III, IV and V loans in accordance with “Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure classifications	Current Period Risk Amount (*)	Average Risk Amount (*,**)
Conditional and unconditional receivables from central governments or central banks	20,831,054	20,547,036
Conditional and unconditional receivables from regional or local governments	1,249,725	1,058,763
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	12,087,705	8,920,736
Conditional and unconditional corporate receivables	36,384,925	39,232,786
Conditional and unconditional retail receivables	32,868,263	32,188,225
Conditional and unconditional secured mortgage receivables	12,654,892	10,925,747
Past due receivables	1,874,933	1,576,011
Receivables in high risk category defined by BRSA	-	-
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	4,259,299	3,713,329
Investments in equities	132,920	114,471

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

Exposure classifications	Prior Period Risk Amount (*)	Average Risk Amount (*,**)
Conditional and unconditional receivables from central governments or central banks	20,226,631	17,893,351
Conditional and unconditional receivables from regional or local governments	995,628	840,575
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	7,165,998	8,604,245
Conditional and unconditional corporate receivables	41,405,053	40,792,674
Conditional and unconditional retail receivables	30,424,992	32,408,082
Conditional and unconditional secured mortgage receivables	8,872,358	9,295,288
Past due receivables	1,186,130	864,921
Receivables in high risk category defined by BRSA	-	-
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	2,891,169	2,400,928
Investments in equities	94,290	81,094

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### II. Explanations Related to the Consolidated Credit Risk (Continued)

For the positions of the Parent Bank in terms of forward transactions and other similar contracts, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfilment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back to back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements of the Parent Bank, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Parent Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Parent Bank is concerned.

The Group does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2019, the receivables of the Group from its top 100 and top 200 cash loan customers share in total cash loans respectively 20.93% and 26.44% (31 December 2018: 19.44% and 25.94%).

As of 31 December 2019 the receivables of the Group from its top 100 and top 200 non-cash loan customers share of 58.36% and 66.46% respectively in the total non-cash loans (31 December 2018: 55.12% and 65.42%).

As of 31 December 2019, the share of cash and non-cash receivables of the Group from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 8.31% and 10.77% respectively (31 December 2018: 12.69% and 17.27%).

As of 31 December 2019, the general loan loss provision related with the credit risk taken by the Group is TL 1,507,423 (31 December 2018: TL 1,358,020).

#### Credit Rating System

Credit risk is evaluated according to the internal rating system of the Parent Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2019 Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Parent Bank and these loans constitute 31.05% of the total cash and non-cash loan portfolio (31 December 2018: 28.15%). Application and behavioral scorecards are used for the Individual and Business segments, and behavioral scorecard for the Agricultural segment.

The risks that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in the Total % 31.12.2019	Share in the Total % 31.12.2018
1 <sup>st</sup> Category	The borrower has a very strong financial structure	40.39	34.37
2 <sup>nd</sup> Category	The borrower has a good financial structure	25.38	24.29
3 <sup>rd</sup> Category	The borrower has an intermediate level of financial structure	24.95	32.04
4 <sup>th</sup> Category	The financial structure of the borrower has to be closely monitored in the medium term	9.28	9.30
<b>Total</b>		<b>100.00</b>	<b>100.00</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Profile of significant exposures in major regions:

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables defined in high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Current Period																		
Domestic	4,286,981	623,819	-	-	-	2,224,321	21,812,533	22,158,625	6,477,806	1,685,806	-	-	-	-	-	1,557,582	132,920	60,960,393
European Union (EU)																		
Countries	-	-	-	-	-	1,379,647	260,448	11,080	4,904	1,752	-	-	-	-	-	191	-	1,658,022
OECD Countries (*)	-	-	-	-	-	148,208	472,147	11,862	413	3	-	-	-	-	-	540	-	633,173
Off-Shore Banking																		
Regions (***)	399,811	-	-	-	-	9	234,520	106,298	43,444	6,187	-	-	-	-	-	306	-	790,575
USA, Canada	-	-	-	-	-	42,234	1,112	901	345	10	-	-	-	-	-	-	-	44,602
Other Countries	-	-	-	-	-	14,220	42,219	1,968	799	20	-	-	-	-	-	-	-	59,226
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	5
Unallocated																		
Assets/Liabilities (**)	-	1,050	-	-	-	557,445	12,245,386	2,352,342	490,801	115,221	-	-	-	-	-	2,649	-	15,764,894
Total	4,686,792	624,869	-	-	-	4,366,084	35,068,365	24,643,076	7,018,512	1,808,999	-	-	-	-	-	1,561,273	132,920	79,910,890

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

(\*\*\*\*) Northern Cyprus Turkish Republic balances are included in Off-Shore Banking Regions.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Profile of significant exposures in major regions: (continued)

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables defined in high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Prior Period																		
Domestic	2,897,307	496,243	-	-	-	1,126,100	26,860,455	20,503,825	3,334,203	1,159,587	-	-	-	-	-	767,563	94,290	57,239,573
European Union (EU)																		
Countries	-	-	-	-	-	834,303	440,649	14,324	4,635	1,759	-	-	-	-	-	15,885	-	1,311,555
OECD Countries (*)	-	-	-	-	-	15,703	308,882	19,822	395	-	-	-	-	-	-	1,702	-	346,504
Off-Shore Banking																		
Regions (****)	340,589	-	-	-	-	9	175,649	96,763	62,447	3,402	-	-	-	-	-	193	-	679,052
USA, Canada	-	-	-	-	-	48,673	5,091	1,231	272	2	-	-	-	-	-	-	-	55,269
Other Countries	-	-	-	-	-	27,522	72,108	2,477	663	2	-	-	-	-	-	-	-	102,772
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated																		
Assets/Liabilities (**)	-	1,895	-	-	-	373,430	13,004,299	2,174,176	103,626	96,068	-	-	-	-	-	2,242	-	15,755,736
Total	3,237,896	498,138	-	-	-	2,425,740	40,867,133	22,812,618	3,506,241	1,260,820	-	-	-	-	-	787,585	94,290	75,490,461

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

(\*\*\*\*) Northern Cyprus Turkish Republic balances are included in Off-Shore Banking Regions

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Risk profile by Sectors or Counterparties:

Exposure Categories (**)																				
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables defined in high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total
Current Period																				
Agriculture	-	-	-	-	-	-	427,463	557,360	261,206	150,933	-	-	-	-	-	-	-	1,228,565	168,397	1,396,962
Farming and Stockbreeding	-	-	-	-	-	-	333,334	530,953	258,848	148,814	-	-	-	-	-	-	-	1,104,526	167,423	1,271,949
Forestry	-	-	-	-	-	-	5,198	1,692	-	-	-	-	-	-	-	-	-	6,890	-	6,890
Fishery	-	-	-	-	-	-	88,931	24,715	2,358	2,119	-	-	-	-	-	-	-	117,149	974	118,123
Manufacturing	-	-	-	-	-	-	19,361,260	5,064,386	2,163,538	554,391	-	-	-	-	-	21	-	16,017,555	11,126,041	27,143,596
Mining and Quarrying	-	-	-	-	-	-	1,487,525	241,823	78,380	33,035	-	-	-	-	-	-	-	1,153,507	687,256	1,840,763
Production	-	-	-	-	-	-	17,111,026	4,786,024	1,913,525	509,669	-	-	-	-	-	21	-	14,261,290	10,058,975	24,320,265
Electricity, Gas and Water	-	-	-	-	-	-	762,709	36,539	171,633	11,687	-	-	-	-	-	-	-	602,758	379,810	982,568
Construction	-	-	-	-	-	-	2,180,534	654,684	467,131	284,104	-	-	-	-	-	-	-	2,111,220	1,475,233	3,586,453
Services	4,686,792	624,869	-	-	-	4,366,084	12,496,846	5,270,188	2,632,510	707,254	-	-	-	-	-	1,529,902	131,367	17,444,596	15,001,216	32,445,812
Wholesale and Retail Trade	-	-	-	-	-	-	4,275,803	2,568,497	912,416	340,554	-	-	-	-	-	105	-	5,940,172	2,157,203	8,097,375
Accommodation and Dining	-	-	-	-	-	-	738,886	418,165	802,371	68,350	-	-	-	-	-	-	-	824,467	1,203,305	2,027,772
Transportation and Telecom.	-	-	-	-	-	-	1,556,697	985,641	293,854	142,060	-	-	-	-	-	114	-	2,294,429	683,937	2,978,366
Financial Institutions	4,686,792	-	-	-	-	4,366,084	1,942,761	59,171	5,201	7,406	-	-	-	-	-	1,529,428	131,367	3,801,896	8,926,314	12,728,210
Real Estate and Rental Services	-	-	-	-	-	-	3,438,078	907,814	510,515	114,144	-	-	-	-	-	242	-	3,057,345	1,913,448	4,970,793
Self-Employment Services	-	-	-	-	-	-	407,088	283,114	103,933	31,773	-	-	-	-	-	-	-	709,828	116,080	825,908
Educational Services	-	-	-	-	-	-	42,612	38,430	3,213	2,883	-	-	-	-	-	9	-	86,585	562	87,147
Health and Social Services	-	624,869	-	-	-	-	94,921	9,356	1,007	84	-	-	-	-	-	4	-	729,874	367	730,241
Other	-	-	-	-	-	-	602,262	13,096,458	1,494,127	112,317	-	-	-	-	-	31,350	1,553	14,926,640	411,427	15,338,067
Total	4,686,792	624,869	-	-	-	4,366,084	35,068,365	24,643,076	7,018,512	1,808,999	-	-	-	-	-	1,561,273	132,920	51,728,576	28,182,314	79,910,890

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Risk profile by Sectors or Counterparties: (continued)

Exposure Categories (**)																				
	Conditional and unconditional exposures to governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables defined in high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total
Prior Period																				
Agriculture	-	-	-	-	-	-	537,750	1,108,927	59,990	106,320	-	-	-	-	-	1,603	-	1,590,117	224,473	1,814,590
Farming and Stockbreeding	-	-	-	-	-	-	458,397	1,089,595	59,793	98,072	-	-	-	-	-	1,603	-	1,490,539	216,921	1,707,460
Forestry	-	-	-	-	-	-	7,952	669	-	2,177	-	-	-	-	-	-	-	10,798	-	10,798
Fishery	-	-	-	-	-	-	71,401	18,663	197	6,071	-	-	-	-	-	-	-	88,780	7,552	96,332
Manufacturing	-	-	-	-	-	-	22,273,544	5,266,647	650,798	402,973	-	-	-	-	-	-	-	16,247,656	12,346,306	28,593,962
Mining and Quarrying	-	-	-	-	-	-	1,757,757	273,690	31,174	13,800	-	-	-	-	-	-	-	1,639,383	437,038	2,076,421
Production	-	-	-	-	-	-	19,375,112	4,957,692	611,305	385,691	-	-	-	-	-	-	-	14,101,793	11,228,007	25,329,800
Electricity, Gas and Water	-	-	-	-	-	-	1,140,675	35,265	8,319	3,482	-	-	-	-	-	-	-	506,480	681,261	1,187,741
Construction	-	-	-	-	-	-	3,234,464	1,147,017	180,805	163,212	-	-	-	-	-	-	-	2,953,197	1,772,301	4,725,498
Services	3,237,896	498,138	-	-	-	2,425,740	14,433,128	6,004,118	1,051,443	510,217	-	-	-	-	-	734,026	88,526	16,291,590	12,691,642	28,983,232
Wholesale and Retail Trade	-	-	-	-	-	-	5,542,865	2,937,597	357,133	240,499	-	-	-	-	-	6,398	-	6,510,750	2,573,742	9,084,492
Accommodation and Dining	-	-	-	-	-	-	999,877	427,251	294,529	38,500	-	-	-	-	-	-	-	888,532	871,625	1,760,157
Transportation and Telecom.	-	-	-	-	-	-	1,654,041	1,128,501	106,724	107,022	-	-	-	-	-	13	-	2,299,131	697,170	2,996,301
Financial Institutions	3,237,896	-	-	-	-	2,425,740	2,010,950	47,403	3,977	7,442	-	-	-	-	-	727,552	88,526	2,557,658	5,991,828	8,549,486
Real Estate and Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	3,615,551	1,081,627	246,206	100,257	-	-	-	-	-	56	-	2,635,722	2,407,975	5,043,697
Self-Employment Services	-	-	-	-	-	-	435,891	317,525	37,841	16,207	-	-	-	-	-	-	-	663,148	144,316	807,464
Educational Services	-	-	-	-	-	-	21,385	51,724	4,181	271	-	-	-	-	-	3	-	74,362	3,202	77,564
Health and Social Services	-	498,138	-	-	-	-	152,568	12,490	852	19	-	-	-	-	-	4	-	662,287	1,784	664,071
Other	-	-	-	-	-	-	388,247	9,285,910	1,563,204	78,098	-	-	-	-	-	51,956	5,764	11,207,227	165,952	11,373,179
Total	3,237,896	498,138	-	-	-	2,425,740	40,867,133	22,812,619	3,506,240	1,260,820	-	-	-	-	-	787,585	94,290	48,289,787	27,200,674	75,490,461

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Analysis of maturity-bearing exposures according to remaining maturities:

Current Period		Term To Maturity			
		1-3		6-12	
Exposure Categories	1 Month	Months	3-6 Months	Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	1,066,414	471,734	149,250	-	2,999,393
Conditional and unconditional exposures to regional governments or local authorities	454	8,510	5,831	28,694	580,327
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	2,471,798	149,760	391,771	354,946	22,467
Conditional and unconditional exposures to corporates	7,668,070	3,655,245	1,962,289	2,173,624	7,072,832
Conditional and unconditional retail exposures	6,010,266	740,655	1,108,243	1,974,087	12,447,543
Conditional and unconditional exposures secured by real estate property	1,060,771	188,558	418,402	500,288	4,358,543
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category defined by BRSA	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Others	30,905	452	5,862	-	14
Investments in equities	-	-	-	-	-
Total	18,308,678	5,214,914	4,041,648	5,031,639	27,481,119

Prior Period		Term To Maturity			
		1-3		6-12	
Exposure Categories	1 Month	Months	3-6 Months	Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	2,822,016	1,055	-	-	405,667
Conditional and unconditional exposures to regional governments or local authorities	248	1,956	3,723	9,493	480,822
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	806,114	34,576	520,202	190,462	67,727
Conditional and unconditional exposures to corporates	7,525,765	4,161,521	2,991,275	3,885,452	9,284,935
Conditional and unconditional retail exposures	5,734,001	729,749	1,880,877	1,780,528	10,505,072
Conditional and unconditional exposures secured by real estate property	591,351	103,932	155,687	173,841	2,377,331
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category defined by BRSA	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Others	43,326	723	1,667	-	86
Investments in equities	-	-	-	-	-
Total	17,522,821	5,033,512	5,553,431	6,039,776	23,121,640

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Information about the risk exposure categories:

The credit rating of Fitch Ratings International Rating agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organisation for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long- Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

#### Exposures by risk weights:

Current Period												
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before Credit												
Risk Mitigation	18,804,661	-	9,461,115	5,619,542	8,780,553	32,839,093	46,451,779	386,973	-	-	-	605,226
Exposures after Credit												
Risk Mitigation	20,832,591	-	9,632,820	5,619,542	8,800,354	30,453,319	44,643,049	251,802	-	-	-	605,226
Prior Period												
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before Credit												
Risk Mitigation	19,055,574	-	5,123,068	6,199,592	6,429,363	30,409,959	45,586,402	458,291	-	-	-	585,508
Exposures after Credit												
Risk Mitigation	24,274,853	-	5,306,640	6,199,592	6,678,969	25,567,080	42,759,736	414,712	-	-	-	585,508

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

Information in terms of major sectors and type of counterparties:

Current Period Major Sectors / Counterparties	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss
	Significant Increase in Credit Risk (Stage II)	Impaired (Stage III)	Provision (TFRS9)
Agriculture	389,856	257,288	165,710
Farming and Stockbreeding	384,108	252,031	162,059
Forestry	-	675	612
Fishery	5,748	4,582	3,039
Manufacturing	1,542,620	803,789	626,803
Mining and Quarrying	84,136	13,466	18,190
Production	1,451,604	773,381	602,057
Electricity, Gas and Water	6,880	16,942	6,556
Services	3,064,524	1,857,476	1,449,342
Wholesale and Retail Trade	944,454	1,463,331	938,988
Accommodation and Dining	737,563	122,513	132,793
Transportation and Telecom.	492,117	149,666	137,225
Financial Institutions	212,560	13,413	59,972
Real Estate and Rental Services	553,559	33,710	122,601
Professional Services	60,825	64,569	44,882
Educational Services	17,606	7,229	8,298
Health and Social Services	45,840	3,045	4,583
Other	3,867,382	1,228,353	1,004,843
<b>Total</b>	<b>8,864,382</b>	<b>4,146,906</b>	<b>3,246,698</b>

Prior Period Major Sectors / Counterparties	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss
	Significant Increase in Credit Risk (Stage II)	Impaired (Stage III)	Provision (TFRS9)
Agriculture	558,955	198,194	163,711
Farming and Stockbreeding	556,382	190,553	160,731
Forestry	-	6,809	2,136
Fishery	2,573	832	844
Manufacturing	2,184,931	572,046	497,944
Mining and Quarrying	139,471	62,029	45,419
Production	1,941,803	498,935	435,019
Electricity, Gas and Water	103,657	11,082	17,506
Services	3,543,578	1,377,532	1,222,839
Wholesale and Retail Trade	1,150,077	1,004,454	703,660
Accommodation and Dining	915,492	76,812	166,201
Transportation and Telecom.	401,052	85,630	100,654
Financial Institutions	196,071	28,611	55,288
Real Estate and Rental Services	748,552	98,131	131,569
Professional Services	98,203	61,609	47,638
Educational Services	31,410	19,655	15,711
Health and Social Services	2,721	2,630	2,118
Other	3,979,924	691,666	669,919
<b>Total</b>	<b>10,267,388</b>	<b>2,839,438</b>	<b>2,554,413</b>

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### II. Explanations Related to the Consolidated Credit Risk (Continued)

##### Information about Value Adjustment and Change in Provisions

	31.12.2018 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments(*)	31.12.2019 Balance
Default (Stage III)	1,765,133	1,515,456	(242,873)	(644,662)	1,602	2,394,656
Expected Credit Loss (Stage I - II)	1,358,020	462,527	(355,431)	-	42,307	1,507,423

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	31.12.2017 Balance	TFRS 9 Transition Effect	Provision for Period	Provision Reversals	Write off from Asset	Other Adjustments(*)	31.12.2018 Balance
Default (Stage III/Specific Provision)	1,284,521	23,958	985,944	(56,006)	(476,477)	3,193	1,765,133
Expected Credit Loss (Stage I - II)	578,401	444,674	505,301	(166,236)	-	(4,120)	1,358,020

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

#### III. Explanations Related to Risks Involved in Counter-Cyclical Capital Buffer Calculation

##### Current Period

Countries where the risk ultimately taken	Private sector loan in banking loans	Risk weighted amount calculated in trading accounts	Total
Turkey	64,800,085	613,436	65,413,521
Switzerland	445,348	-	445,348
TRNC	370,046	-	370,046
England	365,118	-	365,118
Italy	89,660	-	89,660
Israel	39,412	-	39,412
Portugal	37,055	-	37,055
Spain	36,353	-	36,353
The Ivory Coast	29,622	-	29,622
Other	106,447	5	106,452
<b>Total</b>	<b>66,319,146</b>	<b>613,441</b>	<b>66,932,587</b>

##### Prior Period

Countries where the risk ultimately taken	Private sector loan in banking loans	Risk weighted amount calculated in trading accounts	Total
Turkey	61,743,011	690	61,743,701
England	395,720	-	395,720
TRNC	328,614	-	328,614
The Ivory Coast	316,496	-	316,496
Egypt	232,712	-	232,712
Russia	89,875	-	89,875
Germany	43,903	-	43,903
Japan	24,538	-	24,538
France	16,765	-	16,765
Other	14,353	-	14,353
<b>Total</b>	<b>63,205,987</b>	<b>690</b>	<b>63,206,677</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### IV. Explanations Related to the Consolidated Currency Risk

Foreign currency risk indicates the probability of loss that the Group 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 Group are taken into consideration and risk is calculated by using the standard method.

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

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

Asset Liability Management and Treasury Department of the Parent 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 Parent Bank's Asset-Liability Committee on a weekly basis.

As of 31 December 2019, the Group's balance sheet short position is TL 12,301,993 (31 December 2018: TL 9,629,296 short position) off-balance sheet long position is TL 11,928,995 (31 December 2018: TL 10,030,362 long position) and as a result net foreign currency short position is TL 372,997 (31 December 2018: net TL 401,066 long position).

The announced current foreign exchange buying rates of the Parent Bank at 31 December 2019 and the previous five working days in full TL are as follows:

	24.12.2019	25.12.2019	26.12.2019	27.12.2019	30.12.2019	31.12.2019
USD	5.9298	5.9242	5.9199	5.9393	5.9283	5.9338
JPY	0.0542	0.0540	0.0540	0.0542	0.0544	0.0547
EUR	6.5696	6.5753	6.5687	6.6259	6.6337	6.6660

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before 31 December 2019 are as follows:

	Monthly Average Foreign Exchange Rate
USD	5.8343
JPY	0.0534
EUR	6.4797

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

The Parent Bank is exposed to foreign exchange risk in EURO and USD.

The following table details the Parent Bank's sensitivity to a 10% change in USD and EUR exchange rates. The 10% rate used is the rate that the currency risk is reported to the senior management in the Bank. This ratio represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively if there is a short position, affects negatively if there is long position.

Change in exchange rate (%)		Effect on Profit/Loss	Effect on Equity (*)
		31 December 2019	31 December 2019
USD	10 increase	19,299	937
USD	10 decrease	(19,299)	(937)
EURO	10 increase	(7,623)	587
EURO	10 decrease	7,623	(587)

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### IV. Explanations Related to the Consolidated Currency Risk (Continued)

#### Information on the foreign currency risk of the Parent Bank: (continued)

Change in exchange rate (%)		Effect on Profit/Loss 31 December 2018	Effect on Equity (*) 31 December 2018
USD	10 increase	7,949	(833)
USD	10 decrease	(7,949)	833
EURO	10 increase	(293)	(514)
EURO	10 decrease	293	514

(\*) The effect on the equity does not include the effect of the change in exchange rates on the income statement.

The Parent bank's sensitivity to change in foreign exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to change in exchange rates during the period.

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

The table below shows the Group'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 Group also monitors the delta-adjusted position of the option transactions. As of 31 December 2019, the Parent Bank has net USD long position TL 97,475 and net EUR short position TL 72,257.

Current Period	EUR	USD	Other FC	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(1)</sup>	5,094,402	5,284,108	859,517	11,238,027
Banks <sup>(2)</sup>	1,070,758	4,659,009	1,750,015	7,479,782
Financial Assets at Fair Value Through Profit or Loss	712,591	156,748	-	869,339
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,562,241	634,769	19,465	2,216,475
Loans <sup>(3)</sup>	8,695,878	2,670,624	1,251,196	12,617,698
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Held-to-Maturity Investments <sup>(4)</sup>	473,508	882,818	-	1,356,326
Derivative Financial Assets for Hedging Purposes <sup>(5)</sup>	877	-	-	877
Tangible Assets	677	-	-	677
Intangible Assets	-	-	-	-
Other Assets <sup>(6)</sup>	2,833,276	105,785	37,557	2,976,618
<b>Total Assets</b>	<b>20,444,208</b>	<b>14,393,861</b>	<b>3,917,750</b>	<b>38,755,819</b>
<b>Liabilities</b>				
Bank Deposits	101	118,681	7	118,789
Foreign Currency Deposits <sup>(7)</sup>	13,280,022	20,837,334	3,471,024	37,588,380
Money Market Borrowings	327,167	-	-	327,167
Funds Provided From Other Financial Institutions	7,502,463	4,441,917	373,401	12,317,781
Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	7,267	-	-	7,267
Other Liabilities <sup>(8)</sup>	352,828	330,046	15,554	698,428
<b>Total Liabilities</b>	<b>21,469,848</b>	<b>25,727,978</b>	<b>3,859,986</b>	<b>51,057,812</b>
<b>Net Balance Sheet Position</b>	<b>(1,025,640)</b>	<b>(11,334,117)</b>	<b>57,764</b>	<b>(12,301,993)</b>
<b>Net Off-Balance Sheet Position</b>	<b>797,511</b>	<b>11,133,800</b>	<b>(2,316)</b>	<b>11,928,995</b>
Financial Derivative Assets <sup>(9)</sup>	14,804,346	26,844,874	782,678	42,431,898
Financial Derivative Liabilities <sup>(9)</sup>	14,006,835	15,711,074	784,994	30,502,903
Non-Cash Loans <sup>(10)</sup>	6,880,451	5,459,747	904,769	13,244,967
<b>Prior Period</b>				
Total Assets	19,365,475	10,599,254	3,603,854	33,568,583
Total Liabilities	15,800,694	23,811,508	3,585,677	43,197,879
Net Balance Sheet Position	3,564,781	(13,212,254)	18,177	(9,629,296)
Net Off-Balance Sheet Position	(3,972,285)	14,029,951	(27,304)	10,030,362
Financial Derivative Assets <sup>(9)</sup>	9,532,528	27,103,160	892,119	37,527,807
Financial Derivative Liabilities <sup>(9)</sup>	13,504,813	13,073,209	919,423	27,497,445
Non-Cash Loans <sup>(10)</sup>	6,531,063	5,941,120	896,004	13,368,187

(1) Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey includes the balances of expected credit losses amounting to TL 1,890.

(2) The banks include TL 9,059 of expected credit loss provisions.

(3) Foreign currency indexed loans amounting to TL 495,451 (31 December 2018: TL 1,337,691) are included in the loan portfolio. As of 31 December 2019 there is no (31 December 2018: TL 946) foreign currency indexed factoring receivables. Also, it includes TL 368,603 amounting to expected credit loss.

(4) Financial assets at amortized cost includes expected credit loss amounting to TL 305.

(5) TL 14,112 (31 December 2018: None) income accruals from derivative financial instruments is deducted from derivative financial assets held for risk management.

(6) TL 184,862 (31 December 2018: TL 200,454) income accruals from derivative financial instruments is deducted from other assets. Other assets line includes factoring receivables amounting to TL 873,720 and factoring receivables expected credit loss amounting to TL 6,283. As of 31 December 2019, there is no foreign currency indexed factoring receivables. (31 December 2018: 27).

(7) Precious metal accounts amounting to TL 2,349,023 (31 December 2018: TL 1,182,236) are included in the foreign currency deposits.

(8) TL 90,922 (31 December 2018: TL 70,397) expense accruals from derivative financial instruments are deducted from other liabilities. As of 31 December 2019, there is no foreign currency indexed factoring payable. (31 December 2018: 27 TL).

(9) Forward asset and marketable securities purchase-sale commitments of TL 1,395,075 (31 December 2018: TL 1,076,006) are added to derivative financial assets and TL 883,345 (31 December 2018: TL 970,306) has been added to derivative financial assets.

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2019 AND 2018

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

### V. Explanations Related to Consolidated Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Parent 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 avoid the impact of the fluctuations in interest rates. In this context, duration, maturity and sensitivity analysis are calculated by the Risk Management Department and presented to both Liquidity Risk Committee and Asset-Liability Committee.

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

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

Since the Group does not allow maturity mismatches or imposes limits on the mismatch, no significant interest rate risk exposure is expected.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing <sup>(1)</sup>	Total
<b>Current Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	8,951,411	-	-	-	-	3,002,601	11,954,012
Banks <sup>(3)</sup>	6,072,870	-	-	-	-	2,493,375	8,566,245
Financial Assets at Fair Value Through Profit or Loss	180,593	132,240	55,307	669,507	132,752	125,025	1,295,424
Money Market Placements <sup>(4)</sup>	840,304	-	-	-	-	(29)	840,275
Financial Assets at Fair Value Through Other Comprehensive Income <sup>(4)</sup>	1,057,349	530,691	523,340	2,417,091	1,005,005	7,895	5,541,371
Loans <sup>(5)</sup>	16,724,073	4,579,167	11,359,041	28,333,166	3,917,453	506,014	65,418,914
Financial Assets Measured at Amortized Cost <sup>(6)</sup>	164,665	796,314	2,075,934	1,699,969	169,736	(1,104)	4,905,514
Other Assets <sup>(7)</sup>	1,148,017	689,675	657,912	951,007	94,067	7,152,000	10,692,678
<b>Total Assets</b>	<b>35,139,282</b>	<b>6,728,087</b>	<b>14,671,534</b>	<b>34,070,740</b>	<b>5,319,013</b>	<b>13,285,777</b>	<b>109,214,433</b>
<b>Liabilities</b>							
Bank Deposits	362,573	-	-	-	-	23,739	386,312
Other Deposits	49,529,000	4,829,633	677,235	7,293	-	16,748,379	71,791,540
Money Market Borrowings	1,650,467	-	-	-	-	-	1,650,467
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	1,692,304	641,573	-	-	-	-	2,333,877
Funds Provided From Other Financial Institutions	2,448,096	3,560,585	6,009,788	100,473	1,266,257	-	13,385,199
Other Liabilities	23,862	117	711,943	2,330,152	86,263	16,514,701	19,667,038
<b>Total Liabilities</b>	<b>55,706,302</b>	<b>9,031,908</b>	<b>7,398,966</b>	<b>2,437,918</b>	<b>1,352,520</b>	<b>33,286,819</b>	<b>109,214,433</b>
Balance Sheet Long Position	-	-	7,272,568	31,632,822	3,966,493	-	42,871,883
Balance Sheet Short Position	(20,567,020)	(2,303,821)	-	-	-	(20,001,042)	(42,871,883)
Off-Balance Sheet Long Position	5,720,979	4,734,356	-	-	-	-	10,455,335
Off-Balance Sheet Short Position	-	-	(4,006,053)	(5,678,954)	(623,850)	-	(10,308,857)
<b>Total Position</b>	<b>(14,846,041)</b>	<b>2,430,535</b>	<b>3,266,515</b>	<b>25,953,868</b>	<b>3,342,643</b>	<b>(20,001,042)</b>	<b>146,478</b>

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

(2) Cash balances (Cash, Effective Deposit, Money in transit, Notes Payable) and the Central Bank of the Republic of Turkey include balances of expected losses amounting to TL 1,959.

(3) Banks include balance of expected loss provisions amounting to TL 9,809.

(4) Money market placements include balance of expected loss provisions amounting to TL 29.

(5) The revolving loans amounting to TL 7,177,775 (31 December 2018: TL 7,205,162) are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 3,640,892.

(6) Financial assets at amortized cost include balance of expected loss provisions of TL 1,104.

(7) Includes factoring receivables amounting to TL 2,083,258 and factoring receivables expected loss provisions amounting to TL 34,891.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### V. Explanations Related to Consolidated Interest Rate Risk (Continued)

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 884,818, intangible assets amounting to TL 561,432, assets held for resale amounting to TL 131,362, entities under common control (joint vent.) amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 9,909,908.

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
<b>Prior Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	12,069,370	-	-	-	-	3,591,682	15,661,052
Banks	2,946,298	-	-	-	-	998,134	3,944,432
Financial Assets at Fair Value Through Profit or Loss	56,889	18,679	18,937	117,376	316,013	88,680	616,574
Money Market Placements	281,788	-	-	-	-	-	281,788
Financial Assets at Fair Value Through Other Comprehensive Income	496,598	156,047	1,642,804	608,818	382,970	5,610	3,292,847
Loans <sup>(1)</sup>	16,271,475	5,258,061	12,002,096	24,529,354	4,844,969	1,125,809	64,031,764
Financial Assets Measured at Amortized Cost	51,006	777,955	1,963,119	-	-	-	2,792,080
Other Assets <sup>(2)</sup>	1,065,345	812,622	497,587	1,318,398	31,531	4,313,356	8,038,839
<b>Total Assets</b>	<b>33,238,769</b>	<b>7,023,364</b>	<b>16,124,543</b>	<b>26,573,946</b>	<b>5,575,483</b>	<b>10,123,271</b>	<b>98,659,376</b>
<b>Liabilities</b>							
Bank Deposits	227,383	-	-	-	-	47,697	275,080
Other Deposits	41,235,803	8,292,678	2,790,922	8,753	-	11,556,898	63,885,054
Money Market Borrowings	104,977	-	-	-	-	-	104,977
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	368,498	158,094	-	-	-	-	526,592
Funds Provided From Other Financial Institutions	3,120,562	3,850,314	7,068,131	121,305	1,880,474	-	16,040,786
Other Liabilities	84,404	178,702	187,209	932,224	11,292	16,433,056	17,826,887
<b>Total Liabilities</b>	<b>45,141,627</b>	<b>12,479,788</b>	<b>10,046,262</b>	<b>1,062,282</b>	<b>1,891,766</b>	<b>28,037,651</b>	<b>98,659,376</b>
Balance Sheet Long Position	-	-	6,078,281	25,511,664	3,683,717	-	35,273,662
Balance Sheet Short Position	(11,902,858)	(5,456,424)	-	-	-	(17,914,380)	(35,273,662)
Off-Balance Sheet Long Position	13,241,873	-	-	-	-	-	13,241,873
Off-Balance Sheet Short Position	-	(1,554,023)	(5,253,328)	(5,630,348)	(123,999)	-	(12,561,698)
<b>Total Position</b>	<b>1,339,015</b>	<b>(7,010,447)</b>	<b>824,953</b>	<b>19,881,316</b>	<b>3,559,718</b>	<b>(17,914,380)</b>	<b>680,175</b>

<sup>(1)</sup> Revolving loans amounting to TL 7,205,162 are included in "Up to 1 Month".

<sup>(2)</sup> Includes factoring receivables amounting to TL 1,707,798 and factoring receivables expected loss provisions amounting to TL 60,893.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 295,181, intangible assets amounting to TL 532,595, assets held for resale amounting to TL 109,104, entities under common control (joint vent.) amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 9,872,627.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### V. Explanations Related to Consolidated Interest Rate Risk (Continued)

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

	EUR %	USD %	YEN %	TL %
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	10.00
Banks	-	1.59	-	11.42
Financial Assets at Fair Value Through Profit or Loss	1.52	4.89	-	8.66
Money Market Placements	-	-	-	11.46
Financial Assets at Fair Value Through Other Comprehensive Income	2.11	4.57	-	13.83
Loans (*)	3.08	4.95	5.28	16.42
Financial Assets Measured at Amortized Cost	2.48	4.51	-	14.63
<b>Liabilities</b>				
Bank Deposits	-	1.40	-	5.10
Other Deposits	0.16	1.86	0.25	10.26
Money Market Borrowings	-	-	-	11.02
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	12.05
Funds Provided From Other Financial Institutions	1.99	5.61	-	17.62

(\*) Includes factoring receivables.

	EUR %	USD %	YEN %	TL %
<b>Prior Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	2.00	-	13.00
Banks	(0.55)	2.29	-	24.04
Financial Assets at Fair Value Through Profit or Loss	4.89	6.53	-	18.54
Money Market Placements	-	-	-	25.47
Financial Assets at Fair Value Through Other Comprehensive Income	2.77	6.67	-	23.07
Loans (*)	3.25	5.81	5.15	20.22
Financial Assets Measured at Amortized Cost	-	-	-	22.21
<b>Liabilities</b>				
Bank Deposits	-	-	-	14.08
Other Deposits	1.34	3.77	1.57	22.01
Money Market Borrowings	-	3.10	-	25.02
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	24.40
Funds Provided From Other Financial Institutions	1.61	5.18	-	15.97

(\*) Includes factoring receivables.

#### Interest rate risk arising from banking accounts:

- a) *Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:*

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining the historic reaction of housing loans to interest movements in the previous periods. By analyzing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above mentioned products in interest rate sensitivity calculations.

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### V. Explanations Related to Consolidated Interest Rate Risk (Continued)

##### Interest rate risk on banking accounts: (continued)

- a) Economic value differences arising from fluctuations in interest rates in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method":

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
TL	(400)	828,119	6.17%
TL	500	(935,100)	(6.87)%
EURO	(200)	100,615	0.24%
EURO	200	(83,923)	(0.19)%
USD	(200)	(66,370)	0.23%
USD	200	66,387	(0.15)%
<b>Total (of negative shocks)</b>	<b>(800)</b>	<b>862,364</b>	<b>6.65%</b>
<b>Total (of positive shocks)</b>	<b>900</b>	<b>(952,636)</b>	<b>(7.20)%</b>

#### VI. Explanations Related to Share Certificates Position Risk from Consolidated Banking Book

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 whereby fair value can not be calculated properly.

The Parent Bank has no stocks traded in Borsa Istanbul.

#### VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio

- a) Information on liquidity risk management, such as the Parent Bank's risk capacity, responsibilities and the structure of liquidity risk management, Parent 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 Parent 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 Audit Committee and Board of Directors, in addition to providing daily reports to senior management. Information about the Parent 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 Liquidity Risk Committee meeting which is held monthly.

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

**VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio  
(Continued)**

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

The Asset-Liability Management and the Treasury Group manage the Parent 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 Parent Bank's funding strategy including policies on funding types and variety of maturities:

While the Parent 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 Parent 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 Parent 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 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 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.

- e) Information on liquidity risk mitigation techniques:

The Parent Bank's main liquidity management strategy is to diversify funding resources and extend the maturity structure. The Parent 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 Parent 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 analyse how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analysed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Parent Bank and in the whole banking system, in cases of stress event are analysed. 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.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio (Continued)

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 Parent 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.

#### 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(*)	
Current Period – 31 December 2019		TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			21,836,422	13,917,929
<b>Cash Outflows</b>					
2	Real Person and Retail Deposits	51,313,467	25,406,593	4,514,492	2,540,659
3	Stable Deposits	12,337,090	-	616,854	-
4	Less Stable Deposits	38,976,377	25,406,593	3,897,638	2,540,659
5	Unsecured Debts Other than Real Person and Retail Deposits	21,297,924	11,014,451	11,767,184	5,804,238
6	Operational Deposits	435,470	187,907	108,867	46,977
7	Non-operational Deposits	15,944,770	8,635,837	6,769,930	3,566,554
8	Other Unsecured Funding	4,917,684	2,190,707	4,888,387	2,190,707
9	Secured Funding			11,458	-
10	Other Cash Outflows	1,540,455	2,290,197	1,540,455	2,290,197
11	Outflows Related to Derivative Exposures and Other Collateral Requirements	1,540,455	2,290,197	1,540,455	2,290,197
12	Outflows Related to Restructured Financial Instruments	-	-	-	-
13	Payment Commitments and Other Off-Balance Sheet Commitments Granted for Debts to Financial Market	-	-	-	-
14	Other Revocable Off-Balance Sheet Commitments and Contractual Obligations	-	-	-	-
15	Other Irrevocable or Conditionally Revocable Off-Balance Sheet Obligations	32,014,818	10,476,671	2,646,516	1,098,773
16	<b>Total Cash Outflows</b>			<b>20,480,105</b>	<b>11,733,867</b>
<b>Cash Inflows</b>					
17	Secured Liabilities	-	-	-	-
18	Unsecured Liabilities	12,640,333	5,416,414	9,256,464	4,759,747
19	Other Cash Inflows		1,691,512	8,203,937	1,691,512
20	<b>Total Cash Inflows</b>	<b>14,331,845</b>	<b>13,620,351</b>	<b>10,947,976</b>	<b>12,963,685</b>
				<b>Values to Which the Upper Limit is Applied</b>	
21	<b>Total High Quality Liquid Assets</b>			<b>21,836,422</b>	<b>13,917,929</b>
22	<b>Total Net Cash Outflows</b>			<b>9,532,129</b>	<b>2,933,467</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>229.08</b>	<b>474.45</b>

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio (Continued)

#### Liquidity Coverage Ratio: (continued)

		Rate of Percentage to Be Taken into Account not Implemented Total Value(*)		Rate of Percentage to Be Taken into Account Implemented Total Value(*)	
Prior Period – 31 December 2018		TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			19,882,981	12,787,421
<b>Cash Outflows</b>					
2	Real Person and Retail Deposits	46,047,668	19,001,748	4,231,081	1,900,175
3	Stable Deposits	7,473,714	-	373,686	-
4	Less Stable Deposits	38,573,954	19,001,748	3,857,395	1,900,175
5	Unsecured Debts Other than Real Person and Retail Deposits	20,729,431	11,294,904	10,594,618	5,904,392
6	Operational Deposits	303,482	124,262	75,870	31,066
7	Non-operational Deposits	17,140,743	9,048,469	7,264,073	3,751,153
8	Other Unsecured Funding	3,285,206	2,122,173	3,254,675	2,122,173
9	Secured Funding	-	-	82,510	-
10	Other Cash Outflows	2,340,237	4,885,588	2,340,237	4,885,588
11	Outflows Related to Derivative Exposures and Other Collateral Requirements	2,340,237	4,885,588	2,340,237	4,885,588
12	Outflows Related to Restructured 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 Receivable Off-Balance Sheet Obligations	30,830,977	11,731,104	2,605,338	1,141,458
16	<b>Total Cash Outflows</b>			<b>19,853,784</b>	<b>13,831,613</b>
<b>Cash Inflows</b>					
17	Secured Liabilities	-	-	-	-
18	Unsecured Liabilities	15,650,516	10,056,817	12,479,035	9,279,886
19	Other Cash Inflows	613,991	7,541,582	613,991	7,541,582
20	<b>Total Cash Inflows</b>	<b>16,264,507</b>	<b>17,598,399</b>	<b>13,093,026</b>	<b>16,821,468</b>
				<b>Values to Which the Upper Limit is Applied</b>	
21	<b>Total High Quality Liquid Assets</b>			<b>19,882,981</b>	<b>12,787,421</b>
22	<b>Total Net Cash Outflows</b>			<b>6,760,758</b>	<b>3,457,903</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>294.09</b>	<b>369.80</b>

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

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 to their priority consist of the time accounts, bond portfolio, reserve deposit and cash. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effects 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 of The Parent Bank. 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 consolidated subsidiaries are managed by individual legal entities. Although liquidity coverage ratio is reported on a consolidated basis, there is no centralized liquidity management system. Finally, there is no other significant cash inflow or outflow item about Parent Bank's liquidity profile which are not required by section two of communiqué.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio (Continued)

#### Liquidity Coverage Ratio: (continued)

Consolidated Liquidity Coverage Ratio for the last three months are presented below:

	Current Period	
	TL+FC	FC
October 2019	166.14%	452.52%
November 2019	319.48%	566.39%
December 2019	176.08%	373.90%
	Prior Period	
	TL+FC	FC
October 2018	288.45%	334.59%
November 2018	259.52%	460.68%
December 2018	249.60%	496.03%

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed <sup>(1)</sup>	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup>	3,004,560	8,951,411	-	-	-	-	(1,959)	11,954,012
Banks <sup>(3)</sup>	2,503,184	6,072,870	-	-	-	-	(9,809)	8,566,245
Financial Assets at Fair Value Through Profit and Loss	-	1,018	132,240	7,539	896,848	132,753	125,026	1,295,424
Money Market Placements <sup>(4)</sup>	-	840,304	-	-	-	-	(29)	840,275
Financial Assets at Fair Value Through Other Comprehensive Income	7,895	21,593	530,691	820,187	2,758,469	1,402,536	-	5,541,371
Loans <sup>(5)</sup>	-	16,232,932	4,579,167	11,322,142	28,861,206	3,917,453	506,014	65,418,914
Financial Assets Measured at Amortized Cost	-	-	643,151	377,217	3,665,566	220,684	(1,104)	4,905,514
Other Assets	-	2,062,035	752,375	753,959	1,011,682	94,067	6,018,560	10,692,678
<b>Total Assets</b>	<b>5,515,639</b>	<b>34,182,163</b>	<b>6,637,624</b>	<b>13,281,044</b>	<b>37,193,771</b>	<b>5,767,493</b>	<b>6,636,699</b>	<b>109,214,433</b>
<b>Liabilities</b>								
Bank Deposits	23,739	362,573	-	-	-	-	-	386,312
Other Deposits	16,748,379	49,527,218	4,829,381	679,269	7,293	-	-	71,791,540
Funds Provided From Other Financial Institutions	-	1,742,648	952,138	7,369,623	130,287	3,190,503	-	13,385,199
Money Market Borrowings	-	1,650,467	-	-	-	-	-	1,650,467
Securities Issued	-	1,692,304	641,573	-	-	-	-	2,333,877
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	21,929	4,832,114	94,822	854,901	2,656,122	452,006	10,755,144	19,667,038
<b>Total Liabilities</b>	<b>16,794,047</b>	<b>59,807,324</b>	<b>6,517,914</b>	<b>8,903,793</b>	<b>2,793,702</b>	<b>3,642,509</b>	<b>10,755,144</b>	<b>109,214,433</b>
<b>Liquidity Gap</b>	<b>(11,278,408)</b>	<b>(25,625,161)</b>	<b>119,710</b>	<b>4,377,251</b>	<b>34,400,069</b>	<b>2,124,984</b>	<b>(4,118,445)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>217,295</b>	<b>(20,526)</b>	<b>21,127</b>	<b>62,051</b>	<b>1,665</b>	<b>-</b>	<b>281,612</b>
Financial Derivative Assets	-	18,322,414	6,162,762	13,378,270	15,125,169	3,374,022	-	56,362,637
Financial Derivative Liabilities	-	18,105,119	6,183,288	13,357,143	15,063,118	3,372,357	-	56,081,025
Non-Cash Loans	6,077,407	942,642	2,658,433	5,667,723	7,028,565	-	-	22,374,770
<b>Prior Period</b>								
Total Assets	4,595,426	32,837,361	6,532,259	14,155,867	29,579,452	6,509,995	4,449,016	98,659,376
Total Liabilities	11,669,371	49,068,627	12,251,342	10,849,823	1,420,836	2,854,441	10,544,936	98,659,376
<b>Liquidity Gap</b>	<b>(7,073,945)</b>	<b>(16,231,266)</b>	<b>(5,719,083)</b>	<b>3,306,044</b>	<b>28,158,616</b>	<b>3,655,554</b>	<b>(6,095,920)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>147,426</b>	<b>(56,654)</b>	<b>(3,761)</b>	<b>375,087</b>	<b>1,838</b>	<b>-</b>	<b>463,936</b>
Financial Derivative Assets	-	13,443,961	10,708,847	16,665,546	14,044,584	646,865	-	55,509,803
Financial Derivative Liabilities	-	13,296,535	10,765,501	16,669,307	13,669,497	645,027	-	55,045,867
Non-Cash Loans	6,069,867	1,470,618	2,589,098	5,765,025	6,774,921	-	-	22,669,529

<sup>(1)</sup> Active accounts with fixed assets, associates and subsidiaries, fixed assets, prepaid expenses and non-performing loans, which are required for the continuation of banking activities and which do not have the chance to convert to cash in a short time, are recorded here. The expected loss provisions are also shown here.

<sup>(2)</sup> Cash and cash equivalents (Cash in Vault, Foreign Currency, Cash, Money in Transit, Cheques Purchased) and the Central Bank of Turkey includes expected credit loss amounting to TL 1,959.

<sup>(3)</sup> Banks include balance of expected loss provisions amounting to TL 9,809.

<sup>(4)</sup> Money market placements include expected loss provision of TL 29.

<sup>(5)</sup> The revolving loans amounting to TL 7,177,755 (31 December 2018: TL 7,205,162) are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 3,640,892.

<sup>(6)</sup> Financial assets at amortized cost include balance of expected loss provisions of TL 1,104.

<sup>(7)</sup> Includes factoring receivables amounting to TL 2,083,258 and factoring receivables expected loss provisions amounting to TL 34,891.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio (Continued)

#### Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
<b>31 December 2019</b>								
Money Market Borrowings	-	1,650,743	-	-	-	-	(276)	1,650,467
Other Deposit	16,748,379	49,588,088	4,856,525	702,372	8,133	-	(111,957)	71,791,540
Bank Deposit	23,739	362,650	-	-	-	-	(77)	386,312
Funds Provided from Other Financial Institutions	-	1,769,795	974,013	7,799,301	1,197,495	4,214,894	(2,570,299)	13,385,199
<b>Total</b>	<b>16,772,118</b>	<b>53,371,276</b>	<b>5,830,538</b>	<b>8,501,673</b>	<b>1,205,628</b>	<b>4,214,894</b>	<b>(2,682,609)</b>	<b>87,213,518</b>
<b>31 December 2018</b>								
Money Market Borrowings	-	105,020	-	-	-	-	(43)	104,977
Other Deposit	11,556,898	41,389,362	8,487,709	3,033,077	10,606	-	(592,598)	63,885,054
Bank Deposit	47,697	227,557	-	-	-	-	(174)	275,080
Funds Provided from Other Financial Institutions	-	2,697,402	3,191,464	7,571,484	543,770	4,446,642	(2,409,976)	16,040,786
<b>Total</b>	<b>11,604,595</b>	<b>44,419,341</b>	<b>11,679,173</b>	<b>10,604,561</b>	<b>554,376</b>	<b>4,446,642</b>	<b>(3,002,791)</b>	<b>80,305,897</b>

#### Analysis of contractual expiry by maturity of the Group’s derivative financial instruments:

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Total
<b>31 December 2019</b>						
<b>Derivative Financial Instruments for Hedging Purposes</b>						
Fair Value Hedge	-	935,776	-	804,408	-	1,740,184
Cash Flow Hedge	617,006	335,892	4,195,289	6,305,070	107,140	11,560,397
<b>Trading Transactions</b>						
Foreign Exchange Forward	-	-	-	-	-	-
Contracts-Sell	1,738,432	1,661,071	1,479,351	466,529	-	5,345,383
Currency Swaps-Sell	13,932,004	2,992,549	5,848,387	6,105,848	2,806,467	31,685,255
Interest Rate Swaps-Sell	26,051	14,667	105,270	142,349	9,818	298,155
Foreign Currency Futures-Sell	-	-	-	35,164	-	35,164
Foreign Currency Options-Sell	1,709,590	1,694,963	743,905	62,871	-	4,211,329
<b>Total</b>	<b>18,023,083</b>	<b>7,634,918</b>	<b>12,372,202</b>	<b>13,922,239</b>	<b>2,923,425</b>	<b>54,875,867</b>
<b>31 December 2018</b>						
<b>Derivative Financial Instruments for Hedging Purposes</b>						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	1,478,649	1,269,268	992,614	1,429,446	133,980	5,303,957
<b>Trading Transactions</b>						
Foreign Exchange Forward	-	-	-	-	-	-
Contracts-Sell	1,420,228	1,571,984	2,149,526	735,469	-	5,877,207
Currency Swaps-Sell	7,774,826	7,149,085	7,779,132	8,143,920	179,003	31,025,966
Interest Rate Swaps-Sell	1,807	783	15,680	106,620	5,816	130,706
Foreign Currency Futures-Sell	-	-	-	-	-	-
Foreign Currency Options-Sell	1,523,162	2,271,203	2,508,514	11,330	-	6,314,209
<b>Total</b>	<b>12,198,672</b>	<b>12,262,323</b>	<b>13,445,466</b>	<b>10,426,785</b>	<b>318,799</b>	<b>48,652,045</b>

Cash disposal of derivative instruments is shown in the table above.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### VIII. Explanations Related to Consolidated Leverage Ratio

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

There is a slight increase in the leverage ratio in line with the increase in cash and non-cash loan portfolio.

- b) Summary comparison table of the total risk amount and the total asset amount in the financial statements prepared as per TAS:

	Current Period(**)	Prior Period(**)
1 Total Asset Amount in the Consolidated Financial Statements Prepared as per TAS(*)	106,140,378	101,884,142
2 The Difference between the Total Asset Amount in the Consolidated Financial Statements Prepared as per TAS and the Asset Amount in the Consolidated Financial statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks	-	-
3 The Difference between the Derivative Financial Instruments and the Loan Derivatives Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	560,417	728,753
4 The Difference between the Financial Transactions with Securities or Goods Warranty Amounts in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	3,323	-
5 The Difference between the Off-balance Sheet Transactions Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	46,736,319	41,093,276
6 Other Differences between the Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	(1,383,371)	(560,547)
<b>7 Total risk amount</b>	<b>152,057,066</b>	<b>143,145,624</b>

(\*) Consolidated financial statements prepared as per the sixth paragraph of Article 5 of the Communiqué on the Preparation of the Consolidated Financial Statements of Banks.

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

- c) Leverage Ratio:

	Current Period(*)	Prior Period(*)
<b>Assets On the Balance Sheet</b>		
Assets on the Balance Sheet (Excluding Derivative Financial Instruments and Loan Derivatives, Including Collaterals)	104,904,660	99,084,876
2 (Assets Deducted from Core Capital)	(586,136)	(560,547)
3 Total Risk Amount for Assets on the Balance Sheet	104,318,524	98,524,329
<b>Derivative Financial Instruments and Credit Derivatives</b>		
4 Renewal Cost of Derivative Financial Instruments and Credit Derivatives	438,483	2,799,266
5 Potential Credit Risk Amount of Derivative Financial Instruments and Credit Derivatives	560,417	728,753
6 Total Risk Amount of Derivative Financial Instruments and Credit Derivatives	998,900	3,528,019
<b>Financing Transactions With Securities Or Goods Warranties</b>		
Risk Amount of Financial Transactions with Securities or Goods Warranties (Excluding Those in the Balance Sheet)	3,323	-
8 Risk Amount Arising from Intermediated Transactions	-	-
9 Total Risk Amount of Financing Transactions with Securities or Goods Warranties	3,323	-
<b>Off-Balance Sheet Transactions</b>		
10 Gross Nominal Amount of the Off-balance Sheet Transactions	46,736,319	41,093,276
11 (Adjustment Amount Arising from Multiplying by the Credit Conversion Rate)	-	-
12 Total Risk Amount for Off-balance Sheet Transactions	46,736,319	41,093,276
<b>Capital and Total Risk</b>		
13 Tier 1 Capital	10,392,276	9,413,198
14 Total Risk Amount	152,057,066	143,145,624
<b>Leverage Ratio</b>		
15 Leverage Ratio	6.83%	6.58%

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### IX. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

The table below shows the book value and the fair value of the financial assets and liabilities which are not disclosed at their fair value in the financial statements of the Group.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>87,320,686</b>	<b>75,989,816</b>	<b>89,071,351</b>	<b>73,831,284</b>
Receivables from Money Market	840,275	281,788	840,275	281,788
Banks	8,566,245	3,944,432	8,566,245	3,944,432
Financial Assets at Fair Value Through Other Comprehensive Income	5,541,371	3,292,847	5,541,371	3,292,847
Financial Assets measured at amortized cost	4,905,514	2,792,080	5,032,899	2,771,118
Loans (**)	67,467,281	65,678,669	69,090,561	63,541,099
<b>Financial Liabilities</b>	<b>92,731,107</b>	<b>83,152,604</b>	<b>92,897,754</b>	<b>83,739,015</b>
Bank Deposit	386,312	275,080	386,312	275,080
Other Deposit	71,791,540	63,885,054	71,886,844	64,414,653
Funds Borrowed From Other Financial Institutions(*)	15,035,666	16,145,763	15,107,009	16,202,575
Marketable Securities Issued	2,333,877	526,592	2,333,877	526,592
Sundry Creditors	3,183,712	2,320,115	3,183,712	2,320,115

(\*) Funds provided under repo transactions and subordinated loans are included in funds borrowed from other financial institutions.

(\*\*) Factoring receivables are included in loans.

Investment securities in the current period include financial assets valued at their amortized cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure; It is calculated by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2019 AND 2018

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

### IX. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value (Continued)

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

31 December 2019	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>6,683,191</b>	<b>2,016,319</b>	<b>48,834</b>	<b>8,748,344</b>
Financial assets at fair value through profit and loss	1,170,398	1,754,129	40,939	2,965,466
<i>Public sector debt securities</i>	1,167,994	-	-	1,167,994
<i>Financial assets at fair value through profit or loss</i>	-	1,670,042	-	1,670,042
<i>Other Financial assets at fair value through profit or loss</i>	2,404	84,087	40,939	127,430
Derivative financial assets for hedging purposes	-	241,507	-	241,507
Financial Assets at Fair Value Through Other Comprehensive Income	5,512,793	20,683	7,895	5,541,371
<i>Public sector debt securities</i>	5,512,793	20,683	-	5,533,476
<i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-	7,895	7,895
<b>Financial Liabilities</b>	-	<b>3,511,558</b>	-	<b>3,511,558</b>
Derivative financial liabilities at fair value through profit or loss	-	1,586,584	-	1,586,584
Derivative financial liabilities for hedging purposes	-	1,924,974	-	1,924,974
31 December 2018	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>3,795,095</b>	<b>3,185,761</b>	<b>41,803</b>	<b>7,022,659</b>
Financial assets at fair value through profit and loss	527,894	2,663,246	36,193	3,227,333
<i>Public sector debt securities</i>	527,894	-	-	527,894
<i>Financial assets at fair value through profit or loss</i>	-	2,610,759	-	2,610,759
<i>Other Financial assets at fair value through profit or loss</i>	-	52,487	36,193	88,680
Derivative financial assets for hedging purposes	-	502,479	-	502,479
Financial Assets at Fair Value Through Other Comprehensive Income	3,267,201	20,036	5,610	3,292,847
<i>Public sector debt securities</i>	3,267,201	20,036	-	3,287,237
<i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-	5,610	5,610
<b>Financial Liabilities</b>	-	<b>2,764,984</b>	-	<b>2,764,984</b>
Derivative financial liabilities at fair value through profit or loss	-	2,375,802	-	2,375,802
Derivative financial liabilities for hedging purposes	-	389,182	-	389,182

There is no transition between the levels in the current year.

### X. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets

The Group performs trading transactions on behalf of customers, and gives custody, administration and consultancy services.

The Group does not deal with fiduciary transactions.

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

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**XI. Explanations Related to Consolidated Risk Management**

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

**1. Risk management approach and overview of Risk Weighted Assets**

**1.1. The Parent Bank’s risk management approach**

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Parent Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Parent Bank aims to,

- i) Identify the main risks to which the Parent Bank is exposed and identified risks within the control range;
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Parent Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management, applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Audit Committee.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 1. Risk management approach and overview of Risk Weighted Assets

##### 1.2 Overview of Risk Weighted Amounts

		Risk Weighted Amounts		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (Excluding Counterparty Credit Risk) (CCR)	75,343,174	68,171,711	6,027,454
2	Of which Standardized Approach (SA)	75,343,174	68,171,711	6,027,454
3	Of which Internal Rating-based (IRB) Approach	-	-	-
4	Counterparty Credit Risk	1,203,770	1,306,710	96,302
5	Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	1,203,770	1,306,710	96,302
6	Of which Internal Model Method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – Look-through Approach	-	-	-
9	Equity investments in funds – Mandate-based Approach	-	-	-
10	Equity investments in funds – 1250% Weighted Risk Approach	-	-	-
11	Settlement Risk	-	-	-
12	Securitization Positions in Banking Book	-	-	-
13	Of which IRB Ratings-based Approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/Simplified Supervisory Formula Approach (SSFA)	-	-	-
16	Market Risk	1,637,917	724,900	131,033
17	Standardized Approach (SA)	1,637,917	724,900	131,033
18	Internal Model Approaches (IMM)	-	-	-
19	Operational Risk	8,663,988	7,630,255	693,119
20	Of which Basic Indicator Approach	8,663,988	7,630,255	693,119
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	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>86,848,849</b>	<b>77,833,576</b>	<b>6,947,908</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures

##### 2.3 Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Current Period	Carrying values of items in accordance with TAS				
	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>					
Cash and balances at central bank	11,955,971	11,955,971	-	-	-
Banks	8,576,054	8,577,508	-	-	-
Receivables from money markets	840,304	-	840,304	-	-
Financial assets at fair value through profit or loss	1,295,424	125,026	-	1,170,397	-
Financial assets at fair value through other comprehensive income	5,541,371	5,541,300	-	-	-
Financial assets measured at amortized cost	4,906,618	4,906,618	-	-	-
Derivative financial assets at fair value through profit and loss	1,670,042	-	1,670,042	1,670,042	-
Derivative financial assets at fair value through other comprehensive income	241,507	-	241,507	241,507	-
Non-performing financial assets	-	-	-	-	-
Expected credit loss (-)	3,688,684	2,352,545	-	-	-
Loans and receivables	69,059,806	69,059,806	-	-	-
Factoring receivables	2,083,258	2,083,259	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	131,362	131,362	-	-	-
Investments in associates (net)	-	-	-	-	-
Investments in subsidiaries (net)	-	-	-	-	-
Investments in joint ventures (net)	5	5	-	-	-
Tangible assets (net)	884,818	839,941	-	-	44,877
Intangible assets (net)	561,432	-	-	-	561,431
Investment properties (net)	-	-	-	-	-
Tax assets	14,810	14,810	-	-	-
Deferred tax assets	667,146	667,146	-	-	-
Other assets	4,473,189	2,585,297	1,889,567	531	-
<b>Total assets</b>	<b>109,214,433</b>	<b>104,135,504</b>	<b>4,641,420</b>	<b>3,082,477</b>	<b>606,308</b>
<b>Liabilities</b>					
Deposits	72,177,852	-	-	-	-
Loans	10,194,696	-	-	-	-
Debt to money markets loans	1,650,467	-	1,650,467	-	-
Debt securities in issue	2,333,877	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Derivative financial liabilities	3,511,558	-	2,571,144	-	-
Factoring debts	812	-	-	-	-
	657,657	-	-	-	-
Provisions	847,398	-	-	-	-
Tax liability	222,365	-	-	-	-
Deferred tax liability	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-
Subordinated debts	3,190,503	-	-	-	-
Other liability	4,517,340	-	730,162	-	-
Equity	9,909,908	-	-	-	-
<b>Total liabilities</b>	<b>109,214,433</b>	<b>-</b>	<b>4,951,773</b>	<b>-</b>	<b>-</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures (continued)

##### 2.3. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (continued)

Prior Period	Carrying values of items in accordance with TAS				
	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>					
Cash and balances at central bank	15,661,052	15,661,052	-	-	-
Banks	3,944,432	3,945,499	-	-	-
Receivables from money markets	281,788	-	281,788	-	-
Financial assets at fair value through profit or loss	616,574	88,680	-	527,894	-
Financial assets at fair value through other comprehensive income	3,292,847	3,293,587	-	-	-
Financial assets measured at amortized cost	2,792,080	2,792,080	-	-	-
Derivative financial assets at fair value through profit and loss	2,610,759	-	2,610,759	2,610,759	-
Derivative financial assets at fair value through other comprehensive income	502,479	-	502,479	502,479	-
Non-performing financial assets	2,839,438	2,839,438	-	-	-
Expected Credit Loss (-)	2,919,635	1,717,436	-	-	-
Loans and receivables	64,106,804	64,106,804	-	-	-
Factoring receivables	1,643,104	1,643,104	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	109,104	109,104	-	-	-
Investments in associates (net)	-	-	-	-	-
Investments in subsidiaries (net)	-	-	-	-	-
Investments in joint ventures (net)	5	5	-	-	-
Tangible assets (net)	295,181	246,227	-	-	48,954
Intangible assets (net)	532,595	-	-	-	532,595
Investment properties (net)	-	-	-	-	-
Tax assets	1,358	1,358	-	-	-
Deferred tax assets	208,699	208,699	-	-	-
Other assets	2,140,712	1,843,849	297,053	495	-
<b>Total Assets</b>	<b>98,659,376</b>	<b>95,062,050</b>	<b>3,692,079</b>	<b>3,641,627</b>	<b>581,549</b>
<b>Liabilities</b>					
Deposits	64,160,134	-	-	-	-
Loans	13,197,638	-	-	-	-
Debt to money markets loans	104,977	-	104,977	-	-
Debt securities in issue	526,592	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Derivative Financial Liabilities	2,764,984	-	1,807,845	-	-
Factoring debts	7,961	-	-	-	-
Provisions	682,228	-	-	-	-
Tax liability	301,912	-	-	-	-
Deferred tax liability	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-
Subordinated Debts	2,843,148	-	-	-	-
Other liability	4,197,175	-	466,742	-	-
Equity	9,872,627	-	-	-	-
<b>Total Liabilities</b>	<b>98,659,376</b>	<b>-</b>	<b>2,379,564</b>	<b>-</b>	<b>-</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures (continued)

##### 2.4. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Current Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Asset carrying value amount under scope of regulatory consolidation	109,214,433	104,135,504	4,641,420	3,082,477
2	Liabilities carrying value amount under regulatory scope of consolidation	4,951,773	-	4,951,773	-
3	Total net amount under regulatory scope of consolidation	104,262,660	104,135,504	(310,353)	3,082,477
4	Off-balance sheet amounts	96,512,608	17,225,190	567,789	-
5	Differences in valuations	-	-	-	-
6	Differences due to different netting rules (other than those already included in row 2)	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-
8	Differences due to prudential filters	-	-	-	-
9	Exposure amounts considered for regulatory purposes	-	121,360,694	257,436	3,082,477

Prior Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Asset carrying value amount under scope of regulatory consolidation	98,659,376	95,062,051	3,692,079	3,641,626
2	Liabilities carrying value amount under regulatory scope of consolidation	2,379,565	-	2,379,565	-
3	Total net amount under regulatory scope of consolidation	96,279,811	95,062,051	1,312,514	3,641,626
4	Off-balance sheet amounts	90,531,754	16,948,427	480,953	-
5	Differences in valuations	-	-	-	-
6	Differences due to different netting rules (other than those already included in row 2)	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-
8	Differences due to prudential filters	-	-	-	-
9	Exposure amounts considered for regulatory purposes	-	112,010,478	1,793,467	3,641,626

##### 2.5. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and reviewed annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

**XI. Explanations Related to Consolidated Risk Management (Continued)****3. Consolidated Credit Risk Disclosure****3.1. General information about credit risk****3.1.1. General qualitative information about credit risk**

The objective of the Risk Management system is to provide that the risks that are derived from the Parent Bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and present risk expectations for the future. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to senior management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports is presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Audit Committee, and Board of Directors. The Parent Bank’s credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee and the Board of Directors.

The risk appetite declaration is approved by the Board of Directors and audited once a year by the Board of Directors. The Parent Bank combines risk appetite with existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the bank.

The Parent Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

**3.1.2. Credit quality of assets**

Current Period	Gross carrying value in consolidated financial statements prepared as per TAS		Allowances/ impairments	Net Values
	Defaulted exposures	Non-defaulted Exposures		
Loans	4,178,852	66,964,212	3,675,783	67,467,281
Debt Securities	-	10,440,094	1,104	10,438,990
Off-balance sheet exposures	-	42,657,485	243,480	42,414,005
<b>Total</b>	<b>4,178,852</b>	<b>120,061,791</b>	<b>3,920,367</b>	<b>120,320,276</b>

Prior Period	Gross carrying value in consolidated financial statements prepared as per TAS		Allowances/ Impairments	Net Values
	Defaulted exposures	Non-defaulted Exposures		
Loans	2,839,438	65,749,908	2,910,677	65,678,669
Debt Securities	-	6,079,317	629	6,078,688
Off-balance sheet exposures	-	38,746,911	202,659	38,544,252
<b>Total</b>	<b>2,839,438</b>	<b>110,576,136</b>	<b>3,113,965</b>	<b>110,301,609</b>

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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

**XI. Explanations Related to Consolidated Risk Management (Continued)**

**3. Consolidated Credit Risk Disclosure (continued)**

**3.1. General information about credit risk (continued)**

**3.1.3. Changes in stock of defaulted loans and debt securities**

<b>1</b>	<b>Defaulted loans and debt securities at end of the 31 December 2018</b>	<b>2,839,438</b>
2	Loans and debt securities that have defaulted since the last reporting period	3,077,505
3	Returned to non-defaulted status	-
4	Amounts written off(*)	671,808
5	Other changes (**)	(1,066,283)
<b>6</b>	<b>Defaulted loans and debt securities at end of 31 December 2019 (1+2-3-4+5)</b>	<b>4,178,852</b>

(\*)The Group wrote off TL 171,832 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL 499,598 for which a provision of TL 482,232 was provided, was sold in 2019 with a price of TL 26,748, and following the completion of the necessary procedures, non-performing loans were written off from the records.

(\*\*) Includes collections during the period

<b>1</b>	<b>Defaulted loans and debt securities at end of the 31 December 2017</b>	<b>1,990,299</b>
2	Loans and debt securities that have defaulted since the last reporting period	2,216,569
3	Returned to non-defaulted status	(2,018)
4	Amounts written off(*)	503,724
5	Other changes (**)	(861,688)
<b>6</b>	<b>Defaulted loans and debt securities at end of 31 December 2018 (1+2-3-4+5)</b>	<b>2,839,438</b>

(\*) The Bank's non-performing loan portfolio amounting to TL 500,538 with provision TL 483,618 was sold in 2018 with a price of TL 24,061, after the completion of the necessary procedures, non-performing loans were written off from the records.

(\*\*) Includes collections during the period

**3.1.4. Additional disclosure related to the credit quality of assets**

- a) The scope and definitions of “past due” and “impaired” exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes

According to the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as “non-performing loan” in the Accounting Practice.

Receivables past due more than 90 days are considered as “impaired receivables”, and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this

A specific provision is allocated for receivables for which collection is deferred more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments

Provision amount is determined in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

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

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

e) Breakdown of exposures by geographical areas, industry and residual maturity:

Breakdown of Loans and Receivables by Sector:

	Current Period			
	TL	(%)	FC	(%)
Agriculture	1,288,428	2.39	147,348	1.11
Farming and Stockbreeding	1,225,188	2.27	146,374	1.10
Forestry	-	-	-	-
Fishery	63,240	0.12	974	0.01
Manufacturing	15,598,012	28.95	6,793,853	50.85
Mining and Quarrying	1,255,496	2.33	227,125	1.70
Production	13,792,783	25.60	6,283,340	47.03
Electricity, Gas and Water	549,733	1.02	283,388	2.12
Construction	1,247,839	2.32	335,191	2.51
Services	13,567,730	25.18	5,738,551	42.95
Wholesale and Retail Trade	5,260,936	9.77	1,008,218	7.55
Accommodation and Dining	811,205	1.51	1,373,359	10.28
Transportation and Telecom.	2,129,291	3.95	336,643	2.52
Financial Institutions	2,092,780	3.88	1,516,889	11.35
Real Estate and Rental Services	1,115,571	2.07	1,402,519	10.50
Self-Employment Services	732,174	1.36	100,360	0.75
Educational Services	82,780	0.15	563	-
Health and Social Services	1,342,993	2.49	-	-
Other	22,181,133	41.16	345,357	2.58
<b>Total</b>	<b>53,883,142</b>	<b>100.00</b>	<b>13,360,300</b>	<b>100.00</b>

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	1,787,994	3.51	178,966	1.21
Farming and Stockbreeding	1,738,141	3.41	171,414	1.16
Forestry	-	-	-	-
Fishery	49,853	0.10	7,552	0.05
Manufacturing	16,142,441	31.68	7,768,819	52.47
Mining and Quarrying	1,692,945	3.32	279,915	1.89
Production	14,041,079	27.56	7,018,356	47.40
Electricity, Gas and Water	408,417	0.80	470,548	3.18
Construction	2,384,192	4.68	590,798	3.99
Services	14,477,597	28.43	6,200,132	41.87
Wholesale and Retail Trade	6,499,992	12.77	1,258,729	8.50
Accommodation and Dining	974,993	1.91	1,051,394	7.10
Transportation and Telecom.	2,310,061	4.53	420,794	2.84
Financial Institutions	1,512,073	2.97	1,399,131	9.45
Real Estate and Rental Services	1,232,072	2.42	1,985,634	13.41
Self-Employment Services	716,220	1.41	80,243	0.54
Educational Services	88,151	0.17	4,207	0.03
Health and Social Services	1,144,035	2.25	-	-
Other	16,152,565	31.70	66,404	0.46
<b>Total</b>	<b>50,944,789</b>	<b>100.00</b>	<b>14,805,119</b>	<b>100.00</b>

Breakdown of loans and receivables according to remaining maturities is provided in the note VI. of section 4 under the "Presentation of assets and liabilities according to their remaining maturities".

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

- f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Parent Bank's loans under follow-up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under "Information in terms of major sectors and type of counterparties"

- g) Ageing analysis of accounting past-due exposures

31 December 2019	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	457,066	358,633	1,094,415	1,910,114
Consumer Loans	482,022	297,618	380,699	1,160,339
Credit Cards	96,362	103,803	73,313	273,478
<b>Total</b>	<b>1,035,450</b>	<b>760,054</b>	<b>1,548,427</b>	<b>3,343,931</b>
31 December 2018	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	633,604	778,263	1,218,309	2,630,176
Consumer Loans	602,920	355,875	430,668	1,389,463
Credit Cards	106,973	136,331	99,341	342,645
<b>Total</b>	<b>1,343,497</b>	<b>1,270,469</b>	<b>1,748,318</b>	<b>4,362,284</b>

- h) Breakdown of restructured exposures between impaired and not impaired exposures:

Not impaired loans:

Current Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	1,927,889	393,754	1,534,135
Consumer Loans	137,661	14,402	123,259
Credit Cards	61,116	3,605	57,511
<b>Total</b>	<b>2,126,666</b>	<b>411,761</b>	<b>1,714,905</b>

Prior Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	1,866,363	290,760	1,575,603
Consumer Loans	97,445	8,455	88,990
Credit Cards	49,128	4,263	44,865
<b>Total</b>	<b>2,012,936</b>	<b>303,478</b>	<b>1,709,458</b>

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## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

h) Breakdown of restructured exposures between impaired and not impaired exposures: (continued)

Impaired loans:

Current Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	47,120	28,442	18,678
Consumer Loans	56,711	34,791	21,920
Credit Cards	11,972	9,355	2,617
<b>Total</b>	<b>115,803</b>	<b>72,588</b>	<b>43,215</b>

Prior Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	14,325	11,363	2,962
Consumer Loans	26,861	15,352	11,509
Credit Cards	8,072	5,464	2,608
<b>Total</b>	<b>49,258</b>	<b>32,179</b>	<b>17,079</b>

#### 3.2 Credit Risk Mitigation

##### 3.2.1 Qualitative disclosure requirements related to credit risk mitigation techniques

a) Core features of policies and processes for which the Parent Bank makes on and off-balance sheet netting

The Parent Bank does not perform on and off balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

b) Core features of policies and processes for collateral evaluation and management.

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Parent Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Parent Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).

Guarantor entity's credit risk value is to be considered in credit risk mitigation process in cases where Parent bank credit customers obtained guarantee from other entities.

The Parent Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk concentration risk.

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## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.2 Credit Risk Mitigation (continued)

##### 3.2.2. Credit risk mitigation techniques – Overview

	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures Secured by financial guarantees	Exposures secured by financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
<b>Current period</b>							
1 Loans	53,395,074	10,623,941	9,464,806	4,740,052	3,794,739	-	-
2 Debt Securities	10,440,094	-	-	-	-	-	-
<b>3 Total</b>	<b>63,835,168</b>	<b>10,623,941</b>	<b>9,464,806</b>	<b>4,740,052</b>	<b>3,794,739</b>	-	-
4 Of which defaulted	3,848,545	312,828	221,411	17,479	1,122	-	-
<b>Prior period</b>							
1 Loans	48,045,927	9,664,220	8,690,629	9,163,643	6,601,291	-	-
2 Debt Securities	6,080,057	-	-	-	-	-	-
<b>3 Total</b>	<b>54,125,984</b>	<b>9,664,220</b>	<b>8,690,629</b>	<b>9,163,643</b>	<b>6,601,291</b>	-	-
4 Of which defaulted	2,739,854	89,333	66,566	10,251	948	-	-

#### 3.3 Credit risk under standardized approach

##### 3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period;

The Parent Bank uses Fitch Ratings International Rating Agency's external ratings.

- The risk classes for which each ECAI or ECA is used;

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment Capital Adequacy, and the country risk classification announced by The Organisation for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

- A description of the process used to apply the issuer to issue credit ratings onto other issuer assets in the banking book

A 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and a 50% risk weight is used for receivables with a maturity period of more than three months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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

**XI. Explanations Related to Consolidated Risk Management (Continued)**

**3. Consolidated Credit Risk Disclosure (continued)**

**3.3. Credit risk under standardized approach (continued)**

**3.3.1. Disclosures on banks’ use of credit ratings under the standard approach for credit risk (continued)**

- d) The alignment of the alphanumerical scale of each agency used with risk buckets (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply).

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long- Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

**3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects**

Current Period		Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amounts and risk weighted amounts density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amounts	Risk weighted amounts density
1	Exposures to central governments or central banks	20,818,042	-	22,845,527	445	4,686,792	21%
2	Exposures to regional governments or local authorities	1,247,638	4,566	1,242,201	2,087	622,151	50%
3	Exposures to public sector entities	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	10,662,379	2,235,018	10,564,521	1,718,566	4,337,822	35%
7	Exposures to corporates	23,537,290	18,703,110	22,291,247	11,499,331	32,758,317	97%
8	Retail exposures	29,676,329	15,428,657	27,423,695	3,014,692	22,820,285	75%
9	Exposures secured by residential property	5,473,079	374,142	5,473,079	146,463	1,966,840	35%
10	Exposures secured by commercial real estate	6,506,468	1,174,811	6,236,649	512,230	4,765,201	71%
11	Past-due loans	1,794,846	244,545	1,793,718	77,444	1,691,573	90%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16	Other assets	4,256,650	4,450,531	4,256,647	2,649	1,561,273	37%
17	Investments in equities	132,920	-	132,920	-	132,920	100%
18	<b>Total</b>	<b>104,105,641</b>	<b>42,615,380</b>	<b>102,260,204</b>	<b>16,973,907</b>	<b>75,343,174</b>	<b>63%</b>

**TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES**

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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**XI. Explanations Related to Consolidated Risk Management (Continued)**

**3. Consolidated Credit Risk Disclosures (continued)**

**3.3. Credit risk under standardized approach (continued)**

**3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (continued)**

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted Amounts and Risk weighted amounts density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amounts	Risk weighted amounts density
Asset classes						
1 Exposures to central governments or central banks	20,221,030	-	25,399,521	40,788	3,232,295	13%
2 Exposures to regional governments or local authorities	992,484	6,578	984,538	3,144	494,165	50%
3 Exposures to public sector entities	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-
6 Exposures to institutions	5,934,637	1,366,431	5,589,701	1,551,717	2,335,668	33%
7 Exposures to corporates	27,699,669	20,226,548	25,770,859	12,033,390	37,336,369	99%
8 Retail exposures	27,496,201	12,620,886	22,857,077	2,709,599	19,168,904	75%
9 Exposures secured by residential property	6,067,061	327,662	6,067,062	132,530	2,169,857	35%
10 Exposures secured by commercial real estate	2,558,285	211,302	2,558,285	114,482	1,336,383	50%
11 Past-due loans	1,119,001	205,582	1,118,053	65,022	1,222,582	103%
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-
13 Exposures in the form of covered bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other assets	2,888,926	3,737,224	2,882,536	2,243	781,198	27%
17 Investments in equities	94,290	-	94,290	-	94,290	100%
<b>18 Total</b>	<b>95,071,584</b>	<b>38,702,213</b>	<b>93,321,922</b>	<b>16,652,915</b>	<b>68,171,711</b>	<b>62%</b>

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosures (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.3. Receivables by risk classes and risk weights

Current Period												Total credit risk exposure amount (after CCF and CRM)
Asset Classes / Risk Weights		0%	10%	20%	35%	50% secured by real estate (*)	75%	100%	150%	200%	Others	
1	Exposures to regional governments or local authorities	18,159,180	-	-	-	-	-	4,686,792	-	-	-	22,845,972
2	Exposures to regional governments or local authorities	-	-	-	-	1,244,275	-	13	-	-	-	1,244,288
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	8,783,070	-	1,846,769	-	1,644,098	9,150	-	-	12,283,087
7	Exposures to corporates	-	-	786,893	-	805,495	-	32,198,190	-	-	-	33,790,578
8	Retail exposures	-	-	5,753	-	21,615	30,410,771	248	-	-	-	30,438,387
9	Exposures secured by residential property	-	-	-	5,619,542	-	-	-	-	-	-	5,619,542
10	Exposures secured by commercial real estate	-	-	-	-	3,967,356	-	2,781,523	-	-	-	6,748,879
11	Past-due loans	-	-	-	-	601,830	-	1,026,680	242,652	-	-	1,871,162
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	132,920	-	-	-	132,920
17	Other assets	2,660,399	-	47,027	-	-	-	1,551,870	-	-	-	4,259,296
18	<b>Total</b>	<b>20,819,579</b>	<b>-</b>	<b>9,622,743</b>	<b>5,619,542</b>	<b>8,487,340</b>	<b>30,410,771</b>	<b>44,022,334</b>	<b>251,802</b>	<b>-</b>	<b>-</b>	<b>119,234,111</b>

(\*) The amount shown on the line of "Exposures secured by commercial real estate" is "Exposures secured by real estate" and other amounts shown on this column represented exposures subject to 50% risk weight.

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosures (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.3. Receivables by risk classes and risk weights (continued)

	Prior Period					50%						Total credit risk
	Asset Classes / Risk Weights	0%	10%	20%	35%	secured by real estate (*)	75%	100%	150%	200%	Others	exposure amount (after CCF and CRM)
1	Exposures to regional governments or local authorities	22,208,014	-	-	-	-	-	3,232,295	-	-	-	25,440,309
2	Exposures to regional governments or local authorities	-	-	-	-	987,037	-	645	-	-	-	987,682
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	5,081,786	-	1,484,779	-	570,717	4,136	-	-	7,141,418
7	Exposures to corporates	-	-	160,786	-	678,504	-	36,964,959	-	-	-	37,804,249
8	Retail exposures	-	-	7,903	-	7,021	25,551,752	-	-	-	-	25,566,676
9	Exposures secured by residential property	-	-	-	6,199,592	-	-	-	-	-	-	6,199,592
10	Exposures secured by commercial real estate	-	-	-	-	2,672,767	-	-	-	-	-	2,672,767
11	Past-due loans	-	-	-	-	331,085	-	441,891	410,099	-	-	1,183,075
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	94,290	-	-	-	94,290
17	Other assets	2,066,839	-	45,928	-	-	-	772,012	-	-	-	2,884,779
18	<b>Total</b>	<b>24,274,853</b>	<b>-</b>	<b>5,296,403</b>	<b>6,199,592</b>	<b>6,161,193</b>	<b>25,551,752</b>	<b>42,076,809</b>	<b>414,235</b>	<b>-</b>	<b>-</b>	<b>109,974,837</b>

(\*) The amount shown on the line of "Exposures secured by commercial real estate" is "Exposures secured by real estate" and other amounts shown on this column represented exposures subject to 50% risk weight.

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**XI. Explanations Related to Consolidated Risk Management (Continued)**

**4. Counterparty Credit Risk**

**4.1. Qualitative disclosure related to counterparty credit risk**

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement and that varies according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market volatility, all tables are reviewed without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and The Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data, and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel II portfolios of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.2. Analysis of counterparty credit risk (CCR) exposure by approach

Current Period	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for Computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Assets
Standardized Approach - CCR (For Derivatives)	424,504	567,790		1.4	978,777	807,495
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					20,589	3,653
						<b>811,148</b>

(\*) Effective Expected Positive Exposure

Prior Period	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for Computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Assets
Standardized Approach - CCR (For Derivatives)	749,662	480,953		1.4	1,215,124	953,104
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					11,621	2,970
						<b>956,074</b>

(\*) Effective Expected Positive Exposure

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.3. Credit valuation adjustment (CVA) capital charge

<b>Current Period</b>	<b>Exposure at Default post-Credit Risk Mitigation</b>	<b>Risk Weighted Assets</b>
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	978,777	392,622
<b>Total subject to the CVA capital charge</b>	<b>978,777</b>	<b>392,622</b>

<b>Prior Period</b>	<b>Exposure at Default post-Credit Risk Mitigation</b>	<b>Risk Weighted Assets</b>
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	1,215,124	350,636
<b>Total subject to the CVA capital charge</b>	<b>1,215,124</b>	<b>350,636</b>

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.4 CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weight/ Regulatory portfolio	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure (*)
Claims from central governments and central banks	13,012	-	-	-	-	-	-	-	-	13,012
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from banks and financial intermediaries	-	-	9,946	-	297,308	-	46,481	-	-	353,735
Corporates	-	-	131	-	15,706	-	574,234	-	-	590,071
Retail portfolios	-	-	-	-	-	42,548	-	-	-	42,548
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,012</b>	<b>-</b>	<b>10,077</b>	<b>-</b>	<b>313,014</b>	<b>42,548</b>	<b>620,715</b>	<b>-</b>	<b>-</b>	<b>999,366</b>

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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#### XI. Explanations Related to Consolidated Risk Management (Continued)

##### 4. Counterparty Credit Risk (continued)

##### 4.4 CCR exposures by regulatory portfolio and risk weights (continued)

Prior Period Risk Weight/ Regulatory portfolio	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure (*)
Claims from central governments and central banks	-	-	-	-	-	-	5,601	-	-	5,601
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from banks and financial intermediaries	-	-	9,468	-	515,103	-	-	477	-	525,048
Corporates	-	-	769	-	2,673	-	677,319	-	-	680,761
Retail portfolios	-	-	-	-	-	15,328	7	-	-	15,335
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>10,237</b>	-	<b>517,776</b>	<b>15,328</b>	<b>682,927</b>	<b>477</b>	-	<b>1,226,745</b>

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

**TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES**

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**XI. Explanations Related to Consolidated Risk Management (Continued)**

**4. Counterparty Credit Risk (continued)**

**4.5. Composition of collateral for counterparty credit risk exposure**

	Collateral used in derivative transactions				Collateral used in other transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Current Period</b>						
Cash – domestic currency	-	298	-	-	-	-
Cash – other currencies	-	12,916	-	-	-	-
Domestic sovereign debt	-	74	-	-	-	-
Other sovereign debt	-	229	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	<b>13,517</b>	-	-	-	-
	Collateral used in derivative transactions				Collateral used in other transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Prior Period</b>						
Cash – domestic currency	-	1,642	-	-	-	-
Cash – other currencies	-	13,849	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	<b>15,491</b>	-	-	-	-

**4.6. Credit derivatives exposures**

	Current Period		Prior Period	
	Protection bought	Protection sold	Protection bought	Protection sold
<b>Nominal</b>				
Single-name credit default swaps	-	-	105,480	-
Index credit default swaps	-	-	-	-
Total return swaps	-	-	-	-
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
<b>Total Nationals</b>	-	-	<b>105,480</b>	-
<b>Fair Values</b>			<b>(5,875)</b>	
Positive fair value (asset)	-	-	390	-
Negative fair value (liability)	-	-	(6,265)	-

**4.7. Exposures to central counterparties**

None.

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
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**XI. Explanations Related to Consolidated Risk Management (Continued)**

**5. Securitization Disclosures**

Since the Parent Bank does not hold securitization position, the notes to be presented according to the Communiqué on Disclosures about Risk Management to be announced to Public by Banks have not been presented.

**6. Market Risk Disclosures**

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitisation positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to be announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. The notes to be presented on annually basis according to Communiqué have not been presented due to usage of standard approach for the calculation of market risk by the Group.

**6.1. Qualitative disclosure requirements related to market risk**

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and budgeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Parent Bank’s assets, liabilities and off balance sheet items values. The Parent Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Parent Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents value of the Bank’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted.

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### XI. Explanations Related to Consolidated Risk Management (Continued)

##### 6. Market Risk Disclosures (continued)

###### 6.1. Qualitative disclosure requirements related to market risk

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, VAR (value at risk) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product based cash flows are formed, repricing, maturity and product based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All limit and risk positions are represented to Audit Committee and to The Board of Directors.

###### 6.2. Standardized Approach

Current Period		RWA
Outright products		
1	Interest rate risk (general and specific)	1,437,126
2	Equity risk (general and specific))	-
3	Foreign exchange risk	71,084
4	Commodity risk	107,119
Options		
5	Simplified approach	-
6	Delta-plus method	22,588
7	Scenario approach	-
8	Securitization	-
9	<b>Total</b>	<b>1,637,917</b>
Prior Period		RWA
Outright products		
1	Interest rate risk (general and specific)	634,338
2	Equity risk (general and specific))	-
3	Foreign exchange risk	55,124
4	Commodity risk	12,000
Options		
5	Simplified approach	-
6	Delta-plus method	23,438
7	Scenario approach	-
8	Securitization	-
9	<b>Total</b>	<b>724,900</b>

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### XI. Explanations Related to Consolidated Risk Management (Continued)

##### 7. Explanations Related to the Consolidated Operational Risk

- Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed monthly.
- In case of application of the basic indicator approach the following:

	31.12.2016	31.12.2017	31.12.2018	Total/Positive Year	Rate (%)	Total
Gross Income	4,222,997	4,275,468	5,363,915	4,620,793	15	693,119
Operational Risk Capital Requirement (Total*12,5)						8,663,988

	31.12.2015	31.12.2016	31.12.2017	Total/Positive Year	Rate (%)	Total
Gross Income	3,709,942	4,222,997	4,275,468	4,069,469	15	610,420
Operational Risk Capital Requirement (Total*12,5)						7,630,255

- The Group does not use the standard method.
- The Group does not use any alternative approach in standard method.
- The Group does not use Advanced Measurement Approach.

##### 8. Explanations Related to Remuneration Policy in Banks

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees' collective and individual success.

An annual performance bonus is determined based on the Bank's profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA's Communiqué on Corporate Management of Banks and Guidance on Good Remuneration Practices in Banks, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank's activities, long-term targets, and the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the human resources, financial affairs, risk, compliance, and internal control groups. The remuneration policy is reviewed and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### SECTION FIVE

#### EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

##### I. Explanations and Disclosures Related to the Consolidated 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	410,345	2,031,625	442,449	1,564,017
Balances with the Central Bank of Turkey	305,709	8,942,832	1,516,100	12,032,184
Other	-	265,460	-	106,302
<b>Total</b>	<b>716,054</b>	<b>11,239,917</b>	<b>1,958,549</b>	<b>13,702,503</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	297,130	-	1,478,914	-
Unrestricted Time Deposit	-	3,932,318	-	5,243,049
Restricted Time Deposit	8,579	5,010,514	37,186	6,789,135
<b>Total</b>	<b>305,709</b>	<b>8,942,832</b>	<b>1,516,100</b>	<b>12,032,184</b>

Foreign currency unrestricted deposit amounting to TL 3,932,318 (31 December 2018: TL 5,243,049), foreign currency restricted deposit amounting to TL 5,010,514 (31 December 2018: TL 6,789,135), unrestricted deposit balance amounting to TL 297,130 (31 December 2018: TL 1,478,914) and restricted deposit amounting to TL 8,579 (31 December 2018: TL 37,186) comprises of reserve deposits. As of 31 December 2019, the Turkish lira required reserve ratios are determined to be within the range of 1%-2% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2018: 1,5%-8%), and the required reserve ratios for foreign currency deposits and other liabilities within the range of 5%-21% (31 December 2018: 4%-20%).

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

- a.1) Information on financial assets at fair value through profit or loss given as collateral / blocked: None (31 December 2018: None).
- a.2) Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2018: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 1,167,994 (31 December 2018: TL 527,894).

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	144,959	9,474	458,840	10,370
Swap Transactions	1,302,918	179,827	1,812,153	186,750
Futures Transactions	-	-	-	-
Options	25,918	6,946	129,526	12,730
Other	-	-	-	390
<b>Total</b>	<b>1,473,795</b>	<b>196,247</b>	<b>2,400,519</b>	<b>210,240</b>

#### 4. Information on banks:

##### a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	1,031,578	185,445	801,550	21,467
Foreign Banks	55,635	7,303,396	82,122	3,039,293
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>1,087,213</b>	<b>7,488,841</b>	<b>883,672</b>	<b>3,060,760</b>

##### b) Information on foreign banks:

	Unrestricted Amount	Restricted Amount	Unrestricted Amount	Restricted Amount
	Current Period	Current Period	Prior Period	Prior Period
EU Countries	5,954,481	-	2,590,068	-
USA and Canada	211,172	-	43,364	-
OECD Countries(*)	739,820	-	59,582	-
Off-Shore Banking Regions	446,599	-	383,071	-
Other	6,959	-	45,330	-
<b>Total</b>	<b>7,359,031</b>	<b>-</b>	<b>3,121,415</b>	<b>-</b>

(\*) OECD members excluding EU countries, USA and Canada.

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

##### a) 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	333,201	-	266,235	-
Other	-	-	-	-
<b>Total</b>	<b>333,201</b>	<b>-</b>	<b>266,235</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	77,088	-	64,511	-
Treasury Bills	-	-	-	-
Other Government Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>77,088</b>	<b>-</b>	<b>64,511</b>	<b>-</b>

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 5,131,082 (31 December 2018: TL 2,962,101).

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated 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	5,533,476	3,287,237
Quoted on a Stock Exchange	5,512,862	3,267,201
Unquoted	20,614	20,036
Equity Securities	7,895	5,610
Quoted on a Stock Exchange	-	-
Unquoted	7,895	5,610
Impairment Provision (-)	-	-
<b>Total</b>	<b>5,541,371</b>	<b>3,292,847</b>

#### 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 Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans Granted to Shareholders	1,596	182,856	19,520	260,569
Corporate Shareholders	1,596	182,856	19,520	260,569
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	139,703	-	108,259	-
<b>Total</b>	<b>141,299</b>	<b>182,856</b>	<b>127,779</b>	<b>260,569</b>

b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

		Loans and Other Receivables under Close Monitoring		
		Restructured		
Cash Loans	Standard Loans	Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinanced
Non-specialized loans	56,048,518	6,737,716	173,945	1,952,721
Working Capital Loans	3,684,645	980,501	32,544	760,873
Export Loans	6,394,926	295,101	31,772	115,963
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,329,532	-	-	-
Consumer Loans	14,593,587	2,474,537	3,949	133,712
Credit Cards	4,026,952	652,669	61,116	-
Other	25,018,876	2,334,908	44,564	942,173
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>56,048,518</b>	<b>6,737,716</b>	<b>173,945</b>	<b>1,952,721</b>

**TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES****NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

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

**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)****6. Information on loans: (continued)**

- b) Information on the first and second group loans and other receivables including restructured or rescheduled loans: (continued)

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Loss	394,194	-	355,390	-
Significant increase in Credit Risk	-	894,153	-	836,214
<b>Total</b>	<b>394,194</b>	<b>894,153</b>	<b>355,390</b>	<b>836,214</b>

- c) Distribution of cash loans by maturity structure

	Standard Loans	Loans Under Close Monitoring	
		Loans not subject to Restructuring	Restructured
Short-term loans	25,158,442	1,719,581	350,218
Medium and long-term loans	30,890,076	5,018,135	1,776,448
<b>Total</b>	<b>56,048,518</b>	<b>6,737,716</b>	<b>2,126,666</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

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

Current Period	Short Term	Medium and Long Term	Total
<b>Consumer Loans-TL</b>	<b>567,813</b>	<b>15,880,140</b>	<b>16,447,953</b>
Housing Loans	3,287	5,334,276	5,337,563
Vehicle Loans	18,385	422,741	441,126
General Purpose Loans	546,141	10,123,123	10,669,264
Other	-	-	-
<b>Consumer Loans -Indexed to FC</b>	<b>-</b>	<b>18,308</b>	<b>18,308</b>
Housing Loans	-	18,308	18,308
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>-</b>	<b>27,949</b>	<b>27,949</b>
Housing Loans	-	6,031	6,031
Vehicle Loans	-	3,655	3,655
General Purpose Loans	-	18,263	18,263
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>3,135,899</b>	<b>54,120</b>	<b>3,190,019</b>
With Instalments	1,012,747	54,120	1,066,867
Without Instalments	2,123,152	-	2,123,152
<b>Individual Credit Cards-FC</b>	<b>11,775</b>	<b>-</b>	<b>11,775</b>
With Instalments	-	-	-
Without Instalments	11,775	-	11,775
<b>Personnel Loans-TL</b>	<b>13,520</b>	<b>89,484</b>	<b>103,004</b>
Housing Loans	-	517	517
Vehicle Loans	-	-	-
General Purpose Loans	13,520	88,967	102,487
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>31,920</b>	<b>-</b>	<b>31,920</b>
With Instalments	10,293	-	10,293
Without Instalments	21,627	-	21,627
<b>Personnel Credit Cards-FC</b>	<b>393</b>	<b>-</b>	<b>393</b>
With Instalments	-	-	-
Without Instalments	393	-	393
<b>Overdraft Accounts-TL(Real Persons) (*)</b>	<b>608,567</b>	<b>-</b>	<b>608,567</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b>Total</b>	<b>4,369,891</b>	<b>16,070,001</b>	<b>20,439,892</b>

(\*) Overdraft accounts include personnel loans amounting to TL 4,386.

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

#### 6. Information on loans: (continued)

- d) 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
<b>Consumer Loans-TL</b>	<b>368,621</b>	<b>12,344,890</b>	<b>12,713,511</b>
Housing Loans	1,514	5,971,254	5,972,768
Vehicle Loans	8,649	403,124	411,773
General Purpose Loans	358,458	5,970,512	6,328,970
Other	-	-	-
<b>Consumer Loans -Indexed to FC</b>	<b>-</b>	<b>21,184</b>	<b>21,184</b>
Housing Loans	-	21,172	21,172
Vehicle Loans	-	-	-
General Purpose Loans	-	12	12
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>12</b>	<b>36,064</b>	<b>36,076</b>
Housing Loans	-	6,992	6,992
Vehicle Loans	-	6,639	6,639
General Purpose Loans	12	22,433	22,445
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>2,681,027</b>	<b>43,729</b>	<b>2,724,756</b>
With Instalments	807,930	43,729	851,659
Without Instalments	1,873,097	-	1,873,097
<b>Individual Credit Cards-FC</b>	<b>9,541</b>	<b>-</b>	<b>9,541</b>
With Instalments	-	-	-
Without Instalments	9,541	-	9,541
<b>Personnel Loans-TL</b>	<b>7,220</b>	<b>62,445</b>	<b>69,665</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	7,220	62,445	69,665
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>32,513</b>	<b>82</b>	<b>32,595</b>
With Instalments	10,064	82	10,146
Without Instalments	22,449	-	22,449
<b>Personnel Credit Cards-FC</b>	<b>168</b>	<b>-</b>	<b>168</b>
With Instalments	-	-	-
Without Instalments	168	-	168
<b>Overdraft Accounts-TL(Real Persons) (*)</b>	<b>483,742</b>	<b>-</b>	<b>483,742</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	<b>3,688</b>	<b>-</b>	<b>3,688</b>
<b>Total</b>	<b>3,586,532</b>	<b>12,508,394</b>	<b>16,094,926</b>

(\*) Overdraft accounts include personnel loans amounting to TL 5,831.

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

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

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

Current Period	Short Term	Medium and Long Term	Total
<b>Commercial Loans with Instalment -TL</b>	<b>1,006,177</b>	<b>9,781,970</b>	<b>10,788,147</b>
Business Loans	1,000	170,690	171,690
Vehicle Loans	26,836	682,638	709,474
General Purpose Loans	978,341	8,928,642	9,906,983
Other	-	-	-
<b>Commercial Loans with Instalment - Indexed to FC</b>	<b>-</b>	<b>331,604</b>	<b>331,604</b>
Business Loans	-	5,899	5,899
Vehicle Loans	-	83,943	83,943
General Purpose Loans	-	241,762	241,762
Other	-	-	-
<b>Commercial Loans with Instalment - FC</b>	<b>478</b>	<b>-</b>	<b>478</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	478	-	478
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>1,504,191</b>	<b>-</b>	<b>1,504,191</b>
With Instalments	385,150	-	385,150
Without Instalments	1,119,041	-	1,119,041
<b>Corporate Credit Cards-FC</b>	<b>2,439</b>	<b>-</b>	<b>2,439</b>
With Instalments	-	-	-
Without Instalments	2,439	-	2,439
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>849,525</b>	<b>-</b>	<b>849,525</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,362,810</b>	<b>10,113,574</b>	<b>13,476,384</b>

Prior Period	Short Term	Medium and Long Term	Total
<b>Commercial Loans with Instalment -TL</b>	<b>762,278</b>	<b>10,663,963</b>	<b>11,426,241</b>
Business Loans	97	254,815	254,912
Vehicle Loans	34,312	614,286	648,598
General Purpose Loans	727,869	9,794,862	10,522,731
Other	-	-	-
<b>Commercial Loans with Instalment - Indexed to FC</b>	<b>4,407</b>	<b>740,855</b>	<b>745,262</b>
Business Loans	2,031	10,297	12,328
Vehicle Loans	48	236,460	236,508
General Purpose Loans	2,328	494,098	496,426
Other	-	-	-
<b>Commercial Loans with Instalment - FC</b>	<b>236</b>	<b>-</b>	<b>236</b>
Business Loans	-	-	-
Vehicle Loans	3	-	3
General Purpose Loans	233	-	233
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>1,488,228</b>	<b>-</b>	<b>1,488,228</b>
With Instalments	389,791	-	389,791
Without Instalments	1,098,437	-	1,098,437
<b>Corporate Credit Cards-FC</b>	<b>2,289</b>	<b>-</b>	<b>2,289</b>
With Instalments	-	-	-
Without Instalments	2,289	-	2,289
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>1,277,559</b>	<b>-</b>	<b>1,277,559</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,534,997</b>	<b>11,404,818</b>	<b>14,939,815</b>

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

##### 6. Information on loans: (continued)

f) Allocation of loans by customers:

	Current Period	Prior Period
Public	2,096,489	1,047,745
Private	62,816,411	63,059,059
<b>Total</b>	<b>64,912,900</b>	<b>64,106,804</b>

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	64,365,150	63,151,889
Foreign Loans	547,750	954,915
<b>Total</b>	<b>64,912,900</b>	<b>64,106,804</b>

h) Loans granted to subsidiaries and associates:

Eliminated in consolidated financial statements.

i) i.1) Specific or non-performing loan (Stage 3) provisions for loans:

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	349,033	329,331
Loans and Receivables with Doubtful Collectability	572,537	342,439
Uncollectible Loans and Receivables	1,430,975	986,410
<b>Total</b>	<b>2,352,545</b>	<b>1,658,180</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

j) Information on loans under follow-up (Net):

j.1) Information on loans and other receivables included in loans under follow-up which are restructured or reschedule:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectable Loans and Receivables
<b>Current Period</b>			
Gross Amounts before Provisions	55,867	41,008	18,928
Restructured Loans	55,867	41,008	18,928
<b>Prior Period</b>			
Restructured Loans and Other Receivables	26,606	15,968	6,684
Rescheduled Loans and Other Receivables	26,606	15,968	6,684

j.2) The movement of loans under follow-up:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectable Loans and Receivables
<b>Current Period</b>			
<b>Prior Period End Balance</b>	<b>699,709</b>	<b>670,305</b>	<b>1,404,730</b>
Additions (+)	2,580,464	84,813	397,535
Transfers from Other Categories of Loans under Follow-up (+)	-	2,386,370	1,633,666
Transfers to Other Categories of Loans under Follow-up (-)	2,386,370	1,633,666	-
Collections (-)	269,325	332,692	448,763
Write-offs (-)	4	18	172,208
Sold Portfolio (-) (*)	153	6,118	461,369
Corporate and Commercial Loans	113	5,598	284,602
Retail Loans	-	42	91,071
Credit Cards	40	478	85,696
Other	-	-	-
<b>Current Period End Balance</b>	<b>624,321</b>	<b>1,168,994</b>	<b>2,353,591</b>
Provision (-)	349,033	572,537	1,430,975
<b>Net Balances on Balance Sheet</b>	<b>275,288</b>	<b>596,457</b>	<b>922,616</b>

(\*) Past due receivables amounting to TL 467,640 for which TL 450,294 of provision had been allocated, is sold for TL 26,363 during 2019. After all sales procedures were completed, these past due receivables have been written off from the portfolio.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

j.3) Information on foreign currency loans under follow-up:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectable Loans and Receivables
<b>31 December 2019</b>			
Current Period End Balance	40,984	76,556	153,192
Provision (-)	22,125	42,944	121,969
<b>Net Balance on Balance Sheet</b>	<b>18,859</b>	<b>33,612</b>	<b>31,223</b>
<b>31 December 2018</b>			
Prior Period End Balance	21,749	30,099	228,009
Specific Provision (-)	14,989	12,713	198,615
<b>Net Balance on Balance Sheet</b>	<b>6,760</b>	<b>17,386</b>	<b>29,394</b>

j.4) Information regarding gross and net amounts of loans under follow-up with respect to user groups:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectable Loans and Receivables
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	624,321	1,168,994	2,353,591
Provision (-)	349,033	572,537	1,430,975
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>275,288</b>	<b>596,457</b>	<b>922,616</b>
Banks (Gross)			
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	699,709	670,305	1,404,730
Specific Provision (-)	329,331	342,439	986,410
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>370,378</b>	<b>327,866</b>	<b>418,320</b>
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

#### 6. Information on loans: (continued)

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

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Current Period(Net)</b>	<b>18,822</b>	<b>77,767</b>	<b>229,640</b>
Interest Accruals, Rediscounts and Valuation Differences	76,914	175,092	394,218
Provision Amount (-)	58,092	97,325	164,578
<b>Prior Period (Net)</b>	<b>13,322</b>	<b>18,468</b>	<b>5,838</b>
Interest Accruals, Rediscounts and Valuation Differences	70,640	102,720	97,595
Provision Amount (-)	57,318	84,252	91,757

- k) Main principles of liquidating loans under follow-up and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated 1 November 2006 with the amendments No.29918 and dated 14 December 2016; loans and other receivables for which the collection is believed to be impossible are classified as loans under follow-up by complying with the requirements of the Tax Procedural Law in accordance with the decision of the upper management of the Bank.

- l) 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 Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criterias. And the following write-off criterias are considered:

- Limited possibility of recovery: Loans with low collateralization rates, limited collateral capability, limited assets that provide foreclosure collection opportunities, loans with higher collection costs and lower collection expectations are evaluated,
- Financial indicators: Financial indicators regarding the inability to recover the entire loan 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 form registered loans:

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

The amount written-off by the Parent Bank within the scope of TFRS 9 during the financial period is TL 171,832 (31 December 2018: None) and its effect on NPL ratio is 0.23%. The follow-up conversion rate is 5.99% with the current period non-performing loans after write-offs, while the calculated rate including the loans written-off during the year is 6.22%.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

m) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Other	Total
Standard Loans	37,427,979	14,593,587	4,026,952	-	56,048,518
Close Monitoring Loans	5,538,399	2,612,198	713,785	-	8,864,382
Loans Under Follow-Up	3,617,237	398,230	131,439	-	4,146,906
<b>Total</b>	<b>46,583,615</b>	<b>17,604,015</b>	<b>4,872,176</b>	<b>-</b>	<b>69,059,806</b>
12 month expected credit loss (Stage I)(-)	192,135	144,831	57,228	-	394,194
Significant increase in credit risk (Stage II)(-)	686,025	161,159	46,969	-	894,153
Default (Stage III)(-)	2,009,282	250,895	92,368	-	2,352,545
<b>Total</b>	<b>2,887,442</b>	<b>556,885</b>	<b>196,565</b>	<b>-</b>	<b>3,640,892</b>
<b>Net credit balance on balance sheet</b>	<b>43,696,173</b>	<b>17,047,130</b>	<b>4,675,611</b>	<b>-</b>	<b>65,418,914</b>

Prior Period	Commercial	Consumer	Credit Cards	Other	Total
Standard Loans	39,725,802	10,568,447	3,492,684	130,893	53,917,826
Close Monitoring Loans	6,664,666	2,759,419	764,893	-	10,188,978
Loans Under Follow-Up	1,207,174	1,395,223	172,347	-	2,774,744
<b>Total</b>	<b>47,597,642</b>	<b>14,723,089</b>	<b>4,429,924</b>	<b>130,893</b>	<b>66,881,548</b>
12 month expected credit loss (Stage I)(-)	218,413	85,416	51,561	-	355,390
Significant increase in credit risk (Stage II)(-)	634,220	149,047	52,947	-	836,214
Default (Stage III)(-)	760,528	769,345	128,307	-	1,658,180
<b>Total</b>	<b>1,613,161</b>	<b>1,003,808</b>	<b>232,815</b>	<b>-</b>	<b>2,849,784</b>
<b>Net credit balance on balance sheet</b>	<b>45,984,481</b>	<b>13,719,281</b>	<b>4,197,109</b>	<b>130,893</b>	<b>64,031,764</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

The following is a reclassification of provision for impairment on loans by stage;

#### Current Period

Commercial	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2018	218,413	634,220	760,528	1,613,161
Transfers;				
- Stage 1 to Stage 2	(19,564)	104,626	-	85,062
- Stage 1 to Stage 3	(5,387)	-	169,762	164,375
- Stage 2 to Stage 3	-	(82,960)	378,714	295,754
- Stage 2 to Stage 1	2,817	(17,869)	-	(15,052)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	117,210	243,941	1,388,936	1,750,087
Collections	(127,005)	(224,291)	(236,201)	(587,497)
Sold Portfolio	-	-	(282,227)	(282,227)
Write-offs	-	-	(171,832)	(171,832)
Currency differences	5,651	28,358	1,602	35,611
<b>Total expected credit losses 31 December 2019</b>	<b>192,135</b>	<b>686,025</b>	<b>2,009,282</b>	<b>2,887,442</b>

#### Prior Period

Commercial	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2017	230,885	43,711	632,158	906,754
TFRS 9 transition effect	(36,347)	450,918	(18,231)	396,340
Transfers;				
- Stage 1 to Stage 2	(24,754)	151,248	-	126,494
- Stage 1 to Stage 3	(11,368)	-	500,864	489,496
- Stage 2 to Stage 3	-	(96,204)	385,882	289,678
- Stage 2 to Stage 1	17,600	(46,301)	-	(28,701)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	124,318	230,005	(338,461)	15,862
Collections	(81,921)	(99,157)	(43,819)	(224,897)
Sold Portfolio	-	-	(361,058)	(361,058)
Currency differences	-	-	3,193	3,193
<b>Total expected credit losses 31 December 2018</b>	<b>218,413</b>	<b>634,220</b>	<b>760,528</b>	<b>1,613,161</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

#### Current Period

Consumer	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non- performing loans (Stage 3)	Total
31 December 2018	85,416	149,047	769,345	1,003,808
Transfers;				
- Stage 1 to Stage 2	(7,719)	37,698	-	29,979
- Stage 1 to Stage 3	(2,701)	-	54,025	51,324
- Stage 2 to Stage 3	-	(13,970)	74,977	61,007
- Stage 2 to Stage 1	4,716	(28,485)	-	(23,769)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	91,331	52,767	(555,612)	(411,514)
Collections	(26,212)	(35,898)	(6,672)	(68,782)
Sold Portfolio	-	-	(85,168)	(85,168)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2019</b>	<b>144,831</b>	<b>161,159</b>	<b>250,895</b>	<b>556,885</b>

#### Prior Period

Consumer	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2017	182,562	19,386	527,953	729,901
TFRS 9 transition effect	(144,411)	100,100	38,155	(6,156)
Transfers;				
- Stage 1 to Stage 2	(6,035)	46,437	-	40,402
- Stage 1 to Stage 3	(1,875)	-	82,465	80,590
- Stage 2 to Stage 3	-	(7,047)	71,777	64,730
- Stage 2 to Stage 1	8,175	(39,428)	-	(31,253)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	55,028	51,262	119,984	226,274
Collections	(8,028)	(21,663)	(11,284)	(40,975)
Sold Portfolio	-	-	(59,705)	(59,705)
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2018</b>	<b>85,416</b>	<b>149,047</b>	<b>769,345</b>	<b>1,003,808</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

#### Current Period

Credit Cards	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2018	51,561	52,947	128,307	232,815
Transfers;				
- Stage 1 to Stage 2	(5,389)	27,657	-	22,268
- Stage 1 to Stage 3	(2,850)	-	71,316	68,466
- Stage 2 to Stage 3	-	(7,962)	67,091	59,129
- Stage 2 to Stage 1	7,383	(17,452)	-	(10,069)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	13,240	3,035	(91,447)	(75,172)
Collections	(6,717)	(11,256)	-	(17,973)
Sold Portfolio	-	-	(82,899)	(82,899)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2019</b>	<b>57,228</b>	<b>46,969</b>	<b>92,368</b>	<b>196,565</b>

#### Prior Period

Credit Cards	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2017	47,714	3,258	82,700	133,672
TFRS 9 transition effect	(6,092)	26,142	5,823	25,873
Transfers;				
- Stage 1 to Stage 2	(6,304)	31,837	-	25,533
- Stage 1 to Stage 3	(732)	-	39,448	38,716
- Stage 2 to Stage 3	-	(1,302)	17,590	16,288
- Stage 2 to Stage 1	5,922	(11,082)	-	(5,160)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	15,536	11,413	45,601	72,550
Collections	(4,483)	(7,319)	-	(11,802)
Sold Portfolio	-	-	(62,855)	(62,855)
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2018</b>	<b>51,561</b>	<b>52,947</b>	<b>128,307</b>	<b>232,815</b>

(\*) TL 467,640 of the Parent Bank's non-performing loan portfolio for which TL 450,294 of provision held were sold for TL 26,363 in 2019. After completing all necessary procedures, sales fees has been collected and the related non-performing loans excluded from the records. TL 171,832 of the Parent Bank's non-performing loans is written off.

(\*\*) TL 500,538 of the Parent Bank's non-performing loan portfolio for which TL 483,618 of provision held were sold for TL 24,061 in 2018. After completing all necessary procedures, sales fees has been collected and the related non-performing loans excluded from the records.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

The fair value of collaterals, capped with the respective outstanding loan balance, which is hold relating to loans individually determined to be impaired at 31 December 2019 is TL 2,272,171 (31 December 2018: TL 1,365,215).

**The fair value of collaterals, capped with the respective outstanding loan balance relating to loans individually determined to be impaired:**

	Current Period	Prior Period
Mortgage	1,595,390	952,032
Vehicle	161,143	173,263
Cash	1,068	500
Other(*)	514,570	239,420
<b>Total</b>	<b>2,272,171</b>	<b>1,365,215</b>

(\*) Includes guarantees from Treasury and Credit Guarantee Fund amounting to TL 514,570 (31 December 2018: TL 239,407).

The fair value of collaterals, capped with the respective outstanding loan balance, that the Group holds relating to loans individually determined not to be impaired at 31 December 2019 is TL 1,204,818 (31 December 2018: TL 3,107,199).

**Fair value of collaterals, capped with the respective outstanding loan balance under close monitoring:**

	Current Period	Prior Period
Mortgage	2,741,280	2,071,083
Vehicle	304,501	381,068
Cash, Government Bonds	265,836	98,298
Other	94,968	937,818
<b>Total</b>	<b>3,406,585</b>	<b>3,488,267</b>

As of 31 December 2019 and 31 December 2018, detail of commodities and properties held for sale related to loan receivables of the Parent Bank is as follows:

31 December 2019	Commercial	Consumer	Total
Residential, commercial or industrial property	123,326	8,036	131,362
Other	-	-	-
<b>Total</b>	<b>123,326</b>	<b>8,036</b>	<b>131,362</b>
31 December 2018	Commercial	Consumer	Total
Residential, commercial or industrial property	103,828	5,197	109,025
Other	79	-	79
<b>Total</b>	<b>103,907</b>	<b>5,197</b>	<b>109,104</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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

- a) a.1) Information on financial assets subject to repurchase agreements and those given as collateral/blocked.

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	1,194,716	405,580	-	-
<b>Total</b>	<b>1,194,716</b>	<b>405,580</b>	<b>-</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	1,978,084	-	480,116	-
Other	-	-	-	-
<b>Total</b>	<b>1,978,084</b>	<b>-</b>	<b>480,116</b>	<b>-</b>

Unrestricted financial assets at amortized cost amounting to TL 1,328,238 (31 December 2018: TL 2,311,964).

- a.3) Information on government debt securities measured at amortized cost:

	Current Period	Prior Period
Government Bonds	4,906,618	2,792,080
Treasury Bills	-	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>4,906,618</b>	<b>2,792,080</b>

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

	Current Period	Prior Period
Debt Securities	4,906,618	2,792,080
Quoted on a Stock Exchange	4,906,618	2,792,080
Unquoted	-	-
Impairment Provision(-)	-	-
<b>Total</b>	<b>4,906,618</b>	<b>2,792,080</b>

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#### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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

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

	Current Period	Prior Period
Beginning Balance	2,792,080	401,854
Foreign Currency Differences on Monetary Assets	-	-
Purchases during the Year (*)(**)(***)	2,114,538	2,682,111
Disposals Through Sales and Redemptions	-	(291,885)
Impairment Provision (-)	-	-
<b>Closing Balance</b>	<b>4,906,618</b>	<b>2,792,080</b>

(\*) In the current period, the securities portfolio of the Chief Investment Office were transferred to the Asset-Liability Management and Treasury Group due to the change in the business model of the Parent Bank management. During this transition, securities held as “Financial Assets at Fair Value through Other Comprehensive Income” amounting to TL 291,603 were classified as “Financial Assets Measured at Amortized Cost”. After this reclassification, the valuation difference amounting to TL 20,141 has been reversed from equity.

(\*\*) Includes rediscount amounts.

(\*\*\*) The Parent Bank has reviewed the marketable securities management model in the prior period in accordance with TFRS 9 and valued securities that are previously classified as available for sale and amounting to TL 1,969,425 which are measured at fair value, are valued at amortized cost, due to the collection of cash flows of the appropriate management model.

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

- a.1) Information on consolidated associates according to Communiqué on Preparing Banks’ Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2018: None).
- a.2) Information on the unconsolidated associates: None (31 December 2018: None).
- a.3) Information on the consolidated associates: None (31 December 2018: None).
- a.4) Valuation of consolidated associates: None (31 December 2018: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2018: None).

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### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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

##### a) Information on shareholders’ equity of significant subsidiaries:

	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	30,000	28,794	6,860
Reserves	81,570	45,609	6,780
Net income for the period and prior period income	50,423	56,615	7,259
Income/ Loss recognized under equity in accordance with TAS	-	-	(116)
Leasehold Improvements on Operational Leases (-)	286	171	-
Goodwill and intangible asset and the related deferred tax liability (-)	2,613	2,544	389
<b>Total Common Equity Tier 1 Capital</b>	<b>159,094</b>	<b>128,303</b>	<b>20,394</b>
General Provision	3,439	-	-
<b>Total Equity</b>	<b>162,533</b>	<b>128,303</b>	<b>20,394</b>

The Parent Bank has no capital requirements arising from its subsidiaries included in the Consolidated Capital Adequacy Standard Ratio.

b) If there is any unconsolidated subsidiary, total equity amount that is lack of subsection to the reasonable justifications of non-consolidate and minimum capital requirements: None (31 December 2018: None).

c) Information on the unconsolidated subsidiaries: None (31 December 2018: None).

d) Information on the consolidated subsidiaries:

##### d.1) Information on the consolidated subsidiaries:

	Address (City/Country)	Group’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	100.00
3	TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	54.74
			45.26

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

	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss (*)	Fair Value
1	2,084,042	161,993	2,483	219,469	-	39,385	35,992	-
2	175,654	131,018	3,252	41,739	-	31,755	31,424	-
3	26,749	20,783	1,301	3,561	157	4,917	3,698	-

(\*) These figures are shown per BRSA financial statements as of 31 December 2018.

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

#### I. Explanations and Disclosures Related to the Consolidated 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	124,424	122,918
Movements during the Period	494	1,506
Purchases	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase / (Decrease)	494	1,506
Impairment Provisions	-	-
<b>Balance at the End of the Period</b>	<b>124,918</b>	<b>124,424</b>
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/TEB Faktoring A.Ş.	43,417	43,417
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries/TEB Yatırım Menkul Değerler A.Ş.	74,941	74,447
TEB Portföy Yönetimi A.Ş.	6,560	6,560
<b>Total</b>	<b>124,918</b>	<b>124,424</b>

The carrying amounts of the subsidiaries above have been eliminated in the consolidated financial statements.

###### d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2018: None).

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 10. Information 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 Parent 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	82,142	55,477	12,367	209,770	(175,403)

- b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated parent bank's financial statements.

The Parent 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.

#### 11. Information on financial lease receivables (Net): None (31 December 2018: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	7,024	14,112	-	-
Cash Flow Hedge	219,494	877	502,479	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>226,518</b>	<b>14,989</b>	<b>502,479</b>	<b>-</b>

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

According to cash flow hedges terminated by the Parent Bank, accumulated valuation differences as of 31 December 2019 amounted TL 20,286 (31 December 2018: TL 24,658) is recorded under equity and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

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

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 13. Information on tangible assets:

	31 December 2018	TFRS 16 Transition effect 1 January 2019	Additions	Disposals	Other	31 December 2019
Cost:						
Real Estate	113,912	-	525	(4,738)	12	109,711
Right of Use	-	924,129	144,075	(44,241)	(366)	1,023,597
Furniture, Furnishings, Office Machines and Other Securities	803,512	-	135,832	(46,735)	207	892,816
<b>Total Cost</b>	<b>917,424</b>	<b>924,129</b>	<b>280,432</b>	<b>(95,714)</b>	<b>(147)</b>	<b>2,026,124</b>
		TFRS 16 Transition effect 1 January 2019				
	31 December 2018	1 January 2019	Period Charge	Disposals	Other	31 December 2019
Accumulated Depreciation:						
Real Estate	50,819	-	4,103	(3,120)	-	51,802
Right of Use	-	383,630	142,503	(44,241)	(114)	481,778
Furniture, Furnishing and Office Machines and Other Securities	571,424	-	82,092	(46,013)	223	607,726
<b>Total Accumulated Depreciation</b>	<b>622,243</b>	<b>383,630</b>	<b>228,698</b>	<b>(93,374)</b>	<b>109</b>	<b>1,141,306</b>
<b>Net Book Value</b>	<b>295,181</b>					<b>884,818</b>

- a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None. .

#### 14. Information on intangible assets:

	31 December 2018	Additions	Disposals	Other	31 December 2019
Cost:					
Other intangible assets	385,357	101,286	(553)	658	486,748
<b>Total Cost</b>	<b>385,357</b>	<b>101,286</b>	<b>(553)</b>	<b>658</b>	<b>486,748</b>
	31 December 2018	Period Charge	Disposals	Other	31 December 2019
Accumulated Depreciation:					
Other intangible assets	273,886	72,141	(214)	627	346,440
<b>Total Accumulated Depreciation</b>	<b>273,886</b>	<b>72,141</b>	<b>(214)</b>	<b>627</b>	<b>346,440</b>
<b>Net Book Value</b>	<b>111,471</b>				<b>140,308</b>

- a) Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.
- d) The book value of intangible fixed assets that are pledged or restricted for use: None.

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#### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

##### 14. Information on intangible assets: (continued)

- e) Amount of purchase commitments for intangible fixed assets: None.
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: None.
- i) Information on goodwill:

Following announcement of the BRSA approval dated 10 February 2011 at the Official Gazette dated 12 February 2011 and numbered 27844, merger of two banks by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated 14 February 2011 to İstanbul Trade Registry. Registered shares to be issued were distributed to the shareholders of Fortis Bank A.Ş., which was dissolved due to the merger, in exchange of their current shares. Fortis Bank A.Ş. shareholders received 1.0518 registered Türk Ekonomi Bankası A.Ş. shares for each Fortis Bank A.Ş. share having a nominal value of TL1. The related transaction has been accounted for in accordance with the requirements of TFRS 3 “Business Combination”, since the merging banks were not under common control of the same parties before and after the merger. In this merger transaction, Fortis Bank A.Ş. was determined as the acquire, and with the merger, the fair value of the equity shares exchanged as of 14 February 2011 was considered as the fair value of consideration transferred, and the difference between this value and the fair value of identifiable net asset value of Fortis Bank A.Ş. is accounted as goodwill.

- j) Beginning and ending balance of the goodwill and movements on goodwill in the current period:

	Current Period	Prior Period
Beginning balance	421,124	421,124
Currency Differences	-	-
Acquisitions	-	-
<b>End Balance</b>	<b>421,124</b>	<b>421,124</b>

##### 15. Information on investment property: None (31 December 2018: None).

##### 16. Information on deferred tax asset:

- a) As of 31 December 2019, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 667,146 (31 December 2018: TL 208,699). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

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### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 16. Information on deferred tax asset: (continued)

##### d) Movement of deferred tax :

	Current Period	Prior Period
<b>As of January 1</b>	<b>208,699</b>	<b>86,456</b>
TFRS 16 transition	24,083	-
TFRS 9 transition	-	220,143
Deferred Tax Income / (Expense)	177,232	(95,906)
Deferred Tax Accounted for Under Equity	256,389	(1,994)
Merger Effect	743	-
<b>Deferred Tax Asset</b>	<b>667,146</b>	<b>208,699</b>

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax charge of TL 177,232 is stated under the tax provision in the income statement (31 December 2018: TL 95,906 deferred tax expense). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

	Current Period	Prior Period
Financial Assets at Fair Value through Other Comprehensive Income	(44,443)	29,712
Cash Flow Hedge	302,891	(38,364)
Actuarial Profit or Loss	(2,059)	6,658
<b>Total</b>	<b>256,389</b>	<b>(1,994)</b>

#### 17. Information on assets for sale fixed and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	109,104	90,677
Beginning of Period Accumulated Depreciation (-)	-	-
<b>Net Book Value</b>	<b>109,104</b>	<b>90,677</b>
Opening Balance	109,104	90,677
Acquired	149,647	109,037
Disposed (-)	122,922	88,923
Impairment (-)	4,467	1,687
Depreciation Value (-)	-	-
End of Period Cost	131,362	109,104
End of Period Accumulated Depreciation (-)	-	-
<b>Closing Net Book Value</b>	<b>131,362</b>	<b>109,104</b>

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

#### 18. Information on factoring receivables of Group:

##### a) Maturity Analysis:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term(*)	1,207,988	873,720	812,323	890,663
Mid and Long Term	1,550	-	4,812	-
Stage 1 Provision (-)	1,334	146	623	251
Stage 2 Provision (-)	1,959	-	730	33
Stage 3 Provision (-)	25,315	6,137	55,116	4,140
<b>Total</b>	<b>1,180,930</b>	<b>867,437</b>	<b>760,666</b>	<b>886,239</b>

(\*)Includes factoring receivables amounting to TL 31,946 (31 December 2018: TL 64,694).

##### b) Other explanations and disclosures:

Prior Period	Commercial	Consumer	Total
Standard Loans	1,900,777	-	1,900,777
Close Monitoring Loans	150,535	-	150,535
Loans Under Follow-Up	31,946	-	31,946
<b>Total</b>	<b>2,083,258</b>	<b>-</b>	<b>2,083,258</b>
12 month expected credit loss (Stage I)(-)	1,480	-	1,480
Significant increase in credit risk (Stage II)(-)	1,959	-	1,959
Default (Stage III)(-)	31,452	-	31,452
<b>Total allowance for impairment</b>	<b>34,891</b>	<b>-</b>	<b>34,891</b>
<b>Net credit balance on balance sheet</b>	<b>2,048,367</b>	<b>-</b>	<b>2,048,367</b>

##### c) Ageing analysis of accounting past-due exposures:

31 December 2019	1-30 Days	31-60 Days	61-90 Days	Total
Commercial Loans	1,255	742	795	2,792
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
<b>Total</b>	<b>1,255</b>	<b>742</b>	<b>795</b>	<b>2,792</b>

#### 19. Information on other asset

Other Assets item of the balance sheet amounting to TL 4,473,189 (31 December 2018: TL 2,140,712) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.

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### II. Explanations and Disclosures Related to the Consolidated 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	Accumulated Deposits	Total
Saving Deposits	2,913,675	-	11,685,382	8,760,022	198,974	159,316	142,791	-	23,860,160
Foreign Currency Deposits	8,678,150	-	9,179,868	16,994,157	220,469	75,587	91,126	-	35,239,357
Residents in Turkey	8,114,695	-	8,724,284	16,524,666	196,404	32,768	74,233	-	33,667,050
Residents Abroad	563,455	-	455,584	469,491	24,065	42,819	16,893	-	1,572,307
Public Sector Deposits	424,598	-	73,628	50,872	7,475	-	-	-	556,573
Commercial Deposits	3,312,492	-	3,919,789	1,904,438	101,496	3,210	55,398	-	9,296,823
Other Institutions Deposits	143,878	-	65,741	266,882	12,458	91	554	-	489,604
Precious Metals Deposits	1,275,586	-	90,788	700,588	38,080	142,511	101,470	-	2,349,023
Bank Deposits	23,739	-	362,573	-	-	-	-	-	386,312
Central Bank of Turkey	25	-	-	-	-	-	-	-	25
Domestic Banks	16	-	-	-	-	-	-	-	16
Foreign Banks	23,698	-	358,772	-	-	-	-	-	382,470
Special Financial Institutions	-	-	3,801	-	-	-	-	-	3,801
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,772,118</b>	<b>-</b>	<b>25,377,769</b>	<b>28,676,959</b>	<b>578,952</b>	<b>380,715</b>	<b>391,339</b>	<b>-</b>	<b>72,177,852</b>

##### 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	Accumulated Deposits	Total
Saving Deposits	1,843,615	-	7,064,993	12,635,918	2,592,790	347,412	135,942	-	24,620,670
Foreign Currency Deposits	6,086,368	-	5,702,852	13,314,064	362,293	219,166	168,175	-	25,852,918
Residents in Turkey	5,512,805	-	5,412,121	12,857,489	342,378	184,563	156,348	-	24,465,704
Residents Abroad	573,563	-	290,731	456,575	19,915	34,603	11,827	-	1,387,214
Public Sector Deposits	336,258	-	60,453	70,442	29,249	-	-	-	496,402
Commercial Deposits	2,671,519	-	1,752,908	3,147,808	820,947	255,150	388,716	-	9,037,048
Other Institutions Deposits	111,946	-	55,337	1,230,038	235,821	951,051	111,587	-	2,695,780
Precious Metals Deposits	507,192	-	34,816	512,511	32,089	95,628	-	-	1,182,236
Bank Deposits	47,697	-	227,383	-	-	-	-	-	275,080
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	21	-	-	-	-	-	-	-	21
Foreign Banks	17,495	-	227,383	-	-	-	-	-	244,878
Special Financial Institutions	30,181	-	-	-	-	-	-	-	30,181
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,604,595</b>	<b>-</b>	<b>14,898,742</b>	<b>30,910,781</b>	<b>4,073,189</b>	<b>1,868,407</b>	<b>804,420</b>	<b>-</b>	<b>64,160,134</b>

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

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

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

Saving Deposits	Under the Guarantee of Insurance(*)		Exceeding the Limit of Insurance(*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	14,607,157	11,576,580	8,731,764	12,344,862
Foreign Currency Saving Deposits	6,075,469	3,449,885	12,928,549	11,524,532
Other Deposits in the Form of Saving Deposits	781,197	271,856	1,320,538	764,746
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
<b>Total</b>	<b>21,463,823</b>	<b>15,298,321</b>	<b>22,980,851</b>	<b>24,634,140</b>

(\*) 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 Consolidated 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	615,203	590,915
Deposits of Controlling Shareholders and Their Close Families	3,823,134	1,393,010
Deposits of Chairman and Members of the Board of Directors and Their Close Families	68,002	58,066
Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 Numbered Turkish Criminal Code Dated September 26, 2004.	-	-
Saving Deposits in Banks Established in Turkey exclusively for Off-shore 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	97,772	25,075	149,769	37,072
Swap Transactions	1,362,074	71,890	2,014,755	28,648
Futures Transactions	-	-	-	-
Options	26,488	3,285	134,174	5,119
Other	-	-	-	6,265
<b>Total</b>	<b>1,486,334</b>	<b>100,250</b>	<b>2,298,698</b>	<b>77,104</b>

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

##### a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	633,010	169,116	289,767	608,951
From Foreign Banks, Institutions and Funds	434,408	8,958,162	510,077	11,788,843
<b>Total</b>	<b>1,067,418</b>	<b>9,127,278</b>	<b>799,844</b>	<b>12,397,794</b>

As of 31 December 2019 the Group has borrowings from its related parties amounting to TL 4,774,508 (31 December 2018: TL 5,894,369).

##### b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	1,057,415	5,593,155	799,844	8,115,225
Medium and long-term	10,003	3,534,123	-	4,282,569
<b>Total</b>	<b>1,067,418</b>	<b>9,127,278</b>	<b>799,844</b>	<b>12,397,794</b>

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#### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

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

c) Additional explanation related to the concentrations of the Parent Bank’s major liabilities:

The Parent Bank diversifies its funding sources with customer deposits, borrowing from abroad, securities issued and money market borrowings. Deposits are the most significant funding source of the Parent Bank and do not present any risk concentration with its stable structure spread over a wide range. Funds borrowed consist mainly of funds provided by various foreign financial institutions with different characteristics and maturity-interest structure. There is no risk concentration in the fund resources of the Parent Bank.

d) Explanations on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,333,877	-	526,592	-
Treasury Bills	-	-	-	-
<b>Total</b>	<b>2,333,877</b>	<b>-</b>	<b>526,592</b>	<b>-</b>

##### 4. Funds provided through repurchase transactions:

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>1,323,300</b>	<b>327,167</b>	<b>104,977</b>	<b>-</b>
Financial Institutions and Organizations	1,323,300	327,167	104,977	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
<b>Foreign Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
<b>Total</b>	<b>1,323,300</b>	<b>327,167</b>	<b>104,977</b>	<b>-</b>

##### 5. 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 1,293,901 (31 December 2018: TL 1,806,383) do not exceed 10% of the total balance sheet.

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

With the “TFRS 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 recognised under “Tangible Fixed Assets” as a right of use and under “Liabilities from Leasing” as a liability. Impact and application of TFRS 16 concerning the transition were explained in Section three, footnote XXVI.

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#### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	1,917,707	7,267	384,325	4,857
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>1,917,707</b>	<b>7,267</b>	<b>384,325</b>	<b>4,857</b>

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

According to cash flow hedges terminated by the Parent Bank, accumulated valuation differences amounted TL 20,286 is recorded under equity as of 31 December 2019 (31 December 2018: 24,658 TL) and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

##### 8. Information on provisions:

- Foreign exchange provision on the foreign currency indexed loans and financial lease receivables: There is no foreign exchange losses on the foreign currency indexed loans which is offset from the loans on the balance sheet (31 December 2018: None).
- The specific provisions provided for unindemnified non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	55,551	50,741
Stage 2	145,818	104,222
Stage 3	42,111	47,696
<b>Total</b>	<b>243,480</b>	<b>202,659</b>

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

As of 31 December 2019, TL 14,195 (31 December 2018: TL 14,506) unused vacation provision, TL 200,712 (31 December 2018: TL 179,934) employee termination benefit provision, TL 148,441 (31 December 2018: TL 155,034) bonus provision are presented under "Reserve for Employee Benefit" in financial statements.

##### c.1) Termination Benefits:

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Parent Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are reviewed annually.

	31 December 2019	31 December 2018
Discount Rate (%)	12.51	16.70
Expected Inflation Rate (%)	6.59	11.20
Salary Increase Rate above Inflation Rate (%)	1.00	1.00

##### Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1	179,934	124,107
Service cost	19,523	12,902
Interest cost	29,231	14,132
Settlement cost	(38,443)	(15,461)
Actuarial loss	1,054	39,965
Benefits paid	9,413	4,289
<b>Total</b>	<b>200,712</b>	<b>179,934</b>

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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#### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

##### 8. Information on provisions: (continued)

###### c.2) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of the Parent Bank and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Parent Bank 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 2019 and 31 December 2018. 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.

Based on the determined assumptions,

<b>Period Based Pension and Health Obligations:</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Net Present Value of Transferrable Retirement Liabilities	(919,469)	(762,544)
Net Present Value of Transferrable Retirement and Health Contributions	355,986	336,330
General Administration Expenses	(9,195)	(7,625)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(572,678)	(433,839)
Fair Value of Plan Assets (2)	2,646,999	2,221,325
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	2,074,321	1,787,486
Non-Transferable Benefits (4)	(404,727)	(414,945)
Asset Surplus over Total Benefits ((3)-(4))	1,669,594	1,372,541

Distribution of fair value total assets of the Retirement Fund as of 31 December 2019 and 31 December 2018 is presented below:

	<b>31 December 2019</b>	<b>31 December 2018</b>
Bank placements	1,119,326	2,084,814
Government bonds and treasury bills, fund and rediscount interest income	1,278,238	-
Tangible assets	114,378	106,383
Other	135,057	30,128
<b>Total</b>	<b>2,646,999</b>	<b>2,221,325</b>

Actuarial assumptions used in valuation of liabilities except for transferrable liabilities based on TAS 19 are as follows:

	<b>31 December 2019</b>	<b>31 December 2018</b>
Discount Rate	12.51%	16.70%
Expected Inflation Rate	6.59%	11.20%

As of 31 December 2019, medical inflation is expected more than 20% (31 December 2018: 20%). General wage increases and Social Security Institution (the “SSI”) increase of ceiling rate is expected in parallel to inflation rate. In order to represent the expected mortality rates before and after the retirement, CSO 2001 (31 December 2018: CSO 2001) Female/Male mortality table is used.

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## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 8. Information on provisions: (continued)

##### d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-cash Loans	243,480	202,659
Provision for Legal Cases	52,635	66,777
Provision for Promotions of Credit Cards and Banking Services	12,936	12,622
Other	142,899	50,696
<b>Total</b>	<b>451,950</b>	<b>332,754</b>

##### e) Information on other provisions

The following table is represented reconciliation on the provision for impairment of non-cash loans.

	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2018	50,741	104,222	47,696	202,659
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(3,253)	30,060	-	26,807
- Stage 1 to Stage 3	(282)	-	6,045	5,763
- Stage 2 to Stage 3	-	(3,768)	31,155	27,387
- Stage 2 to Stage 1	2,084	(6,592)	-	(4,508)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	28,313	34,932	(27,256)	35,989
Collections	(23,649)	(19,738)	(15,529)	(58,916)
Currency differences	1,597	6,702	-	8,299
<b>Total expected credit losses 31 December 2019</b>	<b>55,551</b>	<b>145,818</b>	<b>42,111</b>	<b>243,480</b>

	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2017	30,407	359	48,741	79,507
TFRS 9 transition	9,466	51,650	(26,949)	34,167
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(2,680)	22,071	-	19,391
- Stage 1 to Stage 3	(857)	-	17,513	16,656
- Stage 2 to Stage 3	-	(4,465)	42,305	37,840
- Stage 2 to Stage 1	7,063	(16,753)	-	(9,690)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	24,096	70,315	(13,757)	80,654
Collections	(16,754)	(18,955)	(20,157)	(55,866)
Currency differences	-	-	-	-
<b>Total expected credit losses 31 December 2018</b>	<b>50,741</b>	<b>104,222</b>	<b>47,696</b>	<b>202,659</b>

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#### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

##### 9. Explanations on taxes payable:

###### a) Information on tax provision:

As of 31 December 2019, the Group's corporate tax provision is TL 32,155 (31 December 2018: TL 100,978). As of 31 December 2019, the Group's total tax and premium liability is TL 222,365. (31 December 2018: TL 301,912)

###### b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	32,155	100,978
Taxation on Securities	70,139	76,902
Property Tax	2,569	2,379
Banking Insurance Transaction Tax (BITT)	61,088	74,628
Foreign Exchange Transaction Tax	2,430	39
Value Added Tax Payable	5,310	4,901
Other (*)	26,299	23,373
<b>Total</b>	<b>199,990</b>	<b>283,200</b>

(\*) Others include income taxes deducted from wages amounting to TL 20,576 (31 December 2018: TL 17,756) and stamp taxes payable amounting to TL 1,535 (31 December 2018: TL 1,693).

###### c) Information on Premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	9,572	8,029
Social Security Premiums-Employer	10,641	8,862
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	2
Pension Fund Membership Fees and Provisions-Employer	-	2
Unemployment Insurance-Employee	809	684
Unemployment Insurance-Employer	1,347	1,133
Other	6	-
<b>Total</b>	<b>22,375</b>	<b>18,712</b>

###### d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability of the Group as of 31 December 2019 (31 December 2018: None).

##### 10. Information on liabilities regarding assets held for sale and discontinued operations: None (31 December 2018: None).

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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#### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

##### 11. Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Parent Bank earned a \$ 210 million USD with a 10-year maturity on 5 November 2018 at the earliest, but not earlier than 5 year. At the end of the 5th year and in the subsequent first interest payment period, it issued 2 subordinated debt securities with early amortization. The interest rate of the issuance is 10.40% per annum and will continue with the 6-month Libor + 7.32% annual interest rate after the first early amortization at the end of the 5th year. Said “contribution capital” was provided by BNP Paribas Fortis SA / NV.

The Parent Bank, during its Board of Directors’ meeting dated 8 May 2012 has resolved to issue a debt instrument as Secondary Subordinated debt instrument with a value of USD65 million on 14 May 2012. The semi-annually interest rate of the issuance is determined as USD Libor + 5.75%. The due date of the debt instrument is determined as 14 May 2024 and for the first seven years there is no option to repay before its due date. The debt instrument can be amortized on 14 May 2019 with the decision of the Board of Directors and upon the approval of Banking Regulation and Supervision Agency (BRSA). On 14 May 2019, the Parent Bank issued a subordinated debt securities with a maturity of 60 million EURO with a maturity of 10 years, with no earliest 5 years, at the earliest in the 5th year and in the following first interest payment period. The interest rate of the issue is six months Euribor + 7.10% annually. Said “contribution capital” was provided by BNP Paribas Fortis SA / NV.

On 20 July, 2012, the Parent Bank decided to issue a debt instrument of EUR 100 million as Secondary Capital-like Borrowing. The interest rate of the issue is six months Euribor + 4.75% annually. The maturity of the debt instrument is 20 July 2024 and there is no repayment option before the maturity in the first seven years. The debt instrument was amortized on 22 July 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 22 July 2019, the Parent Bank issued a subordinated debt securities with a maturity of 100 million EURO, with a maturity of 10 years, with no earliest 5 years, at the earliest at the end of the 5th year and in the first interest payment period thereafter. The interest rate of the issue is six months Euribor + 7.10% annually. The contribution capital was provided by BNP Paribas Fortis SA / NV.

The Parent Bank has issued subordinated debt instrument which has early redemption right in 27 June 2023, with the maturity of 10 years in the amount of EUR125 million in 27 June 2018. The interest rate of the issuance is 6 month Euribor + 5.10% per annum.

The above mentioned four subordinated loans are utilized in-line with the “loan capital” definition of BRSA and will positively affect the capital adequacy ratio of the Bank as well as utilizing long term funding.

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments to be Included in the Additional Capital Calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instrument to be Included in the Contribution Capital Calculation	-	3,190,503	-	2,843,148
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	3,190,503	-	2,843,148
<b>Total</b>	-	<b>3,190,503</b>	-	<b>2,843,148</b>

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	3,190,503	-	2,496,465
From Other Foreign Institutions	-	-	-	346,683
<b>Total</b>	-	<b>3,190,503</b>	-	<b>2,843,148</b>

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#### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

##### 12. 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 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 and 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 Parent Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Parent Bank's equity:

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 The Parent Bank is followed up and estimated by the Parent 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	(3,538)	20,895	(131,408)	(8,323)
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(3,538)</b>	<b>20,895</b>	<b>(131,408)</b>	<b>(8,323)</b>

##### 13. Information on minority interest: As of 31 December 2019, part of the group equity that belongs to minority shares is TL 9,406 (31 December 2018: TL 8,589).

##### 14. Information on factoring liabilities: As of 31 December 2019 group has factoring debt of TL 812 (31 December 2018: TL 7,961).

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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#### III. Explanations and Disclosures Related to the Consolidated 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	8,506,931	6,093,650
Loan Granting Commitments	5,234,372	4,402,209
Asset Purchase and Sale Commitments	3,684,822	3,128,940
Payment Commitment for Cheques	1,769,641	1,681,617
Time Deposits Purchase and Sale Commitments	759,924	603,610
Tax and Fund Liabilities from Export Commitments	71,566	54,955
Commitments for Promotions Related with Credit Cards and Banking Activities	4,975	4,357
Other Irrevocable Commitments	252,593	110,938
<b>Total</b>	<b>20,284,824</b>	<b>16,080,276</b>

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

The Group, 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	2,623,851	2,691,811
Bank Acceptances	12,915	34,672
Other Commitments	5,031,959	4,838,088
Other Contingencies	1,153,720	1,033,453
<b>Total</b>	<b>8,822,445</b>	<b>8,598,024</b>

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

	Current Period	Prior Period
Guarantee Letters	9,855,883	9,801,321
Advance Guarantee Letters	1,481,220	1,681,247
Guarantee Letters Given for Customs	429,999	519,302
Temporary Guarantee Letters	286,101	386,289
Other Guarantee Letters	1,499,122	1,683,346
<b>Total</b>	<b>13,552,325</b>	<b>14,071,505</b>

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### III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

#### 1. Information on off-balance sheet liabilities: (continued)

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

	Current Period	Prior Period
Non-Cash Loans Given Against Achieving Cash Loans	1,499,838	1,684,317
With Maturity of One Year or Less Than One Year	130,687	268,524
With Maturity of More Than One Year	1,369,151	1,415,793
Other Non-Cash Loans	20,874,932	20,985,212
<b>Total</b>	<b>22,374,770</b>	<b>22,669,529</b>

##### c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period							
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	33,515	0.37	30,972	0.23	47,823	0.51	44,716	0.33
Farming and raising livestock	20,044	0.22	30,972	0.23	31,599	0.34	44,716	0.33
Forestry	-	-	-	-	-	-	-	-
Fishery	13,471	0.15	-	-	16,224	0.17	-	-
Manufacturing	2,361,726	25.87	6,761,713	51.05	2,708,372	29.12	7,080,287	52.96
Mining and Quarry	123,105	1.35	672,430	5.08	218,525	2.35	233,095	1.74
Production	2,159,522	23.65	5,914,253	44.65	2,370,092	25.48	6,588,980	49.29
Electricity, Gas and Water	79,099	0.87	175,030	1.32	119,755	1.29	258,212	1.93
Construction	1,548,096	16.96	2,273,895	17.17	1,943,616	20.90	2,317,908	17.34
Services	5,132,770	56.22	4,116,286	31.08	4,376,238	47.05	3,562,957	26.65
Wholesale and Retail Trade	1,257,201	13.77	1,112,311	8.40	1,304,288	14.02	1,220,149	9.13
Hotel and Restaurant Services	133,984	1.47	71,748	0.54	109,997	1.18	62,813	0.47
Transportation and Communication	450,731	4.94	446,030	3.37	571,791	6.15	402,858	3.01
Financial Institutions	979,561	10.73	1,495,269	11.29	521,690	5.61	751,657	5.62
Real Estate and Renting	2,197,820	24.07	953,721	7.20	1,746,329	18.78	1,018,659	7.62
Self-employment Services	96,719	1.06	35,562	0.27	92,457	0.99	104,080	0.78
Education Services	6,349	0.07	178	-	9,825	0.11	96	-
Health and Social Services	10,405	0.11	1,467	0.01	19,861	0.21	2,645	0.02
Other	53,696	0.58	62,101	0.47	225,293	2.42	362,319	2.72
<b>Total</b>	<b>9,129,803</b>	<b>100.00</b>	<b>13,244,967</b>	<b>100.00</b>	<b>9,301,342</b>	<b>100.00</b>	<b>13,368,187</b>	<b>100.00</b>

##### c.3) Information on Stage 1 and Stage 2 non-cash loans:

Current Period	Stage I		Stage II	
Non-cash loans	TL	FC	TL	FC
Letters of guarantee	5,763,173	6,558,086	717,216	513,850
Bank acceptances	-	12,695	-	220
Letters of credit	260	2,479,195	-	144,396
Endorsements	-	-	-	-
Underwriting commitments.	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	2,600,335	3,358,168	48,819	178,357
<b>Total</b>	<b>8,363,768</b>	<b>12,408,144</b>	<b>766,035</b>	<b>836,823</b>

The Group provided a reserve for TL 286,647 (31 December 2018: TL 259,393) of non-cash loans not indemnified which equals to amounting to TL 42,111 (31 December 2018: TL 47,696).

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

#### 1. Information on off-balance sheet liabilities: (continued)

Prior Period	1st Group		2nd Group	
Non-cash loans	TL	FC	TL	FC
Letters of guarantee	6,321,989	6,584,098	562,196	604,193
Bank acceptances	-	34,439	-	233
Letters of credit	2,738	2,631,520	-	57,553
Endorsements	-	-	-	-
Underwriting commitments.	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	2,383,906	3,247,711	30,513	208,440
<b>Total</b>	<b>8,708,633</b>	<b>12,497,768</b>	<b>592,709</b>	<b>870,419</b>

#### 2. Information related to derivative financial instruments:

Derivative transactions according to purposes				
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
<b>Types of trading transactions</b>				
Foreign currency related derivative transactions (I):	78,045,061	82,655,891	-	-
Forward transactions	10,742,282	11,993,806	-	-
Swap transactions	58,730,372	57,986,543	-	-
Futures transactions	71,526	-	-	-
Option transactions	8,500,881	12,675,542	-	-
Interest related derivative transactions (II):	8,401,316	3,099,012	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	8,401,316	3,099,012	-	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	43,150	141,773	-	-
<b>A. Total trading derivative transactions (I+II+III+IV)</b>	<b>86,489,527</b>	<b>85,896,676</b>	-	-
<b>Types of hedging transactions</b>				
Fair value hedges	-	-	1,740,184	-
Cash flow hedges	-	-	24,213,951	24,658,994
Net investment hedges	-	-	-	-
<b>B. Total hedging related derivatives</b>	-	-	<b>25,954,135</b>	<b>24,658,994</b>
<b>Total Derivative Transactions (A+B)</b>	<b>86,489,527</b>	<b>85,896,676</b>	<b>25,954,135</b>	<b>24,658,994</b>

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value by the Parent Bank.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

#### 2. Information related to derivative financial instruments: (continued)

##### i) Derivative instruments for fair value hedging purposes:

In 2019, the Group applied fair value hedge accounting in order to avoid the effects of interest rate fluctuations in the market by matching its swap portfolio with its loans and marketable securities. As of 31 December 2019, there are no fair value hedging derivative instruments. As of 31 December 2019, the nominal value of the derivative instruments for risk management purposes is TL 1,740,184 and the net fair value is TL 21,136. The fair value gain of the hedged loans was TL 336. The Bank accounted TL 4,126 gain for derivative instruments used for hedging purposes and TL 4,352 expense from hedged item loans in the financial statements.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	1,740,184	21,136	-	-	-	-
Interest Rate Swaps	-	-	-	-	-	-
<b>Total</b>	<b>1,740,184</b>	<b>21,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### ii) Derivative instruments for cash flow hedge purposes:

The Parent Bank has applied cash flow accounting by matching its swap portfolio, total notional amounts of TL 24,213,951 (31 December 2018: TL 24,658,994), with 1-90 days of maturity deposit portfolio and selected borrowing portfolio. Effective portion of TL 1,112,750 (31 December 2018: TL 350,622) credit accounted for under equity is presented after deducting its deferred tax effect of TL 226,000 (31 December 2018: TL 76,890) debit in the financial statements. In 2019, there is TL 20,286 (31 December 2018: TL 24,658) ineffective portion expense is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Cross Currency Swaps	7,611,850	218,639	875,965	2,936,400	295,600	198,026
Interest Rate Swaps	16,602,101	1,732	1,049,009	21,722,594	206,879	191,156
<b>Total</b>	<b>24,213,951</b>	<b>220,371</b>	<b>1,924,974</b>	<b>24,658,994</b>	<b>502,479</b>	<b>389,182</b>

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

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**III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items  
(Continued)**

**3. Credit derivatives and risk exposures on credit derivatives: None**

**4. Explanations on contingent liabilities and assets**

- a) a.1) The Group's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Group's contingent liabilities resulting from liabilities of other venturers in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
  - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2019, there are no contingent assets that need to be explained (31 December 2018: None).
  - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank and financial institution subject to consolidation have provided provision amounting to TL 52,635 for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under index Other Provisions in the financial statements.

**5. Custodian and intermediary services:**

The Group provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

Investment fund participation certificates held in custody which belong to the customers and the portfolio are accounted for with their nominal values. As of 31 December 2019 the total nominal value and number of certificates are TL 7,318,390 and TL 7,318,390 thousand (31 December 2018: TL 5,114,637 and TL 5,114,637) and the total fair value is TL 4,864,848 (31 December 2018: TL 1,772,797).

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

##### 6. The information on the banks' rating by the international rating introductions (\*):

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2019, TEB's ratings were as follows:

##### **Moody's Investor Services:**

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Deposits	B3
Short Term FC Deposits	NP
Long Term TL Deposits	B1
Short Term TL Deposits	NP
Outlook	Negative

##### **Fitch Ratings:**

##### *Foreign Currency*

Long-term	B+
Short-term	B
Outlook	Stable

##### *Turkish Lira*

Long-term	BB-
Short-term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Strength	b+

(\*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

#### 1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest income on loans (*)</b>				
Short Term Loans	4,695,271	356,415	4,331,858	307,025
Medium and Long Term Loans	5,137,128	269,578	4,611,920	336,819
Interest on Loans under Follow-Up	229,865	-	148,034	1,295
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>10,062,264</b>	<b>625,993</b>	<b>9,091,812</b>	<b>645,139</b>

(\*) Includes fees and commissions obtained from cash loans amounting to TL 225,870 (31 December 2018: TL 147,096)

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	22,728	-	19,422
Domestic Banks	143,925	3,097	135,536	2,329
Foreign Banks	15,024	51,081	14,102	58,460
Branches and Head Office Abroad	-	-	-	-
<b>Total</b>	<b>158,949</b>	<b>76,906</b>	<b>149,638</b>	<b>80,211</b>

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Valued at Fair Value Through Profit or Loss	159,911	27,970	153,166	13,768
Financial Assets at Fair Value Through Other Comprehensive Income	282,917	48,203	493,963	15,350
Financial Assets at Amortized Cost	571,203	41,639	435,730	-
<b>Total</b>	<b>1,014,031</b>	<b>117,812</b>	<b>1,082,859</b>	<b>29,118</b>

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### IV Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

##### 1. Explanations on Interest Income (continued)

d) Information on interest income on associates and subsidiaries:

Interest income received from associates and subsidiaries are eliminated in the consolidated financial statements.

##### 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 the Republic of Turkey	-	-	-	-
Domestic Banks	81,387	16,117	28,072	15,752
Foreign Banks	70,102	459,674	113,945	443,432
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
<b>Total</b>	<b>151,489</b>	<b>475,791</b>	<b>142,017</b>	<b>459,184</b>

(\*) Includes fees and commission expenses related to cash loans amounting to TL 23,055 (31 December 2018: TL 18,654).

b) Information on interest expense on associates and subsidiaries:

Interest expenses to associates and subsidiaries are eliminated in the consolidated financial statements.

c) Information on interest expense on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	514,885	-	251,229	116
<b>Total</b>	<b>514,885</b>	<b>-</b>	<b>251,229</b>	<b>116</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

### IV Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 2. Explanations on Interest Expense (continued)

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

Current Period:		Time Deposits						Accumulate d Deposits	Total
Account Name	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	-	39,449	-	-	-	-	-	39,449	
Saving Deposits	9	1,595,995	1,948,510	137,972	45,953	35,407	-	3,763,846	
Public Sector Deposits	-	4,463	6,465	2,174	-	-	-	13,102	
Commercial Deposits	235	463,361	530,438	54,558	31,676	46,726	-	1,126,994	
Other Deposits	-	7,238	158,706	14,990	73,986	4,870	-	259,790	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Total	244	2,110,506	2,644,119	209,694	151,615	87,003	-	5,203,181	
FC									
Foreign Currency Deposits	-	95,599	304,254	5,303	4,492	3,929	-	413,577	
Bank Deposits	-	8,327	-	-	-	-	-	8,327	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Precious Metal Deposits	1	682	12,328	1,108	3,037	1,128	-	18,284	
Total	1	104,608	316,582	6,411	7,529	5,057	-	440,188	
Grand Total	245	2,215,114	2,960,701	216,105	159,144	92,060	-	5,643,369	
Prior Period:		Time Deposits						Accumulated Deposits	Total
Account Name	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	-	40,583	-	-	-	-	-	40,583	
Saving Deposits	9	936,448	2,430,755	170,360	25,026	6,834	-	3,569,432	
Public Sector Deposits	-	1,986	28,297	3,647	-	-	-	33,930	
Commercial Deposits	7	320,761	779,885	133,348	47,432	29,421	-	1,310,854	
Other Deposits	-	16,746	169,924	99,501	332,203	17,494	-	635,868	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Total	16	1,316,524	3,408,861	406,856	404,661	53,749	-	5,590,667	
FC									
Foreign Currency Deposits	5	90,798	549,710	9,041	3,751	4,089	-	657,394	
Bank Deposits	-	10,820	-	-	-	-	-	10,820	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	487	8,898	552	2,246	-	-	12,183	
Total	5	102,105	558,608	9,593	5,997	4,089	-	680,397	
Grand Total	21	1,418,629	3,967,469	416,449	410,658	57,838	-	6,271,064	

#### 3. Information on dividend income:

	Current Period	Prior Period
Financial assets at fair value through profit and loss	-	-
Financial assets at fair value through other comprehensive income	1,326	435
Other	-	-
<b>Total</b>	<b>1,326</b>	<b>435</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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### IV Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 4. Information on trading gain/loss (Net):

	Current Period	Prior Period
<b>Gains</b>	<b>34,035,854</b>	<b>62,545,079</b>
Gains on capital market operations	449,304	165,894
Gains on derivative financial instruments <sup>(1)</sup>	14,066,366	23,017,115
Foreign exchange gains	19,520,184	39,362,070
<b>Losses (-)</b>	<b>35,045,971</b>	<b>62,967,847</b>
Losses on capital market operations	323,954	344,561
Losses on derivative financial instruments <sup>(1)</sup>	14,978,565	20,147,391
Foreign exchange losses	19,743,452	42,475,895

(1) Includes exchange rate fluctuations of hedging transactions net profit of TL 142,065 (31 December 2018: TL 231,265 ), derivative financial instruments exchange rate changes in profit / loss accounts amounting to TL 343,138 (31 December 2018: TL 669,843) net exchange income.

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

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

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

##### a) Allowance for Expected Credit Losses:

	Current Period	Prior Period
Expected Credit Losses	1,406,901	1,246,173
12-Month Expected Credit Losses (Stage 1)	41,424	91,841
Significant Increase in Credit Risk (Stage 2)	65,672	247,223
Credit-Impaired (Stage 3)	1,299,805	907,109
Impairment Losses on Securities	-	-
Financial Assets Measured at Fair Value through Profit or Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Losses on Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Others	89,173	19,644
<b>Total</b>	<b>1,496,074</b>	<b>1,265,817</b>

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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#### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

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

	Current Period	Prior Period
Reserve for employee termination benefits <sup>(1)</sup>	19,725	15,862
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	228,698	79,264
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Depreciation expenses of intangible assets	72,141	60,412
Impairment for investments accounted with equity method	-	-
Impairment expenses of assets to be disposed	4,467	1,687
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	1,093,854	1,020,304
Rent expenses related to TFRS16 Exceptions <sup>(2)</sup>	55,262	253,047
Maintenance expenses	38,525	30,761
Advertisement expenses	68,282	87,756
Other expenses	931,785	648,740
Loss on sales of assets	10,778	4,762
Other <sup>(3)</sup>	355,638	266,280
<b>Total</b>	<b>1,785,301</b>	<b>1,448,571</b>

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

<sup>(2)</sup> 31 December 2018 amounts represent all operating lease expenses.

<sup>(3)</sup> Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 142,295 (31 December 2018: TL 101,862) and other taxes and fees paid in the amount of TL 149,358 (31 December 2018: TL 104,624).

##### 8. Information of the profit/loss on continued and discontinued operations before tax:

- Profit before tax consists of net interest income amounting to TL 5,627,706 (31 December 2018: TL 4,338,968) and net fee and commission income amounting to TL 1,519,636 (31 December 2018: TL 1,340,991) while operational expenses are TL 3,283,293 (31 December 2018: TL 2,744,731).
- Information of the profit/(loss) on discontinued operations:  
  
None.

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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#### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

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

- a) As of 31 December 2019, continuing operations' current tax charge is TL 541,836 (31 December 2018: TL 202,705) and deferred tax charge is TL 177,232 (31 December 2018: TL 95,906 deferred tax benefit). As of 31 December 2019, there is no current tax charge/benefit from discontinued operations (31 December 2018: None).
- b) Deferred tax charge on temporary differences resulted from continuing operations is TL 177,232 (31 December 2018: TL 95,906 deferred tax benefit).
- c) Tax reconciliation:

	Current Period	Prior Period
<b>Profit Before Taxes</b>	<b>1,491,793</b>	<b>1,353,002</b>
<b>Additions</b>	<b>132,763</b>	<b>31,480</b>
Nonallowable Expenses	97,622	28,899
The Effect of Different Tax Rates	33,200	2,030
Other	1,941	551
<b>Deductions</b>	<b>31,211</b>	<b>(18,081)</b>
Dividend Income	(974)	(310)
Other	32,185	(17,771)
<b>Taxable Profit/Loss</b>	<b>1,655,767</b>	<b>1,366,401</b>
Corporation Tax Rate	22%	22%
<b>Calculated Tax</b>	<b>364,269</b>	<b>300,608</b>
Prior Year Tax Correction	335	(1,997)
<b>Tax Charge</b>	<b>364,604</b>	<b>298,611</b>

##### 10. Information on net profit/loss on continued and discontinued operations before tax:

The Group's net profit from continued operations for the year ended 31 December 2019 is TL 1,127,189 (31 December 2018: TL 1,054,391). As of 31 December 2019, there is no net profit amount which the Group has made from discontinued operations (31 December 2018: None).

##### 11. The explanations on net income/loss for the period:

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 December 2018: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2018: None).
- c) Profit/loss attributable to minority interest:

	Current Period	Prior Period
Minority interest profit/loss	2,223	1,674

**TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES**

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2019**

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

**IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)**

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

	<b>Current Period</b>	<b>Prior Period</b>
<b><u>Other Interest Income</u></b>		
Interest Received from Factoring Transactions	219,332	232,733
Other	33,889	4,903
<b>Total</b>	<b>253,221</b>	<b>237,636</b>
<b><u>Other Fees and Commissions Received</u></b>		
Settlement Expense Provision, Eft, Swift, Agency Commissions		
Credit Card Fee and Commissions	1,313,155	1,011,356
Insurance Commissions	185,916	130,011
Periodic Service Commission	166,434	140,599
Brokerage Commissions	60,045	64,863
Funds Management Fees	53,785	37,883
Settlement Expense Provision, Eft, Swift, Agency Commissions	48,769	43,518
Transfer Commissions	39,659	30,651
Consultancy Commission	7,685	5,559
Commissions and Fees Earned from Correspondent Banks	4,502	4,254
Intelligence Fee and Commissions	1,157	51,883
Other	241,149	257,651
<b>Total</b>	<b>2,122,256</b>	<b>1,778,228</b>
<b><u>Other Fees and Commissions Given</u></b>		
Credit Cards Commissions and Fees	701,669	498,961
Commissions and Fees Paid to Correspondent Banks	58,762	64,516
Settlement Expense Provision, Eft, Swift, Agency Commissions	25,813	21,409
Other	95,761	75,062
<b>Total</b>	<b>882,005</b>	<b>659,948</b>

**NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF  
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity**

- a) Effects arising from changes in the fair value of securities classified as financial assets at fair value through profit or loss are recognized in the “Marketable securities valuation differences” account under equity. In 2019 related amount increased TL 201,511 after resulting from revaluation of financial assets at fair value through other comprehensive income (31 December 2018: TL 135,678 decreased) and deferred tax effect of this change is TL 44,328 (31 December 2018: TL 29,712).

- b) Increase in cash flow risk hedging items:

The Parent bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. The related amount in 2019 decreased by TL 1,463,374 (31 December 2018: TL 175,504 increased) and the effect of this change to deferred tax is TL 302,891 (31 December 2018: TL 38,364).

- c) Explanations on profit distribution:

It has been resolved in the Ordinary General Assembly dated 27 March 2019 of the Parent Bank, TL 1,001,703 that constitutes the 2018 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 50,085 as Legal Reserves, TL 0.82 (full TL) as profit distributed to the holders of the founder jouissance certificates.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

**VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows**

**1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:**

“Other items” amounting to TL 2,324,255 (31 December 2018: TL 6,001,647) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other expenses except for leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

“Net decrease in other liabilities” amounting to TL 1,457,315 (31 December 2018: TL 2,092,069) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, other liabilities and interbank money market borrowings. “Net decrease/increase in other assets” with a total amount of TL 251,877 (31 December 2018: TL 71,975) consists of changes in sundry debtors and other assets.

“Other items” amounting to TL 101,287 (31 December 2018: TL 70,426) in “Net cash provided from investing activities” consists of cash paid for purchases of intangible assets.

Effect of change in foreign exchange rate on cash and cash equivalents includes the foreign exchange effect resulting from the translation of cash and cash equivalents in foreign currency by using the monthly foreign exchange rates at the beginning and at the end of the period, and it is TL 475,011 for the year 2019 (31 December 2018: TL 1,516,339).

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows (Continued)

##### 2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the period	Current Period	Prior Period
<b>Cash</b>	<b>8,834,731</b>	<b>3,424,493</b>
Cash in TL/Foreign Currency	2,006,466	919,549
Central Bank – Unrestricted amount	6,721,963	2,427,043
Other	106,302	77,901
<b>Cash equivalents</b>	<b>4,225,423</b>	<b>2,535,743</b>
Banks	3,943,831	2,535,679
Money market placements	281,592	64
<b>Total cash and cash equivalents</b>	<b>13,060,154</b>	<b>5,960,236</b>

End of the period	Current Period	Prior Period
<b>Cash</b>	<b>6,936,878</b>	<b>8,834,731</b>
Cash in TL/Foreign Currency	2,441,970	2,006,466
Central Bank – Unrestricted amount	4,229,448	6,721,963
Other	265,460	106,302
<b>Cash equivalents</b>	<b>9,415,576</b>	<b>4,225,423</b>
Banks	8,575,535	3,943,831
Money market placements	840,041	281,592
<b>Total cash and cash equivalents</b>	<b>16,352,454</b>	<b>13,060,154</b>

# TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

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

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

Balance sheet items of previous periods are presented as of 31 December 2019 and income/expense items of previous periods are presented as of 31 December 2018.

##### a) Current Period:

Related Parties	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	-	-	75,725	260,569	423,513	20,136
Balance at End of Period	-	-	19,196	182,856	393,152	101,145
Interest and Commission Income	-	-	29,774	2,541	12,627	1,140

Direct and indirect shareholders of the Group balance above includes TL 17,600 and other entities included in the risk group balance above includes TL 63,260 placement in “Banks”.

##### b) Prior Period:

Related Parties	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of period	-	-	171,573	301,623	375,636	134,644
Balance at End of Period	-	-	75,725	260,569	423,513	20,136
Interest and Commission Income	-	-	17,331	1,310	7,792	450

Direct and indirect shareholders of the Group balance above includes TL 56,205 and other entities included in the risk group balance above includes TL 281,315 placement in “Banks”.

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

Related parties	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at Beginning of Period	-	-	1,497,789	1,524,306	1,055,942	756,839
Balance at End of Period	-	-	3,313,150	1,497,789	648,747	1,055,942
Interest on Deposits	-	-	90,121	95,774	92,318	103,901

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

Related Parties	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss						
Beginning of Period	-	-	28,512,967	35,229,756	1,210,586	655,880
End of Period	-	-	30,904,435	28,512,967	109,762	1,210,586
Total Profit/Loss	-	-	1,403,566	(349,116)	(14,335)	(26,780)
Hedging Transactions Purposes						
Beginning of Period	-	-	17,581,390	12,113,184	-	-
End of Period	-	-	19,143,820	17,581,390	-	-
Total Profit/Loss	-	-	(1,209,539)	637,693	-	-

##### d) As of 31 December 2019, the total amount of remuneration and fees provided for the senior management of the Group is TL 55,285 (31 December 2018: TL 53,133).

## TÜRK EKONOMİ BANKASI A.Ş. AND ITS FINANCIAL SUBSIDIARIES

### NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

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

#### VIII. Explanations on the Parent Bank's Domestic, Abroad, Off-Shore Branches or Subsidiaries, and Agencies Abroad

##### 1. Explanations on the Parent Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Numbers	Employees			
Domestic branches	467	9,248			
Rep-offices abroad	-	-			
Branches abroad	4	72	Cyprus	Total Assets	Capital
Off-shore branches	-	-		1,074,437	20,000

##### 2. Explanations on Branch and Agency Openings or Closings of the Parent Bank:

In the year 2019, the Parent Bank closed 32 branches, there are no branches opened during the year.

#### IX. Explanations on Significant Events and Matters Arising Subsequent to Balance Sheet Date

None.

## SECTION SIX

### OTHER EXPLANATIONS

#### I. Other Explanations on Activities of the Parent Bank

None.

## SECTION SEVEN

### INDEPENDENT AUDITOR'S REPORT

#### I. Explanations on the Independent Auditor's Report

The consolidated financial statements of the Group were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor's audit report dated 5 February 2020 is presented preceding the consolidated financial statements.

#### II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

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