



TEB
BNP PARIBAS JOINT VENTURE

**DEEP-ROOTED PAST,
SUSTAINABLE FUTURE**

ANNUAL REPORT 2021

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Looking to the future, we are committed to continuing to drive forward with our stakeholders in our growth targets as well as providing solid financial performance and cash flow.

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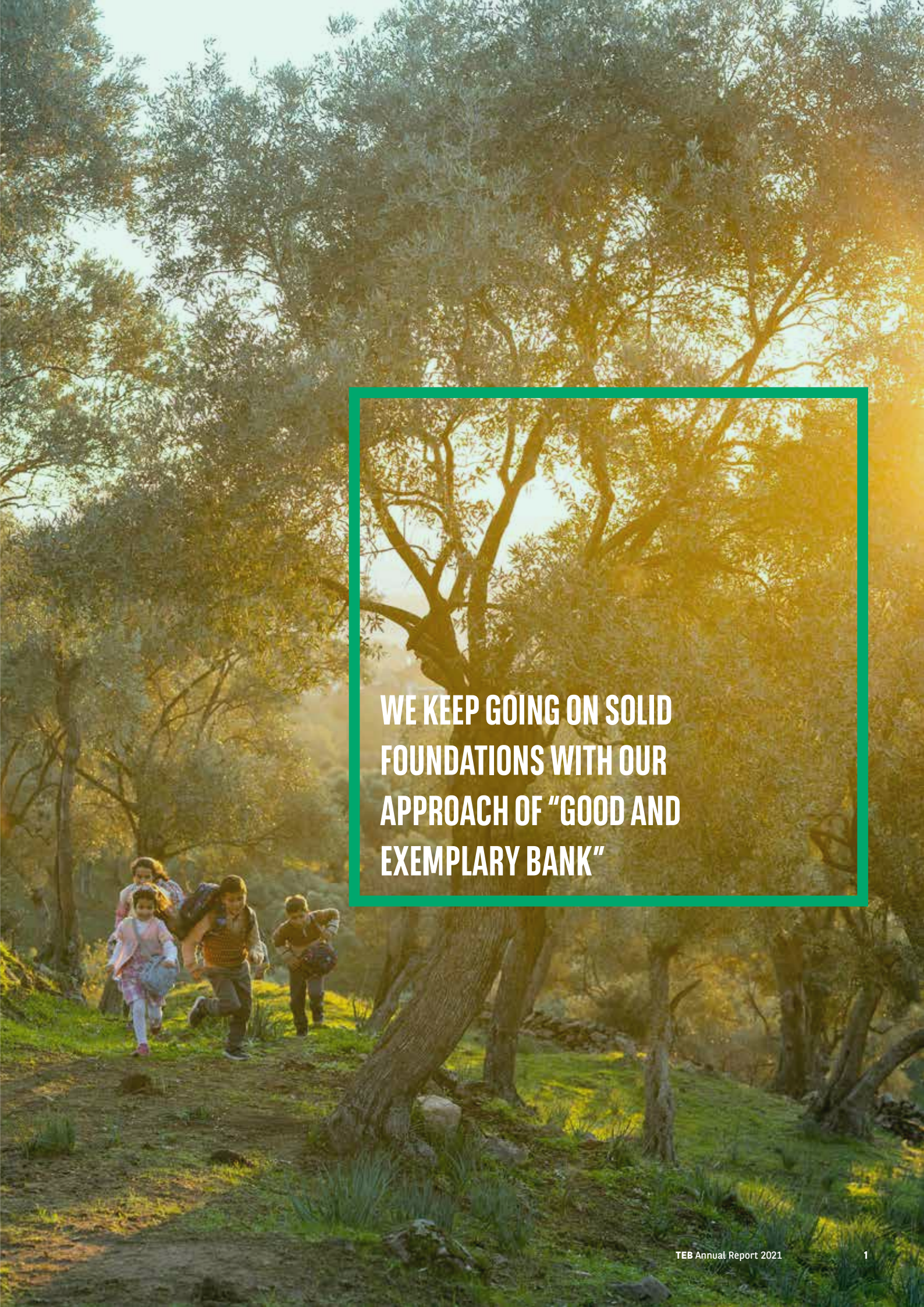
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TEB gives importance to stakeholder communication. An electronic-format report concerning this matter is accessible from the QR code above.



**WE KEEP GOING ON SOLID
FOUNDATIONS WITH OUR
APPROACH OF "GOOD AND
EXEMPLARY BANK"**

PRESENTATION

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**WE GENERATE
PERMANENT VALUE WITH
THE STRENGTH WE GET
FROM OUR KNOWLEDGE
AND EXPERIENCE**

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON 28 MARCH 2022

- 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 2021,
- 4-Reading, discussion and approval of the 2021 financial statements,
- 5-Pass a decision regarding the approval of appointments made to the vacated seats on the Board of Directors pursuant to Article 363 of the Turkish Commercial Code (TCC),
- 6-Release of the Board Members from their transactions in 2021,
- 7-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,
- 8-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 2022,
- 9-Determination of number and term of office of the Board Members and election of the same,
- 10-Determination of benefit such as fees and remunerations to be paid to the Board of Directors,
- 11-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.

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

STATEMENT OF RESPONSIBILITY FOR THE 2021 ANNUAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.

We have reviewed the annual report of Türk Ekonomi Bank A.Ş. prepared for the period 01.01.2021-31.12.2021 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 writing,
- 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
General Manager

M. Aşkın DOLAŞTIR
Assistant General Manager
Responsible of Financial
Reporting

Kamer KIDIL
Director
Responsible of Financial
Reporting

GENERAL INFORMATION

Reporting Period	01.01.2021-31.12.2021
Title of the Bank	Türk Ekonomi Bankası A.Ş.
Headquarters	TEB Kampüs C ve D Blok Saray Mah. Sokullu Cad. No: 7 A-7 B Ümraniye 34768 İstanbul, Türkiye
Telephone	+90 216 635 35 35
Fax	+90 216 636 36 36
Web Site	www.teb.com.tr
E-mail	yatirimciiliskileri@teb.com.tr
Trade Registration Number	189356
Central Registry Number (Mersis)	0876004342000105

SHAREHOLDING STRUCTURE OF TÜRK EKONOMİ BANKASI A.Ş. (“TEB”)

The distribution of the Bank’s TL 2,204,390,000.00 paid-in capital as of 31 December 2021

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%
TOTAL	2,204,390,000.000	100.00%

There have been no changes in the ownership or capital structure in 2021.

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 2021.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE ACTIVITY YEAR

On 11 February 2022, international rating agency Fitch Ratings downgraded Turkey's Long-term Foreign Currency Issuer Default Rating (IDR) from "BB-" to "B+" and Country Ceiling Rating from "BB-" to "B+", confirming the outlook as "Negative". Following this decision, Fitch revised TEB's Long Term FC Issuer Default Rating (IDR) from "B+" to "B" and Long-Term LC Issuer Default Rating (IDR) from "BB-" to "B+" on 25 February 2022. In addition, Fitch downgraded the Bank's Long-Term Senior Unsecured Debt rating from "B+" to "B".

The Bank's current ratings are as follows:

	Rating	Outlook
Long-Term FC Issuer Default Rating	B	Negative
Long-Term LC Issuer Default Rating	B+	Negative
Short-Term FC and LC Issuer Default Rating	B	
Viability Rating	b+	Rating Watch Negative
National	AA (tur)	Stable
Shareholder Support Rating	b	
Long-Term/Short-Term Senior Unsecured Debt	B	



While TEB continues to be the financial service provider of choice for millions of individual and corporate customers; it has presented its value proposition to its stakeholders in all areas of the financing spectrum with the products, services and solutions it offers.

PAST AND PRESENT

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.

8,572

• EMPLOYEES

WITH ITS SUPERIOR KNOWLEDGE AND EXPERIENCE, TEB CONDUCTS ITS ACTIVITIES BY ADDING VALUE TO ITS CUSTOMERS.

455

• BRANCHES

THE BANK PROVIDES FINANCIAL SERVICES AND PRODUCTS WITH 455 BRANCHES.

1,619

• ATMs

TEB MEDIATES APPROXIMATELY 65 MILLION CUSTOMER TRANSACTIONS ANNUALLY THROUGH 1,619 ATMS.

7.3
MILLION

• CUSTOMERS

TEB PROVIDES SERVICES TO 7.3 MILLION CUSTOMERS AS OF THE 2021 YEAR-END.

TEB started out as Kocaeli Halk Bankası T.A.Ş. in 1927 a small local bank based in İzmit. Acquired by the Çolakoğlu Group in 1982, TEB's name was changed to Türk Ekonomi Bankası A.Ş. the same year, 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 Borsa İstanbul'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 65 countries as of end-2021.

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.

TEB carries out its activities drawing on the added value derived from the BNP Paribas Group's worldwide organization, superior know-how and experience.

Within this scope, 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, factoring and portfolio management products and services through its subsidiaries and group companies:

As of year-end 2021 TEB was at the service of 7.3 million customers with,

- 8,572 employees,
- 455 branches,
- 1,619 ATMs,
- on online branch at 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.

**WE ARE WORKING FOR A
BETTER FUTURE WITH OUR
PROJECTS THAT CREATE
A POSITIVE IMPACT FOR
THE SOCIETY**





MESSAGE FROM THE CHAIRMAN

During 2021, TEB carried on and further developed its activities. In the volatile market conjuncture, our Bank focused on fulfilling its duties and responsibilities completely in keeping with its identity as the solution partner of its clients.

Esteemed Stakeholders,

In 2021, global manufacturing activity maintained its strength and the global services industry embarked upon a rapid recovery phase as vaccination campaigns accelerated. However, uncertainties associated with the economy exacerbated upon emergence and proliferation of new Covid-19 variants in this period. Climate conditions in food exporting countries negatively affected food prices, which soared worldwide with the further addition of higher transportation costs. The International Monetary Fund (IMF) estimated global economic growth for 2021 as 5.9% due to increased volatilities and supply constraints.

The rise in inflation carried on in the last quarter of the year in the US, and the headline inflation ended the year at 7.0%. The US Federal Reserve System (the Fed) deserted its supportive stance and signaled that it might add momentum to rate hikes. The Fed Chairman Powell gave the signal that asset purchase tapering would continue until the end of March and that rate hikes might start from the second quarter. The median forecast of the Fed members indicates at three rate increases during 2022. This projection is in parallel with the market expectations. The Fed economists forecast 2022 core inflation at 2.7% and real economic growth at 4%.

The European Central Bank (ECB) projected inflation as 3.2% and growth as 4.2% in 2022. Amid a setting that produced the ECB's highest inflation forecast since 2012, continued quantitative easing by the ECB resulted in weakened Euro. The ECB stated it would keep its benchmark deposit rate unchanged at -0.5% and would continue asset buying until October 2022. The Bank of England (BoE), on the other hand, has been the first to increase the rates to the backdrop of a globally high inflation environment. The BoE is also the first developed country central bank to hike the rates in the aftermath of the pandemic. The interest rate was increased by 15 bps to 0.25%.

Our country was also affected by global food and energy price rises: annual inflation soared to 36.1% in December. The Central Bank of the Republic of Türkiye (CBRT) maintained the policy rate at the order of 19% in July and August, and cut the rates from September on the grounds that the rise in inflation was linked to transitory factors. With a 500-point reduction, benchmark rate was decreased to 14%.

In 2021, our exports and imports grew by 32.8% and 23.6% respectively. Tourism and transportation revenues contributed positively to the current accounts balance in the third quarter of the year. Strong rise in exports coupled with tourism and services revenues pushed the current deficit to the order of USD 15 billion. The manufacturing activity remained strong throughout the year, and improvements were observed in capacity utilization rate and confidence indices. Real economic growth for 2021 is estimated as 11%.

The emergence of new Covid-19 variants exacerbates the concerns and uncertainties associated with the pandemic. In the period ahead, the course of the speed of vaccination and the policies of the central banks of developed countries will be telling on growth.

In this second part of my message, I would like to share my views regarding TEB's strategic stance and achievements in 2021.

During 2021 that has been the scene to the external developments that we have briefly addressed above, TEB carried on and further developed its activities. In the volatile market conjuncture, our Bank focused on fulfilling its duties and responsibilities completely in keeping with its identity as the solution partner of its clients.

Differentiated from the competition with its pioneering moves, innovation and firsts, TEB remains the no. 1 preferred financial services provider of millions of individual and corporate customers and has offered its value proposition to its stakeholders in all areas of the financing array with the products, services and solutions it furnishes.

TEB ended 2021 with total assets worth approximately TL 194 billion and a lending volume of TL 107.8 billion. In the same timeframe, total volume of deposits our customers entrusted to us rose to TL 132 billion. Our Bank continued to contribute to production and employment in 2021. SMEs, start-ups and women entrepreneurs have been our priority target groups. On another front, we stood by our exporter customers that are critical for our country's economy making use of our global competencies in intermediating international trade.

TEB strengthened its distribution channels in a bid to deliver its products and services to its clients as fast and productively as possible.

BETTER GOVERNANCE, BETTER PERFORMANCE

Digitalization represents another area in which our Bank achieved significant progress. Investing in this area for many years, TEB continually strengthened its distribution channels and diversified its digital banking capabilities in a bid to deliver its products and services to its clients as fast and productively as possible drawing on its innovation power and agile organizational structure. During the pandemic days of 2020 and 2021 that led to radical changes in our usual lifecycle, TEB found the opportunity to test its digital banking capacity and successfully passed this endurance test.

The successful results achieved by our subsidiaries in 2021 have been another source of delight for us. Our subsidiaries captured healthy results in key performance indicators including the number of customers and business volumes in the areas they are engaged in.

In 2022 which is anticipated to be a year of continued volatilities in international and domestic markets, TEB will keep executing its strategy without any compromises.

Before I wrap up my message, I would like to present TEB's 2021 operational results and financial statements for our esteemed stakeholders' review.

I would like to thank the TEB management team and all our employees who contributed to our performance in 2021 for their committed and hard work. Also, I would like to express our gratitude on behalf of our Board of Directors and myself to our shareholders for their invaluable and unwavering support.

Yours sincerely,



YAVUZ CANEVI
Chairman of the Board of Directors



During 2021, what was a challenging year for the financial markets, the Turkish economy displayed a successful performance and secured a fast growth despite the global risks.

Esteemed Stakeholders,

In 2021, the struggle against the difficulties enforced by the pandemic continued all over the world, while business processes were realigned with the evolved market conditions upon normalization. In this process triggered by the implications of the pandemic, rapid betterments took place in numerous areas thanks to hope-instilling events, primarily the development and proliferation of the vaccine, and the measures implemented.

During 2021, what was a challenging year for the financial markets, the Turkish economy displayed a successful performance and secured a fast growth despite the global risks. The Turkish banking sector once again demonstrated the resilient and solid infrastructure it possesses with its performance that defied the pandemic-imposed negativities and uncertainties. On the back of its robust balance sheet, liquidity and equity structure, coupled with its advanced technology, the sector expanded and kept contributing to the national economy in 2021 in spite of the global market conditions.

At TEB, we have quickly adjusted to the developments in 2021 which we ended in line with our projections, and we were rewarded for having successfully come through this ordeal. As we backed sustainable growth by contributing to the national economy with our banking activities, we kept working to contribute value to all our stakeholders and to make a positive impact on the society in keeping with our notion of being a "good and exemplary" bank.

According to our financial results for the year ended 31 December 2021, our Bank registered TL 194.1 billion in total assets and booked TL 1,913 million in net profit. Loans, which represent the most important indicator of our support to the economy and our customers, accounted for 54% of our total assets. Giving priority to risk management and asset quality as always, our Bank's total lending amounted to TL 104.5 billion, with total deposits worth TL 131.8 billion. We maintained our consistent growth on the back of our solid capital structure in 2021, and increased our profitability sustainably. While our Bank's shareholders' equity was worth TL 13.6 billion, capital adequacy ratio was 18.05%, well above the target ratio of 12%.

At TEB, we did not face any issues in accessing international finance in 2021 and continued to support the real sector with the funds we secured. We undersigned the first sustainability themed syndicated loan which was participated by 22 banks from the US, EU and the Middle East. While we aim to

support the foreign trade finance of the real sector with the USD 380 million facility, we have also confirmed the confidence held in our Bank and in the Turkish banking sector by the international markets once again.

Throughout the year, we sustained our support to firms that help our country thrive. In this context, we made two new agreements with the European Bank for Reconstruction and Development (EBRD). We signed an agreement for securing a loan in the amount of USD 58 million right at the onset of 2021 for the financing package set up to fight the negative impacts the pandemic had on the economy, and we realized a new collaboration for USD 50 million in the third quarter of the year for funding the continuity of foreign trade and firms' needs for foreign trade transactions.

In 2021, we, at TEB, spent efforts aimed at further strengthening our liquidity and to increase its stability by creating broad-based customer deposits. We quickly aligned ourselves with the measures adopted for exchange rates and the new instruments launched for that purpose in our country and introduced new products and services in this vein. With our products that highlight saving up, we sought to protect our customers with savings against the currency risk and to encourage our customers having foreign currency deposits to convert to the Turkish lira. We captured a strong growth on the deposit front with our key product, Marifetli Account. We sustained our support to our customers with our consumer loans that entailed deferment and alternative term options.

The investments we have made in digital banking, our longtime area of focus, and our robust technology allowed us to take actions swiftly, and cater to our customers' needs with a practical and solution-oriented understanding. The long-awaited Remote Customer Acquisition framework that allows customer acquisition completely digitally was enforced in the reporting period, and we have successfully introduced this application. The application not only increased the speed of our customer acquisition and product sales, but also presented us with the opportunity to touch our customers' lives more closely.

Within the scope of the digital transformation process, we espoused a working format integrated with technology that also seeks to utilize resources economically. During the year, we opened TEB Turbo Pratik points, which we have developed for offering faster and innovative service to our clients opting to come to a physical branch, for service in different locations and expanded them.

Our notion of being a “good and exemplary bank” that we have embraced in our activities to date will continue to serve as our guide in many ways also in the period coming.

DIGITAL TRANSFORMATION, INNOVATIVE SERVICE

Our efforts targeted at helping the start-up ecosystem flourish and strengthen, which is a key area of focus for our Bank, continued in a variety of aspects. We signed our name under new partnerships in order to contribute to empowering women entrepreneurs alongside technology start-ups, and to help them scale up to achieve global success. In line with our vision of automation and digitalization of banking processes, we carried on with our support to the SMEs with the goal of offering the best customer experience. During this period when institutional companies and financial institutions turned towards diversification of funds, we made international borrowing instruments available for use by our customers, and brought them together with international investors.

In terms of capital structure, liquidity, and maturity structure of its lending, our Bank enjoys a highly strong position and possesses a high asset quality and capital adequacy ratio. In the period ahead, we will carry on with our activities with the goal of being the most preferred bank in Turkey in all branches of banking by focusing on adapting to the process, on healthy growth and proper management of our balance sheet. As we put emphasis on our efforts aimed at expanding our customer portfolio and on achieving growth, we will continue to utilize the advancing technology in digital banking where we are already strong drawing on our experience in this field, and we will keep building on our banking business models and service channels with our customer-oriented approach.

As we contribute to the national economy and sustainable growth with our products and services, at TEB, we are undertaking efforts and initiatives that add value to all our stakeholders encompassing our employees, customers, shareholders and the society, that bear a positive impact on the community, and that are taken as reference by other institutions. We act with the awareness that we, being a bank, have responsibilities for carrying the society to a better future, and in this vein, we back initiatives that help create a sustainable economy, society and environment. In the coming period, we will continue to focus on projects that produce



positive impacts and benefits for the society in a wide variety of areas ranging from a higher extent of female inclusion in the economy to supporting start-ups, from raising increased awareness of financial literacy within the society at large to proliferation of social entrepreneurship.

Our notion of being a “good and exemplary bank” that we have embraced in our activities to date will continue to serve as our guide in many ways also in the period coming.

I would like to take this opportunity to thank, first and foremost, our employees who made the 2021 performance of TEB possible, and all our stakeholders for their valuable contributions.

Yours sincerely,

ÜMIT LEBLEBİCİ
CEO

AN OVERVIEW OF THE ECONOMY AND THE SECTOR IN 2021

CURRENT ACCOUNT DEFICIT KEPT NARROWING.

Our annual exports and imports grew by 32.8% and 23.6% respectively. Tourism and transportation revenues contributed positively to the current accounts balance in the third quarter of the year. Strong rise in exports coupled with tourism and services revenues pushed the current deficit down to the order of USD 15 billion. The manufacturing activity remained strong throughout the year, and improvements were observed in capacity utilization rate and confidence indices.

3.5% **2022**
growth projection

With the contribution of powerful fiscal expansion and net exports, we project that the national economy might grow by more than 3.5% in 2022.

THE TURKISH ECONOMY, WHICH ENDED 2020 WITH A 1.8% GROWTH RATE, TO HAVE GROWN BY 11% IN 2021.

During 2021, the vaccination campaigns that gained momentum, manufacturing and services industries that reopened, and increased international circulation followed by tourism activity paved the way for the rapid growth of the Turkish economy. The national economy expanded by 7.3%, 21.9%, 7.5% and 9.1% in the first four quarters of the year respectively, which translated into an annual growth of 11%.

2021 HAS BEEN A TESTING YEAR FOR THE FINANCIAL MARKETS.

The climate conditions in the food exporting countries negatively affected global food prices. With the added burden of increased transportation costs, food prices surged across the world. The International Monetary Fund (IMF) estimated global economic growth for 2021 as 5.9% due to increased volatilities and supply constraints.

The rise in inflation carried on in the last quarter of the year in the US, and consumer inflation was registered as 7.0%. The US Federal Reserve System (the Fed) deserted its supportive stance and signaled three rate hikes in the coming year.

THE CBRT CONSIDERED THE RISE IN FOOD AND ENERGY PRICES TO BE “TRANSITORY” AND CUT THE RATES BY 500 POINTS.

After increasing the rates due to the increased inflationary pressure in the initial months of the year, the CBRT changed its policy from September.

Our country was also affected by the rising food and energy prices worldwide; annual inflation surged to 36.1% at the end of December. The Central Bank of the Republic of Türkiye (CBRT) kept the policy rate at 19% in July and August. Stating that the rise in inflation was associated with transitory factors, the CBRT cut the rates from September. With a 500-point reduction, benchmark rate was decreased to 14%.

In the aftermath of rate cuts and amid an environment where the Fed was hawkish, the Turkish lira depreciated. From September, the two-year Treasury bill rate went up by 450 bps, and the 10-year bill by 560 bps. The rate on 5-year Eurobonds increased by 230 bps and that on 5-year CDS by 190 bps.

The manufacturing activity remained strong throughout the year, and improvements were observed in capacity utilization rate and confidence indices.

CURRENT ACCOUNT DEFICIT KEPT NARROWING.

Our annual exports and imports grew by 32.8% and 23.6% respectively. Tourism and transportation revenues contributed positively to the current accounts balance in the third quarter of the year. Strong rise in exports coupled with tourism and services revenues pushed the current deficit down to the order of USD 15 billion. The manufacturing activity remained strong throughout the year, and improvements were observed in capacity utilization rate and confidence indices.

THE TURKISH ECONOMY IS PROJECTED TO GROW BY MORE THAN 3.5% IN 2022.

With the contribution of powerful fiscal expansion and net exports, we project that the national economy might grow by more than 3.5% in 2022.

2022



TURKISH BANKING SECTOR KEY INDICATORS

	December 2021	December 2020
Assets	TL 9.21 trillion	TL 6.11 trillion
Loans	TL 5.02 trillion	TL 3.66 trillion
Marketable Securities	TL 1.48 trillion	TL 1.02 trillion
Deposits	TL 5.54 trillion	TL 3.63 trillion

TEB'S PERFORMANCE IN 2021 IN GENERAL

Loan-to-deposit ratio
81.78%

Capital adequacy ratio
18.05%

Return on equity
15.82%

Presented below is a summary of TEB's shares of the banking industry's basic indicators as of 31 December 2020 and 31 December 2021 together with information about changes in those shares.

Looking at the highlights of the Bank's performance in 2021 as compared with that of 2020 we observe that:

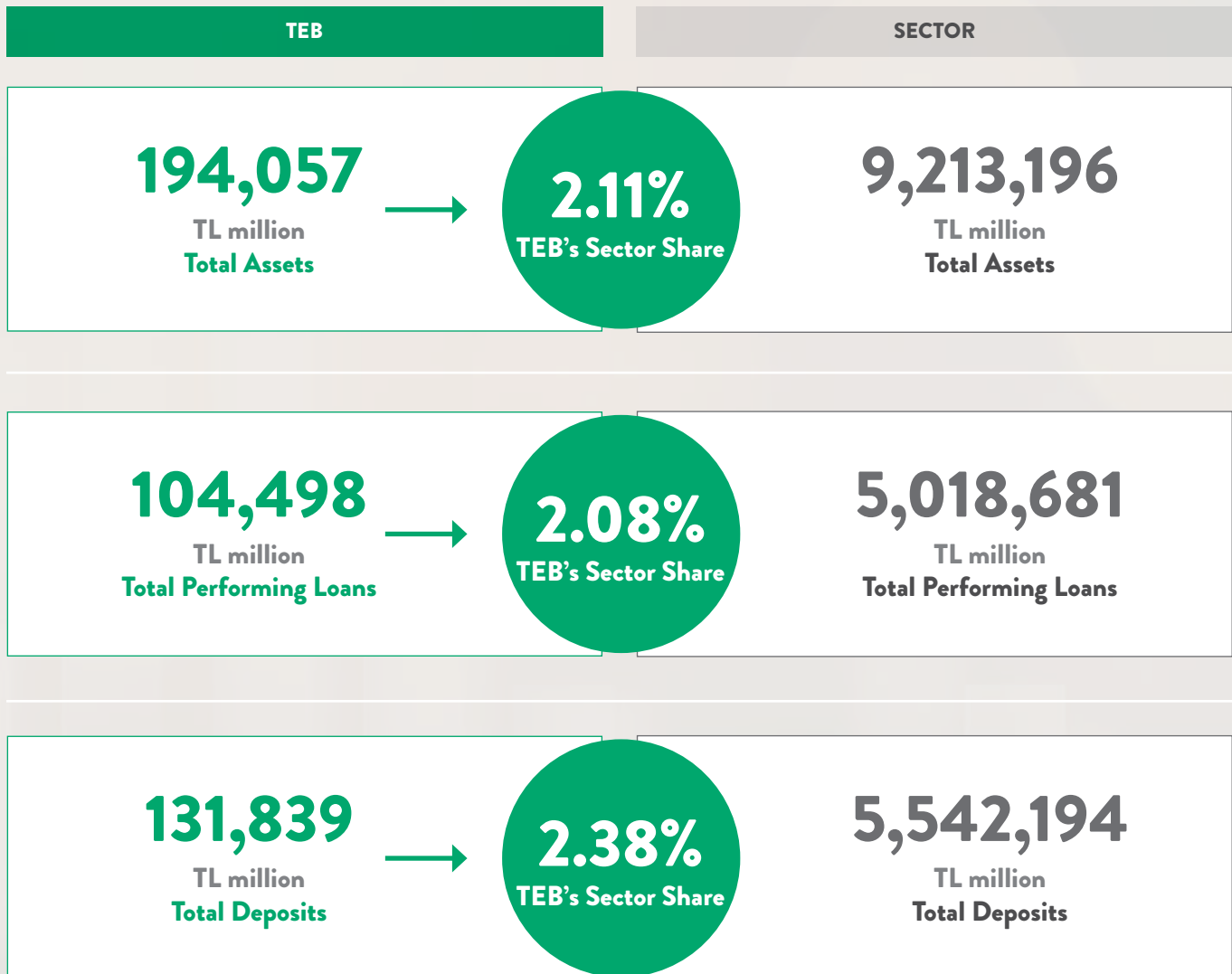
- Total assets increased by 38.56% in 2021.
- Shareholders' equity reached TL 13,618 million.
- Total deposits accounted for a 68% share of the Bank's balance-sheet.
- Total loans, which is the most significant indicator of the Bank's support for its customers and the economy, has been TL 107.8 billion in 2021 which represents 55.6% of total assets.
- Loan-to-deposit ratio has been realized as 81.78%, capital adequacy as 18.05% and return on equity as 15.82%.



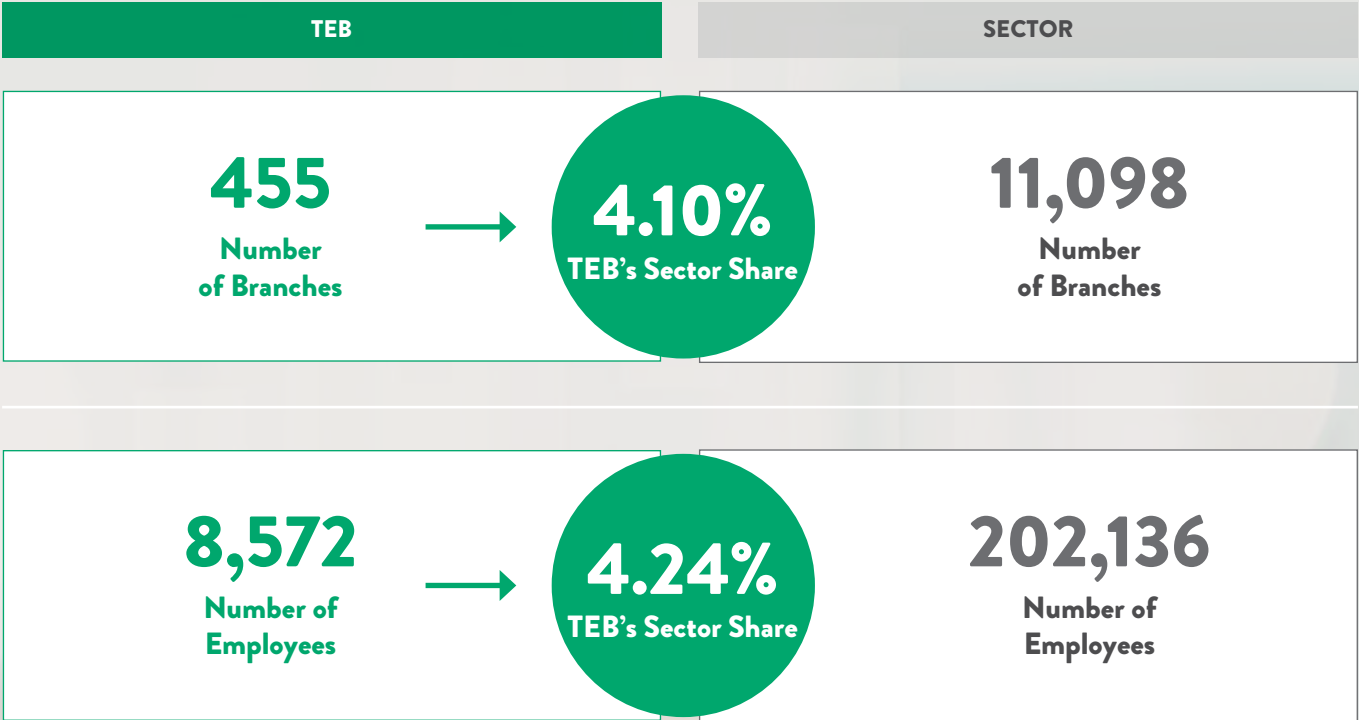
A photograph of two children, a boy and a girl, sitting on a red and white checkered picnic blanket in a grassy field. They are both reaching up with their hands towards two green balls that are suspended in the air. In the background, there is a large, leafy tree and a clear sky. The entire scene is framed by a green border.

**WE ACKNOWLEDGE THE
VALUE OF SHARING, WE
BELIEVE IN COOPERATION
FOR OUR COMMON
FUTURE**

TEB'S POSITION IN THE SECTOR



Source (for sector figures): BRSA's December 2021 monthly bulletin



Source (for sector figures): BRSA's December 2021 monthly bulletin

AWARDS



IN 2021, TEB CLAIMED NUMEROUS AWARDS ON THE NATIONAL AND INTERNATIONAL ARENA FOR ITS PROJECTS AND INITIATIVES AS IT DID IN PREVIOUS YEARS.



**WE ARE PROGRESSING WITH
RESOLUTION IN LINE WITH OUR
GOALS**





TEB Corporate Banking Group 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 250 million and above.

2021 has been a rough year as the impact of the Covid-19 pandemic endured in global economy and domestic markets. The priority focus of TEB Corporate Banking Group was shaped around the goal of digitalizing the services rendered to its clients.



Corporate Banking

TEB CORPORATE BANKING PRODUCTS AND SERVICES

- 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

TEB has tailored its privileged and high-quality services delivered through a total of 12 corporate branches, 5 of which are in İstanbul, in line with its long-term customer relations approach. The Bank provides its services through its sales, cash management, foreign trade centers staffed with experienced specialists and an organization specifically designed for multinational companies. In its Corporate Banking business line, TEB is backed also by the synergy created with the global network of its shareholder, BNP Paribas.

NEW SERVICE MODEL

Under the "New Service Model" that was introduced in 2021, TEB restructured its İstanbul corporate branches, organizing them according to customer segments. Three branches were opened during the year.

In line with its goal of being "the first bank that comes to mind of customers" in the Corporate Banking business line, TEB will resolutely carry on with its new product and service solution developments.

TEB IS THE FIRST BANK IN TURKEY TO SET UP A MULTATIONALS DESK.

Since 2006, the Bank has been offering service to resident subsidiaries of multinational companies. In these services, TEB benefits from its own extensive network of domestic branches in Turkey as well as the cooperation it has developed with BNP Paribas, which operates with approximately 190,000 employees in 65 countries with the slogan "One Bank for Corporates", and has more than 30 million customers and more than 7,000 branches.



The Multinationals Desk services İstanbul-based companies backed with foreign capital out of its Multinational Companies Corporate Branch. Foreign companies based outside of İstanbul, on the other hand, are furnished service by dedicated specialized teams at corporate branches and at the Head Office.

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.

In all its activities, TEB matches the highest level of service quality and standard that global partners of foreign-capital companies receive from BNP Paribas at the maximum extent permissible under the applicable legislation in Turkey.

GLOBAL TRADE SOLUTIONS

GLOBAL SERVICE COMPETENCE IN INTERNATIONAL TRADE

TEB is a differentiated and specialized bank in foreign trade. This competence is complemented and further reinforced by the global service network of BNP Paribas, which ranks among the world's top three and Europe's leader in foreign trade finance.

At over 100 locations, Trade Centers of BNP Paribas add to TEB's competitive strength in this arena. Backed by the global service capability at its disposal, TEB makes available digitally to its customers Export Value Acceptance Document (in Turkish: İBKB) issuance solutions, as well as letter of credit documentation preparation, which is a specific operational process.

TEB maintains correspondent relationships with more than 1,000 banks located all over the world. Expanding its correspondent network in line with customer needs, the Bank also makes use of the strong correspondent network of BNP Paribas.

FAVORABLE TERMS IN FOREIGN TRADE TRANSACTIONS

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.

CORPORATE BANKING GROUP

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.

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.

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

STRONG POSITION IN EXPORT FINANCE

TEB possesses a competitive and strong position in export finance which is verified by sectoral data.

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.

THE FIRST BANK TO OFFER STRUCTURED COMMODITY FINANCING CREDIT IN TURKEY

TEB initiated lending against electronic product certificate (ELUS) via the infrastructure it has brought to completion in 2017, breaking new ground in Turkey.

Another solution TEB offers to exporters is rediscount loan opportunities the Central Bank of the Republic of Türkiye (CBRT) allocates to Turkish exporters.

EXPERIENCE SHARED THROUGH FOREIGN TRADE TRAINING PROGRAMS

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.

LARGE CORPORATES

SERVICES DELIVERED ON THE BASIS OF A BROAD AND HIGH-QUALITY PRODUCT RANGE

At TEB, large corporates relationship management is conducted by a team of Global Relationship Managers at the 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.

Relationship management with large companies includes large corporate companies which have been established and grown in Turkey, and differentiated themselves in terms of revenue, geography and diversity of financial transactions.

Global Relationship Managers possess the capabilities and experience to fulfill these companies' strategic needs such as debt and equity capital markets, financial markets, project financing, M&A advisory, as well as their conventional banking needs like operating loans, cash flow and foreign trade, and to render/coordinate all these services.

CASH MANAGEMENT

CUSTOM-TAILORED DIGITAL SOLUTIONS

Backed by a strong technology, TEB Cash Management kept responding to customer needs with digital solutions in 2021.

As cash management products gained the foreground recently, the Bank introduced Internet banking and mobile banking applications, as well as such products as E-signature and Mobile-Ink, the instruction management platform for banking service orders.

In the collections area that is of particular importance to corporate and commercial customers, the Bank launched its new product, the TEB Mobile Collection Platform.

With this innovative product that allows businesses to process all collections made by their sales teams without having to carry several devices such as POS devices, laptops and phones using various collection instruments such as credit cards, cash, cheque or promissory notes, lets them instantly track the collections at the head office, and enables regular reporting of collections, TEB claimed the Bronze Stevie in the Cash Management category at the Stevie International Business Awards.

TEB Corporate Banking has adopted a customer-oriented approach in the product and service processes it offers to its customers. Accordingly, the Bank further developed and persevered with its strategy of “creating value for all stakeholders” that promotes its target of flourishing the value proposal offered to its customers.

SOLUTIONS FOCUSED ON SPEED, PRODUCTIVITY AND EFFICIENCY

By early 2021, TEB Cash Management completed the necessary developments and took place among the first banks to join the FAST (Instant and Continuous Transfer of Funds) system launched by the CBRT.

TEB clients are able to define Easy Addresses quickly and securely on CEPTETEB Mobile and CEPTETEB İŞTE applications, and can transfer money rapidly, securely and instantly 24/7 via the FAST system.

Through CEPTETEB İŞTE Mobile Banking, its comprehensive and user-friendly digital banking platform tailored for commercial customers, the Bank offers the chance to view and quickly share messages about SWIFT payments, view SWIFT GPI tracking system data and instantly follow-up the status of the payment end-to-end.

2021 also saw the introduction of the SWIFT SCORE (The Standardised Corporate Environment) payment service. TEB clients are able to forward TL or FC money payment orders to the Bank in MT101 or FileAct formats from their own SWIFT addresses using SWIFT SCORE, which is a closed-circuit system for firms to exchange messages with financial institutions and send their payment orders.

During 2021, TEB kept evolving and diversifying its supplier finance models and enabled integration with fintech platforms. In our day when open banking applications and partnerships with fintech companies gain increasing significance, TEB Cash Management attaches great importance to carry on with new developments that cater to customer preferences.

BEST CASH MANAGEMENT BANK OF THE YEAR IN TURKEY

TEB Cash Management was named the “Best Cash Management Bank in Turkey” for the 8th time at the Asian Banking and Finance Wholesale Banking Awards, the panel of which comprises of independent audit firms such as Ernst and Young, KPMG, Deloitte and PwC as well.



CUSTOMER SUPPORT THROUGH VARIOUS CHANNELS ENABLED BY STRONG SYNERGY

STRATEGY: “CREATING VALUE FOR ALL STAKEHOLDERS”

TEB Corporate Banking has adopted a customer-oriented approach in the product and service processes it offers to its customers. Accordingly, the Bank further developed and persevered with its strategy of “creating value for all stakeholders” that promotes its target of flourishing the value proposal offered to its customers.

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 in 2021 as well.

BACKED BY THE SYNERGY WITH BNP PARIBAS

TEB Corporate Banking continued to further solidify the value offered to customers, including those needing investment banking products, by taking advantage of the strong international network and product line of BNP Paribas Group.

In this context, TEB provided the following high value-added 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
- intermediation of domestic and international borrowing instrument issuances or public offerings.

CORPORATE BANKING GROUP

The Bank closely monitored the “green” projects of public and private sector institutions and continued to provide solutions for their sustainable finance needs.



MULTIPLE SYNERGY WITH BUSINESS LINES AND SUBSIDIARIES

TEB conducts synergy-based business development activities involving the Bank's other business lines, in order to create value for corporates in all areas of activity they are engaged in such as agricultural banking, consumer finance, 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 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".

Amid the volatile market conditions of 2021, TEB carried on with product, service and solution developments for Corporate Banking customers through the Group companies.

BUSINESS DEVELOPMENT ACTIVITIES

WITH THE CONTRIBUTION OF STAKEHOLDER RELATIONS...

Within the context of business development activities, TEB takes major steps to develop its Corporate Banking customer base. In line with these collaborations with major non-governmental organizations, industry and trade exchanges have been realized.

TEB conducted joint business development activities with TEB Start-up Banking portfolio of start-up firms to provide support for corporate banking customers' Industry 4.0 and digital transformation processes. A number of successful projects were carried on to improve service quality and efficiency with cooperation developed with BNP Paribas and business partnerships experienced in their fields.

The Bank closely monitored the “green” projects of public and private sector institutions and continued to provide solutions for their sustainable finance needs.

During 2021, which has seen the effects of the Covid-19 pandemic persevere, TEB also offered need-based business solutions adding value to customers to help corporate companies navigate through the rough market conditions with minimal impact. In cooperation with the Ministry of Treasury and Finance, the Bank provided various support and incentive packages to corporate customers which were targeted at reducing the financing costs of R&D and environmental investments.



In 2021, “digitalization” was made the main focus upon reviewing the processes from the perspective of operational excellence and ensuring customer satisfaction by increasing the commercial time of employees.

PUBLIC BANKING

COOPERATION FOCUSED ON VALUE GENERATION

Since 2017, via its Public Banking Department, TEB has been working to expand the scope of business with the public sector and to increase cooperation areas.

Within the context of these activities, 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.

The Public Banking Department carries on with its efforts to provide low-cost and long-term funding and other banking products to Public Economic Enterprises and Local Administrations.

In 2021, TEB Public Banking diversified its public institutions portfolio with new relationships established, and gave them access to alternative types of funding such as bond issuances in accordance with their medium-and long-term strategies, primarily through capital markets.

In this context, TEB gives priority to sustainable financing facilities. The Bank resolutely carries on with its efforts to implement and develop financing models that are environmentally-sensitive and support circular economy.

MARKETING AND BUSINESS MANAGEMENT ACTIVITIES

PROJECTS GENERATING VERSATILE VALUE

Marketing and business management activities are carried out in parallel with the TEB Corporate Banking sales and marketing strategies that were formulated. These activities include oversight of action plans devised, conducting transformation projects backing strategy and goals and detailed analyses in improvement areas, and management and reporting of improvement projects for identified processes.

In 2021, “digitalization” was made the main focus upon reviewing the processes from the perspective of operational excellence and ensuring customer satisfaction by increasing the commercial time of employees.

In addition, training programs were continued to be planned and executed in coordination with the Human Resources Department, which are designed to contribute to the development of the Bank’s employees, and to equip them with the knowledge and competencies that will help achieve the strategy and goals.

In addition to strategy and project management coordination, budget management and financial performance of Corporate Banking segment are monitored and reported, and in this context, support is provided for data supply in relation to sales, marketing and analysis activities of branches and related teams.

Activities are carried out under the Corporate Banking organization to achieve full compliance particularly with the national and international legislation for prevention of laundering proceeds from crime and with the TEB and BNP Paribas Group procedures. To this end, implementations, examinations and training activities are managed in coordination with branches and related teams.

TEB Corporate Banking also carries out sustainability initiatives in line with its “positive impact” target, taking into consideration its environmental and social responsibilities. In this context, projects targeted at offering innovative and sustainability-focused products and services continue at an increasing pace.

AN APPROACH THAT ADDS VALUE TO AND SUPPORTS SMES

TEB SME Banking keeps adding value to SMEs with its non-financial products and services, alongside effective financial support in keeping with its “consultant banking” approach.

TEB SME Banking focuses on offering customized service to its customers that vary in scale with diverse product and service requirements. Structured accordingly, TEB operates in the areas of SME, Agricultural, Start-up, Gold and Municipal Banking segments. The Bank provides information, training and partnership support to customers in terms of non-financial support.

Based on its vision of automation and digitalization of banking processes which is accelerated by the pandemic, TEB SME Banking targets to offer the best customer experience to SMEs. Hence, taking into consideration the impacts of the pandemic and altered customer expectations, the Bank redesigned its products and processes in order to provide faster and solution-oriented service to its SME customers and kept offering privileged means to its customers to prep them for the global competitive arena.

TEB assessed demands for deferment of loan repayments by customers with disrupted cash flows and having difficulties in repayment of credits with a sense of responsibility. The Bank formulated new repayment plans compatible with their cash flows, and fulfilled additional credit demands. During the reporting period, TEB sustained its support to the SMEs uninterruptedly in KGF (Credit Guarantee Fund) and KOSGEB (Small and Medium Enterprises Development Organization of Türkiye) supported projects.



VERSATILE AND ADVANTAGEOUS SERVICES TO EXPORTER CUSTOMERS

Backed by the synergy of BNP Paribas’s global service capability, TEB also extended support to its exporter customers’ investments for increasing their employment and trade volumes.

Blending its strong international correspondent network and foreign trade expertise, the Bank provided financing facilities at favorable terms and advantageous costs. Need analyses were performed for exporters that have a strategic importance for the Turkish industry and customized product and service models were designed accordingly. Advisory needs of foreign trade customers continued to be fulfilled by expert teams.

TEB let its customers manage their day-to-day banking transactions at low-costs with its products offering cost advantages such as “KOBİ Dört Dörtlük” and “KOBİ PRATİK”. In this framework, SMEs were offered the chance to perform SWIFT and other transfers free-of-charge for a period of up to six months in their import and export transactions under three different Foreign Trade Expense Packages differentiated according to customers’ scales, and to benefit from advantageous exchange rates for buying and selling FC on the TEB FX Platform.

Based on its industry expertise, TEB SME Banking serviced its customers with specific products such as ELUS (Electronic Product Certificate) loans, Gold Flexible Installment Loan for the gold and jewelry industry, as well as loans with grace periods. The Bank continued to cater to its customers’ insurance needs with the broad product ranges of Zurich Sigorta and Cardif Sigorta.



Backed by the synergy of BNP Paribas's global service capability, TEB also extended support to its exporter customers' investments for increasing their employment and trade volumes.

DIGITAL SME

A MAIN SERVICE CHANNEL

TEB positions CEPTETEB İŞTE, its digital platform granted seven awards by some of the world's most prestigious recognition programs including those of the IFC and The Banker, as one of its main service channels.

CEPTETEB İŞTE lets commercial customers reach TEB quickly and easily to perform their day-to-day banking transactions practically.

TEB kept further developing its CEPTETEB İŞTE mobile banking application in 2021. In this context, the Bank added the following functions to its digital service channel.

- CEPTETEB İŞTE Digital Loan Utilization,
- FAST 24/7 money transfer,
- KOLAS – Easy Address integration and transfer,
- Revolving (Bank Overdraft Account) loan utilization and repayment,
- SWIFT payment monitoring and payment tracking (SWIFT GPI),
- E-mail verification and deletion,
- Payment with QR Code (using a credit card),
- Insurance policy monitoring.

Innovations were introduced also in corporate internet banking. In this framework, the Bank made available the capability to issue İBKB (Export Value Acceptance Document) documents to respond to the needs of foreign trade customers.

START-UP BANKING

A CONTINUOUSLY EVOLVING BUSINESS LINE SINCE 2013

TİM-TEB Start-up Houses were first set up in 2013 with the aim of reaching start-ups all over the country, increasing the number of technology start-ups, and winning their innovative business ideas for the economy so as to assist them flourish healthily.

Maintained in partnership with the Turkish Exporters Assembly (TİM), TİM-TEB Start-up Houses are currently active in seven cities, namely Istanbul, Ankara, İzmir, Bursa, Mersin, Denizli and Gaziantep.

Being the first bank to qualify as an implementation institution in TÜBİTAK's Young Enterprise (BiGG) Program, TEB is in leadership position in the program of which it has been a part for six years.

So far, 92 start-up companies have been incorporated within the scope of the BiGG Program. Start-ups in TİM-TEB Start-up Houses were given access to grants worth TL15.4 million in total.

While supporting new generation ventures, TEB provides supports that will contribute to digital transformation journeys of SMEs and corporates at the same time. In this framework, technology companies offering innovative solutions were brought together with over 60 corporates under the S2C (Startup/Scaleup2Corporate) programs launched as an initiative of TİM-TEB Start-up House.



40 successful women entrepreneurs were supported through the Start Up and Scale Up programs implemented within the scope of the AWE Program.

With the aim of increasing its contribution to digitalization of SMEs that serve as the engine of the national economy, TEB organized the SME-Start-up Gatherings event on the digital platform in 2021. In this event, the Bank brought its SME customers from different sectors together with start-ups that might have a potential impact on their ways of doing business.

UNINTERRUPTED SUPPORT TO WOMAN ENTREPRENEURSHIP

2021 marked the launch of AWE (Academy for Women), a joint program by TİM-TEB Start-up House and the US Embassy for helping women entrepreneurs in Turkey strengthen and become globally successful entrepreneurs. 40 successful women entrepreneurs were supported through the Start Up and Scale Up programs implemented within the scope of the AWE Program.

Under various acceleration programs conducted since 2015, more than 150 women entrepreneurs received support from the TİM-TEB Start-up House. Employment created by women entrepreneurs reached 1,000 people as of year-end 2021.

INTERNATIONAL POSSIBILITIES IN THE AREA OF START-UPS

TEB is also involved in the international cooperation processes of the start-up ecosystem. The Bank undertakes forward-looking planning with French Tech İstanbul, and helps TİM-TEB Start-up House start-ups reach the European market, primarily the French market, to find clients and investors.



AGRICULTURAL BANKING

AGRICULTURE AS AN ESSENTIAL ACTIVITY

Global warming and climate crisis made protection and evolution of agricultural activity a matter of critical importance and priority for the whole world.

Since 2007, TEB Agricultural Banking has been making available its Agricultural Banking products based on the circumstances and dynamics of agricultural production for use by producers.

TEB Agricultural Banking provides agricultural input financing to farmer and producer organizations (unions, cooperatives and chambers) and agricultural establishments of any scale.

EXPANDING COVERAGE OF TEB HARMAN CARD

Within the scope of the increasing partnerships and broadening member merchant network of TEB Harman Card (Harvest Card), small and medium-scale farmers are offered grace period advantage for up to 6 months for their working capital and agricultural input purchases such as fuel oil, fertilizer, seeds, fodder etc. Farmers also have the option to pay for their agricultural electricity and irrigation bills and repay these items at the harvest period.

In order to support the agricultural industry that gained strategic foreground during the pandemic, TEB initiated digital transformation of its lending process. Processes were redesigned so that farmers can make use of banking services without going to a branch particularly during the pandemic days. Customers who need financing for agricultural production were offered Harman Card and higher agricultural credit lines.

In 2021, TEB participated in agricultural fairs observing the pandemic measures. In these fairs that it traditionally attends, the Bank got together with farmers and producers.

MUNICIPALITY BANKING

A DISTINCTIVE BUSINESS MODEL

TEB Public Banking remained one of the main banks of local administrations also in 2021.

With the Municipality Banking special business model, the Bank 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.

With the Municipality Banking special business model, the Bank provided municipalities easy access to financing and contributed to more rapid infrastructural investments.



GOLD BANKING

HIGH MARKET SHARE

TEB continues to add value to its customers with its expertise in gold and jewelry industry, its accessibility and its products that make a difference in that industry. TEB is placed among the banks with the highest market share in the financing of the industry.

Also in 2021, as it has been doing for 25 years, TEB Gold Banking kept supporting the exporter companies in the Turkish jewelry industry, contributing significantly to their competitiveness in the world markets.

Also in 2021, as it has been doing for 25 years, TEB Gold Banking kept supporting the exporter companies in the Turkish jewelry industry, contributing significantly to their competitiveness in the world markets.



RETAIL AND PRIVATE BANKING GROUP

During 2021, TEB expanded the range of services, offers and communications through digital channels.

EXPERIENCE PROPPED WITH INNOVATIVE PRODUCTS AND SERVICES

In view of the lingering pandemic effects of 2021, TEB Retail and Private Banking Group continued to give the forefront to its customers' health, needs, expectations, and the quality of their banking experience. The Bank delivered its innovative products and services to its customers without letup.

During 2021, TEB continued to diversify and enrich the products, services and campaigns in order to be able to offer customer-oriented solutions. Furthermore, the Bank expanded the range of services, offers and communications through digital channels.

Digital banking applications were and constantly are being developed, which secured significant growth and broadening in the use of services offered digitally.

In 2021, TEB continued to support its customers with skip payment and restructuring options in credit cards and retail loans.

A SUCCESSFUL OPERATING YEAR

TEB Retail Banking carried on with its activities with its satisfaction-oriented service understanding in 2021. Committed monitoring of customer acquisition channels, processes and habits brought a successful year in which banking targets were captured.

In 2021, the Bank authored solutions that made a difference in the sector on the back of infrastructural and methodical developments with the aim of delivering a better customer experience.

On the marketing front, customer touchpoints, communications and all campaigns were carried out with an analytical approach. Changing customer needs were responded to in a more productive and comprehensive fashion.

In a market characterized by constantly evolving technology and customer needs, TEB resolutely carries on with its efforts in line with its goal of making a contribution to its customers.

Priorities in 2021

TEB identified its priorities in the retail banking segment as follows:

- Improve customer experience,
- Take digital transformation solutions to the next level,
- Grow with customer loans, Marifetli Account and new customers,
- Increase the number of active customers in all segments





The quality of the customers' experience with TEB, the degree of their satisfaction with products and services, and the level of their recommending the Bank was measured using the NPS methodology.

TO BE "THE MOST RECOMMENDED BANK"

TEB targets to make a difference in the sector and deliver positive experiences at all times. In its journey for achieving this target, TEB carries out its activities with the goal to "be the most recommended bank"; to this end, the Bank constantly measures customer experience.

In 2021, the Bank measured the quality of the customers' experience with TEB, the degree of their satisfaction with products and services, and the level of their recommending the Bank using the NPS (Net Promoter Score) methodology.

During the reporting period, the Bank listen the voices of approximately 210 thousand customers from five different contact channels, namely CEPTETEB, Call Center, branches and Turbo device. Survey results were regularly analyzed by the business units and necessary enhancements were made in improvement areas in customer experience.

As a result of technological upgrades carried out in 2021, the Bank continued to incorporate digital channel alternatives within customer experience measurement system. While these developments served to receive customer feedbacks easily and quickly, customer measurement system was converted into a multi-channel and digital structure.

Based on its competence to contact the customers through their most preferred channels and to be accessible thereon, TEB integrated digital channels with the customer experience measurement system.

Due to the changes that resulted in customer behaviors due to the pandemic conditions, digital transformation remained in focus by TEB during this process.

The highlights of TEB's major developments and improvements on its digital and branch channels in 2021 are as follows:

- Customer acquisition from digital channels
- Increased cash withdrawal limits from ATMs
- Increased number of turbo video devices and upgrades on the devices
- Efforts for prioritization of contacts at the call center
- Communications for referring customers to use digital channels
- Capability to transfer pensions from another bank through digital channels

TEB also keeps investing in CRM, big data, analytics and real-time interaction technologies for gaining a better insight into customer needs and responding to expectations with correctly-timed personalized offers.

RETAIL AND PRIVATE BANKING GROUP



Offering the renewed financial and non-financial privileges with a holistic banking approach, TEB strengthened customer loyalty. This development brought 31% increase in the number of TEB Affluent (Yıldız) Banking customers in 2021.

RETAIL AND AFFLUENT (YILDIZ) BANKING

A CUSTOMER- AND SOLUTION-ORIENTED APPROACH

TEB aims to reach its customers through a higher number of channels, and give its customers effortless, fast and reliable access to all banking transactions digitally, as well as through physical channels.

During 2021, the Bank carried out effective, continuous and multi-channel communication activities in loan and deposit products and this contributed to new customer gains.

DIGITALIZATION FOR SUPERIOR CUSTOMER EXPERIENCE

From the onset of the pandemic, TEB carried out a multi-dimensional and intensive activity in retail loans. The Bank emphatically manifested its support to customers by granting deferment on consumer loan balances to its customers suffering from disrupted cash flows.

Employment of digital channels to respond to customer demands allowed customers to defer their payments easily, and all customer demands deemed acceptable were fulfilled quickly.

ONE OF THE MOST PREFERRED BANKS IN CONSUMER LOAN

While a 3-month deferment option was offered for repayment of consumer loans, the Bank secured effective portfolio management aimed at the right target audience on the back of analytical studies conducted, as well as enhancements made to existing loan products and processes. Analytical CRM models helped increase campaign efficiencies remarkably.

“MARİFETLİ ACCOUNT”, AN ACCOUNT CHANGING SAVINGS HABITS

“Marifetli Account”, which has changed Turkey’s savings habits, is a savings product with a daily term and provides account holders the flexibility of depositing or withdrawing cash at any time.

As savers turned to Marifetli Account at a higher extent amid the varying interest rate environment of 2021, the balance in TL Marifetli Accounts expanded by 6.2%. Marifetli Account offered advantageous interest rates to savers throughout the year with its attractive campaigns.

Global Youth (Genç) 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.

GROWTH ENABLED BY SALARY ACCOUNT CUSTOMERS

TEB mediates salary payments of numerous large corporate and public sector institutions with the target of being “the most preferred bank” in salary payments.

Supporting the expansion in the Retail Banking business line, salary account customers constituted 24% of newly acquired customers in 2021.

In 2021, special packages offered to customers with salary accounts are enriched with favorable loan terms, deposit rates and discount campaigns for a range of products. Custom-tailored retention programs are developed for those customers whose salary agreements ended enabled customers loyalty in long term.



80% RISE IN THE NUMBER OF PENSION ACCOUNT CUSTOMERS

The number of TEB's pension account customers grew by 80% over the course of two years.

Throughout the year, the Bank offered promotional campaigns to customers transferring their pension accounts to TEB, thereby enriching its product campaigns targeted at customer needs with promotion offers.

System developments were introduced to let pension account customers transfer their SGK (Social Security Institution) pensions to TEB without going to a branch in the face of the pandemic conditions using CEPTETEB mobile application, which started to be used actively. In addition, "My Pension at TEB" menu, which allows pension account customers to view all customized offers and campaigns using the CEPTETEB Mobile App, was also put into service.

Advantageous credit rates and special customer programs were made available to existing and newly acquired pension account customers, under which they were provided with advantages in various aspects from credit cards to supermarket and healthcare expenses.

PARTNERSHIPS TO SUPPORT NEW CUSTOMER ACQUISITION

In 2021 TEB partnered up with management of apartments and building complexes and carried out activities for school payments and transferring parent accounts to TEB in line with the goal of acquiring new customers.

TEB AFFLUENT (YILDIZ) BANKING

31% INCREASE IN THE NUMBER OF AFFLUENT (YILDIZ) BANKING CUSTOMERS

TEB renewed its Affluent Banking propositions to its customers in the medium-upper income group in the second quarter of 2020. Following the said study completed in 2020, developments and innovations continued in 2021.

Offering the renewed financial and non-financial privileges with a holistic banking approach, TEB strengthened customer loyalty. This development brought 31% increase in the number of TEB Affluent (Yıldız) Banking customers in 2021.

TEB ACCESSIBLE BANKING

Since 2014, TEB has been working to make its branches and other service outlets capable of offering service under "Accessible Banking" - concept. With its initiatives, the Bank has been eliminating the barriers to accessing banking services, and letting its customers with disabilities to easily perform their banking transactions.

TEB offers service to its visually-impaired customers out of 280 branches, via all the TEB ATMs and 45,207 POS devices, and to its orthopedically-handicapped customers out of 310 branches and via 685 ATMs. The Bank offers prioritized service to its customers with disabilities through its other channels as well.



An extension of TEB's responsible banking understanding, TEB Family Academy set on the road with the motto "Economy Starts in the Family" in 2012 and has carried out numerous projects since then.

A BROAD PRODUCT RANGE IN BANCASSURANCE

TEB works in a synergetic collaboration with BNP Paribas Cardif and Zurich Sigorta in the area of bancassurance.

Offering life and non-life insurance and private pension products to its customers, TEB boasts a wide product range covering life, personal accident, agricultural, gold, engineering, unemployment, health, liability and pension plans. During 2021, TEB Bancassurance continued to offer service both through the Bank's branches and alternative distribution channels in order to respond to its customers' needs for insurance and private pension products.

TEB Bancassurance is also focused on developing and improving its business processes. The Bank established an information structure which enables viewing and printing the policies purchased via internet and mobile banking, and to search past policies. The digital approval function that was launched allowed customers to approve the proposals themselves, thereby responding duly to the pandemic circumstances.

TEB also started selling the "Complementary Health Insurance" and the "Complementary Health Insurance Plus" products, which are targeted at eliminating customers' health concerns in the face of the pandemic conditions, and also put into service the developments enabling sales of these products on CEPTETEB Mobile App.

TEB FAMILY ACADEMY EXPANDS THE HABIT OF SAVING UP ACROSS THE SOCIETY.

An extension of TEB's responsible banking understanding, TEB Family Academy set on the road with the motto "Economy Starts in the Family" in 2012 and has carried out numerous projects since then.

Expanding the habit of saving up across the society, securing sustainable economic growth, and helping raise a financially literate generation made the focal points of the systematic initiatives and training programs realized.

Targeted at many different segments such as the youth, women, employees, entrepreneurs and retirees, Financial Literacy Trainings are open to everyone and offered free-of-charge.

Participants in the Academy's training programs receive basic financial literacy information under the headings of saving up, budget management, correct use of loans and cards, investing and investment planning, risk perception, information on financial rights and obligations, raising increased awareness of financial literacy, and balancing expenses and income.

To reach a highly financially-aware composition in society, to determine and periodically measure the level of countrywide financial literacy, a Financial Literacy and Access Index is being calculated since 2013 under the cooperation of TEB and Boğaziçi University Center for Analytics and Insights.

In 2020, the financial impacts of the pandemic and the changes it has caused were included in the research. It has been observed that the pandemic drove digitalization of individuals and differentiated their saving methods and reasons.

From 2020, face-to-face training programs were suspended and digital trainings were initiated because of the pandemic impact. It is observed that financial literacy efforts increase financial access score. On the other hand, it is also noted that the fact that access to banking products in Turkey is being improved with simpler and user-friendly apps contributes to digital access.

Preparing for the post-pandemic period, TEB carried on in 2021 with its training programs on financial literacy, financial access and promoting the habit of saving up. During the reporting period, the Bank brought financial literacy training to over ten thousand individuals from eight different sectors in approximately one hundred and fifty sessions.

Among the groups participating in the training were some of Turkey's deep-rooted companies, transportation companies, educational institutions, and one of Turkey's biggest e-commerce companies.

TEB Private customers can review their assets they invest with TEB retrospectively on a daily basis with the “Daily Asset Analysis”, and access the daily Investment Strategy Report and Stock Report via CEPTETEB Mobile App.



PRIVATE BANKING

A SUCCESS STORY DATING BACK TO 1989

TEB has been offering private banking and wealth management services since 1989. TEB Private Banking operates out of 13 Private Banking Centers and 4 in-branch corners located in Turkey and the Turkish Republic of Northern Cyprus.

Combining BNP Paribas’ global know-how and experiences with an innovative service concept, TEB Private Banking services its customers with a rich product portfolio.

THE ADDED VALUE OFFERED WITH CEPTETEB

CEPTETEB Mobile application is designed with content and visuals differentiated according to the demands and expectations of Private Banking customers. Using the Mobile Approval function, which is a first in the sector, Private Banking customers can approve their transaction orders via CEPTETEB without a wet signature.

Mobile Approval has been an important factor that enhanced customer satisfaction and enabled uninterrupted continuation of service delivery particularly during the pandemic days.

In 2021, TEB continued to evolve CEPTETEB in line with the demands of Private banking customers. The Financial Analysis Report menu that lets customers analyze their past and current portfolios at the Bank was enriched. “Return Analysis” report is launched on CEPTETEB Internet Banking and Mobile App.

The “Return Analysis” report enabled TEB Private Banking customers to view the total value and distribution of their portfolios, and to review the monthly and yearly return performance of their investments.

TEB Private customers can review their assets they invest with TEB retrospectively on a daily basis with the “Daily Asset Analysis”, and access the daily Investment Strategy Report and Stock Report via CEPTETEB Mobile App.

RETAIL AND PRIVATE BANKING GROUP

TEB Private Banking offers customers investment consultancy service via its experts at specialty branches within the scope of Investment Consultancy model created by TEB Investment. TEB Investment consultants offer portfolio management model alternatives structured in line with investor profiles and according to different risk levels.

PANDEMIC DAYS

TEB Private Banking rendered uninterrupted service to its customers amid the pandemic conditions in 2021. Customers reached TEB Private Banking Customer Representatives and performed their transactions by calling from their registered phone numbers.

They were kept informed about the markets and developments through regular teleconferences within the scope of Investment Consultancy services offered by TEB Investment.

TEB Private Banking offers customers investment consultancy service via its experts at specialty branches within the scope of Investment Consultancy model created by TEB Investment. TEB Investment consultants offer portfolio management model alternatives structured in line with investor profiles and according to different risk levels.

In light of the developments in international markets, TEB Private Banking increased its synergy with TEB Investment and TEB Asset Management and expanded its product range with new funds, alternative products and services in 2021.

Developments to watch in the economy markets and investment experts' fund basket suggestions started to be shared on a weekly basis with Private Banking customers on CEPTETEB under the heading "Investment Agenda of the Week".

During 2021, TEB Private Banking carried on with its activities addressing its clients on a remote-access format with "TEB Private Online Customer Events". In the remote-access events that dwelled on a wide variety of topics from arts to history, from the European Green Deal to collecting, speakers specialized in their respective fields got together with TEB Private customers.

TEB PRIVATE INFINITE CARD

The upscale credit card of VISA, the Infinite Card started to be offered exclusively to Private Banking customers under the name TEB Private Infinite Card and with the metal card option. Providing access to discounts at hotels and restaurants across the world, unique benefits at airports, special offers in online shopping, TEB Private Infinite Card has been designed to enrich and facilitate private banking customers' lives.



DIGITAL BANKING

In 2021, TEB enriched the digital banking experience delivered to its digital banking platform CEPTETEB with the addition of life-easing innovative solutions for customers.

Customer-oriented developments continued in April with the revamped home page of the corporate website. From 1 May 2021, CEPTETEB totally digitalized the customer acquisition process.

Potential CEPTETEB customers having an NFC- (Near Field Communication) enabled smart phone and Turkish Republic ID card could rapidly become a TEB customer by holding a video chat with the mobile app anywhere they wished.

Eliminating distances, paper consumption and many other operational burdens, TEB donated saplings for the first 20,000 people that have become the Bank's customers with the 100% digital process.

DURING 2021, 86.13% OF TEB CUSTOMERS USED NON-BRANCH CHANNELS.

Offering fast and easy-to-reach credit solutions to its customers on its digital channels, TEB updated pre-approved credit solutions so as to upgrade customer experience, merged them on the main page which is the page most frequently used and blended its customer- and solution-oriented perspective with its product and service diversity.

This experience was further enriched with the inception of the Complementary Health Insurance policy sales so as to cater to the pandemic-evolved customer needs and tendencies.

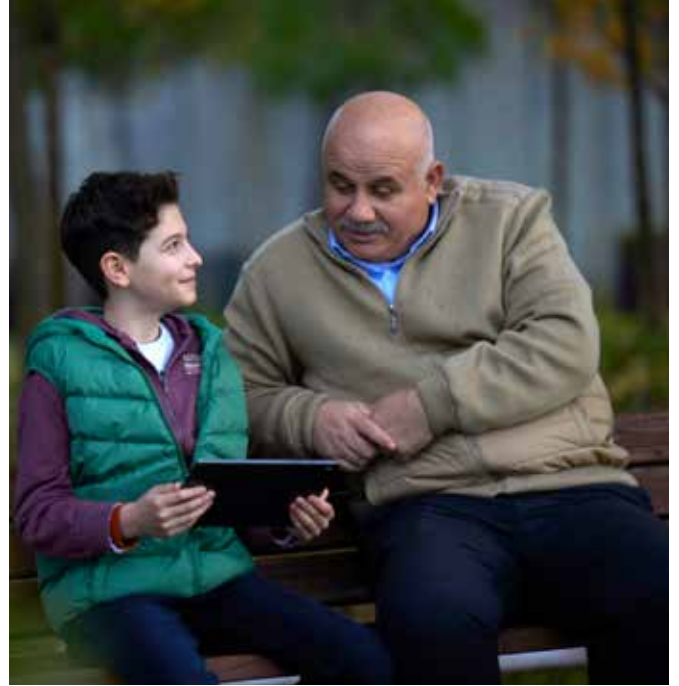
Use of digital channels in applications for consumer loans went up to 70% of total sales, while the share of deposit accounts opened via digital channels rose to 69%.

TEB offers its customers "Fast Track" at IGA, TAV and SAW airports, free-of-charge cash withdrawal abroad and departure fee payments through CEPTETEB Mobile App.

TECHNOLOGY INVESTMENTS THAT ADD VALUE

In 2021, TEB continued with its investments in technology.

One more step was taken in the advantage-packed world of CEPTETEB, and work was commenced on API technology, and on superapp with turna.com and Gen-pa, business partners that are leaders in their respective sectors. In addition, the new marketplace platform CEPTETEB Super was launched.



CEPTETEB Super facilitates airline ticket and electronic product purchases, and offers users an effortless shopping experience by filling in the necessary data at the time of purchase and payment securely and quickly with the API technology, alongside special discounts.

DIVERSIFICATION AND GROWTH

TEB continues to upgrade the banking service rendered to its customers with its mobile banking app and to increase transaction diversity through fast and successful integration of innovative developments.

Necessary digitalization efforts were carried out to let customers execute a higher number of transactions with less or no contact. Within the scope of the 3 Banks One ATM partnership, cash withdrawal and depositing with QR code were enabled from the ATMs of in-network banks.

In inter-bank money transfers, the most frequently used one within everyday banking transactions, the capability to transfer money to Easy Address with QR was added.

The Mastercard integration enabled customers to quickly and securely manage their TEB card payment instruments via CEPTETEB Mobile App for their e-commerce uses.

In this period of pandemic-shaped consumer habits, users who instantly became TEB customers by applying through CEPTETEB could apply for CEPTETEB Digital Card without a branch visit or signature process entailing a messenger service, upon which they forthwith accessed their cards and started using them for their purchases immediately.

PAYMENT SYSTEMS

TEB continued its efforts in 2021 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 security of card payments was further increased, additional product features were also enriched. TEB made available payment alternatives that will help merchants grow their turnovers.

CEPTETEB DIGITAL CARD

CEPTETEB Digital Card makes the highlight of 2021 developments.

In this period of pandemic-shaped consumer habits, users who instantly became TEB customers by applying through CEPTETEB could apply for CEPTETEB Digital Card without a branch visit or signature process entailing a messenger service, upon which they forthwith accessed their cards and started using them for their purchases immediately.

INFINITE NOW IN TURKEY

In 2021, "Infinite", the special card of VISA offering privileges to upscale customers, started to be issued to customers under the name "TEB Private Infinite Card" in partnership with TEB in Turkey with its metal card version. The card offers Private Banking customers not just a credit card, but also numerous unique benefits.

As TEB's private segment customers feel privileged in the world's leading hotels, they are also entitled to 10% discount on their expenses at many hotels and restaurants around the world. Additional benefits that users received under the said program include, among others, Zubizu Black membership, lounge access at select airports, parking fee discounts at airports and 24/7 Assistance Services.

ENRICHED CARD FUNCTIONS

As part of efforts for enhancing customer experience, functions were enriched to let customers perform all card transactions that they may need through digital channels.

A wide variety of campaign options are offered to customers via CEPTETEB, along with the opportunity to participate in the campaigns from the same platform. Within the scope of digitalization, global digital payment and card storage infrastructure solution provided by MasterCard with Masterpass application was offered through CEPTETEB Mobile App for TEB Credit Card holders.

Customers captured the opportunity to make their payments quickly and securely without sharing their card data with the business place when they make their purchases using TEB Credit Card and Masterpass via the Internet or the app.

ONE AGREEMENT, 5 CARDS

TEB develops POS solutions and packages specific for each segment.

Accepting all popular cards via single bank and account, TEB makes merchants' lives easier and add value to their businesses. The Bank provides merchants with the chance to accept 5 different card brands under a single agreement.

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

TEB has led the sector through campaigns, which include opportunities intended for end-users and device variety.



SELF-DEVELOPED SOLUTION FOR ANDROID POS

In 2020, TEB has become one of the several banks to develop its proprietary POS application in the area of Android POS with its internal IT resources. Upon completion of the project in 2020, developments continued in 2021.

This configuration that runs on a specific device continues to be developed to support the devices of different suppliers, and it is planned to be further broadened in 2022.

Developments have been substantially completed for pioneering applications such as the TR 2DCode (QR Payment) in the payments universe. Certification processes are in progress before related institutions.

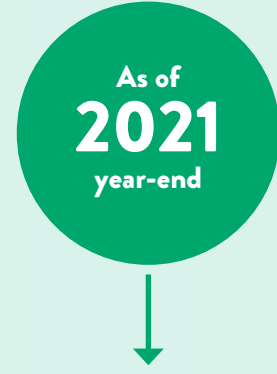
TEB carries on with the development of Soft POS (using mobile phones as POS devices).

In 2021, the number of banks with joint POS deals reached 7 and the number of brands & models collaborated for cash registers reached 21.

TEB extends support to member merchants with turnover and transaction analyses and company-tailored reports, as well as POS payment services. The Bank generated added value by fulfilling needs specific to each business.

As part of its digitalization efforts, TEB kept working towards making life easier for its POS customers and, further enhanced POS capabilities available on CEPTETEB İŞTE.

While the Bank lets member merchants effortlessly perform their day-to-day banking transactions with the rich set of functions and ease-of-use, it also made available tools for easy monitoring of all transactions associated with POS.



- TEB keeps offering service to 1.2 million customers with 2.1 million credit cards.
- TEB was offering service at 118,500 locations on the basis of direct POS agreements.
- The Bank offers member merchants shopping opportunities with installment and Bonus point redemption capability with 41,700 POS devices incorporating Bonus feature,
- TEB supports payment organizations, the new players in the sector. Carrying on with virtual POS efforts with a number of payment institutions, the Bank possesses a comprehensive and reliable infrastructure regarding the recognition and management of sub-businesses. Approximately 235,000 additional businesses are being served within the scope of this working model.
- With nearly 60,000 agreements in the PRD (Payment Recorder Device) market, TEB has 3.6% share in the PRD-cash register POS market.
- With 78,000 contactless POS/PRDs, the Bank strongly supports contactless payments particularly through solutions and communication campaigns at chain stores.
- POS agreements were made with large corporate customers and global chain stores.

RETAIL AND PRIVATE BANKING GROUP

MICROBUSINESS BANKING

STAUNCH SUPPORT

Throughout 2021, TEB sustained its support to small businesses and tradesmen, the hardest-hit customer segment by the pandemic.

Numerous new functions ranging from rolling credit disbursement to password deblocking with SMS were added to CEPTETEB İŞTE, the digital banking application developed in line with the notion “your business is with you anytime, anywhere” that prescribes simpler and easier usage of banking products and services by Microbusiness Banking customers.

APPROXIMATELY 93,000 CUSTOMERS

Approximately 93,000 Microbusiness Banking customers securely used CEPTETEB İŞTE, the award-winning digital platform that lets them view their instant turnovers and transactions for the last 7 days for POS, the key enticing product, gives them access to installment and rolling loans, let them pay installments, and control and monitor all their cash flows.

FIELD CUSTOMER RELATIONS ORGANIZATION

During 2021, Microbusiness Field Customer Relations (Remote RM) team comprised of experienced customer representatives that customers can instantly reach on the phone besides their assigned branch customer representatives started offering service to 200 branches.

Customers were granted the privilege to contact the same customer representative specifically assigned to their respective branch, receive answers quickly to their questions and have their transactions performed upon calling their branch or the Remote RM team.

SOLUTIONS FOCUSED ON SECTORS

Increased focus was placed on sectors defined as specific segments within the scope of Microbusiness Banking strategies. Under the advantage package devised for pharmacists within the framework of the collaboration protocol signed in previous years with the Turkish Pharmacists' Association, an extremely special service had been furnished to pharmacist customers, and pharmacist customers at all locations where branches existed were offered these services and advantages.

TEB offered the experience it has built with its pharmacist customers to similar segments, i.e., veterinarians and opticians. Agreements were made with the professional chambers of both professions and advantageous terms started to be offered.

KOSGEB SUPPORT

In a bid to extend support to businesses that suffered from the wildfires of 2021 and the flood disasters that hit certain districts in the Western Black Sea and Van in 2021 following the 2020 earthquake disaster in İzmir, TEB Microbusiness Banking joined the programs under which the principal amount was covered from bank's funds, and the interest support by KOSGEB (Small and Medium Enterprises Development Organization of Türkiye).

Firms who documented to have suffered from the earthquake, fire or flood disasters that took place had access to loans of up to TL 250,000 with a 36-month term, entailing a repayment schedule of quarterly equal installments following a 12-month grace period.



Women-owned businesses are faced with problems in their incorporation and growth phases, particularly in terms of creating collateral and obtaining loans. For the solution of these problems, women need to be involved in the economy with their identity as producers at a higher extent.



WOMEN BANKING

THE WOMEN'S CONSULTANT BANK

TEB is focused on satisfying women business owners' needs in business life and to be the women's consultant bank. 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.

Women-owned businesses are faced with problems in their incorporation and growth phases, particularly in terms of creating collateral and obtaining loans. For the solution of these problems, women need to be involved in the economy with their identity as producers at a higher extent.

In its efforts designed in line with this goal, TEB concentrates on extending the support women business owners need in financial and non-financial matters for sustainable economic growth.

In 2021, TEB's cash lending to women-owned businesses increased by nearly 18%. In the reporting period, the Bank organized widespread events in Anatolia to reach women entrepreneurs.

ANATOLIA IN FOCUS

TEB Women Banking aimed to reach women business owners and entrepreneurs all over the country by organizing widespread events particularly in Anatolia. Its content completely formulated to respond to the needs of women in business, TEB Academy for Women fulfilled women business owners' need for knowledge to build their businesses, and brought them together with the women evoking inspiration with their achievements in the business world.

As an alternative to physical events, online gatherings were organized during the pandemic days.

Through WEConnect International, of which the Bank is a member and which targets to increase the share women get from the supply chain of corporate companies, women entrepreneur gatherings with large corporates are being organized. In these events, the diversity in procurement and eligibility criteria for being a supplier are addressed from the perspective of corporate companies, and women entrepreneurs find the chance to contact and get acquainted with the purchasing managers of corporate companies one-on-one. Events were organized in this context in Central Anatolia, Eastern and Southeastern Anatolia and Mediterranean regions.

ASSET AND LIABILITY MANAGEMENT & THE TREASURY GROUP

In 2021, the Asset-Liability Management and Treasury Group contributed to its subsidiaries to work efficiently in within the boundaries set by compliance.

BRANCH SERVICE MODEL

FOR ECONOMICAL USE OF RESOURCES

As part of its digital transformation process, TEB embraced a working system integrated with technology targeted at economical use of resources.

Branch service models and customer journeys were redesigned according to regional needs and characteristics, and revisions were made to ways of doing business, roles and responsibilities.

Branch processes were digitalized and the number of documents were decreased thanks to fast advancing technology, which brought saving from time and paper consumption. This transformation helped create branches that are able to extend more support to customer needs and allocate more time for sales.

Within the scope of the new service model, transaction officers were positioned under the Mass Banking roof. Upon revised roles and physical rearrangements, TEB transaction officers were able to build closer and warmer dialogue with customers, offer service faster and increase their sales thanks to the tablets allocated to them.

TURBO®

TEB also produces solutions for its customers preferring to be serviced by branches, as well as non-branch channels. A product of the R&D efforts of TEB's IT Department, the Turbo® devices can handle nearly 85% of the transactions executed at the counters.

Located in TEB branches, Turbo® devices allow performance of not only transactions involving a physical exchange such as cash withdrawal/deposit, payments, credit card delivery, etc. but also those requiring a wet signature, such as taking out a loan. As of 2021 year-end, Turbo® devices are being used actively at 166 TEB branches.

Customers who use the Turbo® device for performing their transactions choose to use it also on their next visit to the branch, and to handle their transactions themselves rather than seeking online support with increased use. On the other hand, TEB branch employees working on the sales side can now digitally perform customer transactions faster and more practically using their tablets.

Adapting advancing technology to its operational processes, TEB constantly builds on its business models and service channels based on its "customer-oriented" banking approach.

ONE OF THE FIRST BANKS IN TURKEY TO DEVELOP AN "ASSET AND LIABILITY MANAGEMENT" APPROACH

TEB 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 2021, the Asset-Liability Management and Treasury Group contributed to its subsidiaries to work efficiently in within the boundaries set by compliance.

NEW REGULATORY FRAMEWORK GOVERNING ASSET AND LIABILITY MANAGEMENT

Despite the economic and political risks in 2021, the Asset and Liability Management and Treasury Group significantly contributed to the Bank's profitability through proactive hedging strategies in interest rate and foreign exchange risk management.

The Group continued to take actions to secure funding diversity and funding maturity extension with the aim of reaching solid and consistent liquidity targets. Thanks to these actions it was ensured that the liquidity ratios remained within the limits and that the bank's balance sheet was minimally affected by the high interest rate volatility.



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.

The Asset-Liability Management and Treasury Group plays an important role 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.

EFFORTS TO DIVERSIFY FUNDING SOURCES

In 2021, 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.

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.

Asset-Liability Management and Treasury Group incorporated TL REF, which is anticipated to replace TL Libor, in its product range, and played an active part in TL REF-linked loans and TL REF-linked interest rate swaps (Overnight Index Swap-OIS).

The Bank also closely followed up the revocation of USD Libor. In this context, the Bank completed the necessary internal preparations for transition of the products that will use the new market rate and customer information processes.

COLLABORATION OF EXPERIENCE WITH BNP PARIBAS IN THE FIELD OF 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 Asset-Liability Management and Treasury Group continued efficiently in 2021.

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 liquidity under stressful situations.



CORPORATE INVESTMENT BANKING GROUP

INTERNATIONAL DEBT AND CAPITAL MARKETS PRODUCTS

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

The Corporate Investment Banking Group targets to deliver customized international solutions with high added value to customers in a fast and effective manner. To this end, international gains are achieved with the support derived from BNP Paribas' financial strength competency in global products.

The Group carries on with its customer-oriented activities in the fields of Global Markets, Financial Institutions, Large Corporate Groups, Large Corporate Groups Finance and Corporate Finance and Strategic Business Management.

In 2021, TEB Corporate Investment Banking Group successfully sustained its development despite the competition and toughening market conditions. In borrowing and international market transactions realized by the targeted clients, BNP Paribas' wide range of products and geographical network has been efficiently utilized.

A GATEWAY TO OVERSEAS MARKETS

In a year when corporate firms and financial institutions were inclined to diversify their resources, the Corporate Investment Banking Group continued to offer international debt instruments to its customers and brought them together with international investors.

Global Markets continued its operations in changing and developing global markets in a strong and sustainable growth trend in 2021.

Using domestic and foreign markets effectively, TEB kept generating original and tailored solutions for managing currency, interest and commodity risks, as well as for demands for transactions for deriving returns in a wide range of instruments such as spot, swap, options and structured derivative products.

Focus was placed on new generation digital solutions that will carry customer experience to the highest level, and fast and efficient service was rendered to customers both through the TEB platforms and multiple bank platforms.

In 2021, TEB Corporate Investment Banking Group successfully sustained its development despite the competition and toughening market conditions. In borrowing and international market transactions realized by the targeted clients, BNP Paribas' wide range of products and geographical network has been efficiently utilized.





In 2021, TEB has also pioneered the financial markets in terms of sustainability, with the intermediary service it provided for a Sustainability Linked Loan of a corporate firm in Turkey.



SOLUTIONS TAILORED FOR LARGE CORPORATE CLIENTS

The Large Corporate Groups Department offers various structured products and funding alternatives to the pioneering companies in Turkey by making use of the BNP Paribas' wide global network.

The Department manages all kinds of banking transactions of Turkey's leading large corporate groups, and develops banking solutions that are compatible with TEB's customers and those of BNP Paribas alike. The Department extends the necessary support for the creation of favorable financing conditions (bonds, public offering, project finance, acquisition finance and sector-specific financing solutions etc.).

Developing high-level relationship management with its customers, the Large Corporate Groups Department targets to provide the products and service with the highest added value available at TEB and BNP Paribas at the highest extent possible. The Department also aims to strengthen its customers' cash flows by producing different financing solutions, while at the same time setting policies to be positioned as the cash flow bank of these groups and ensuring efficient management of these policies.

A PIONEER IN SUSTAINABILITY AS WELL

In 2021, TEB has also pioneered the financial markets in terms of sustainability, with the intermediary service it provided for a Sustainability Linked Loan of a corporate firm in Turkey.

The Corporate Finance Department provided consultancy services in big projects in 2021, helped private capital funds in Turkey with their business ideas thanks to the rich client portfolio of TEB and intermediated strategic investments.

TEB OWNS 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 TEB clients and the strong global product specialists at BNP Paribas.

The loan with a 367-day maturity, which is also TEB's maiden sustainability-linked syndicated loan, reached a roll over ratio of 113%.



SUSTAINABILITY-LINKED SYNDICATED LOAN

IN 2021, TEB RENEWED ITS SYNDICATED LOAN.

The loan with a 367-day maturity, which is also TEB's maiden sustainability-linked syndicated loan, reached a roll over ratio of 113%. Signed on 27 October 2021, the syndicated loan linked to sustainability criteria is for the amount of USD 380 million in total and comprises of two tranches in the amounts of EUR 230.5 million and USD 113 million.

The all-in cost of the facility that will be used towards the general financing of foreign trade is set as Euribor+1.75% for the Euro tranche and as Libor+2.15% for the USD tranche.

MONEY TRANSFER SERVICES AT LOW-COST

While offering money transfer service to its customers requiring transfers in the local currency of different countries due to having investments in these countries via its correspondents, TEB provides money transfer service at competitive special costs to its customers carrying out bulk transfers, thanks to its strong correspondent network.

TEB SECURITIES SERVICES AND TL CASH CLEARING

SOLUTIONS OFFERED WITH A CONSULTANT APPROACH

TEB Securities Services and TL Cash Clearing is part of Corporate Investment Banking Division. The department offers solutions for capital markets related operations and new products to non-resident financial institutions, foreign custodians, institutional investors and issuers of capital market instruments, with a consultancy approach.

Having completed its 14th year in the industry in 2021, TEB has been providing local custody and settlement services in cooperation with BNP Paribas Securities Services, which is Europe's largest custodian bank, as a continuation of services that were originally established by BNP Paribas in Turkey back in the 1990s.

The department also offers post-trade services for its customers' needs pertaining to capital market instruments, which may arise subsequent to their investment and financing decisions. In addition, TEB Securities Services and TL Cash Clearing also provides TL correspondent account service to non-Group banks and financial institutions. In 2021, the Bank rose to second place among the banks offering interbank TL payment service.

TEB Securities Services and TL Cash Clearing provides the following services;

- Settlement and custody services for equities, debt instruments and other capital market instruments,
- Account operator services for International Central Securities Depositories' omnibus accounts in Turkish market,
- 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.
- TL Cash Clearing services to non-resident foreign bank groups.

Significant developments occurred in the Turkish capital markets in 2021, and new product and cooperation development efforts continued throughout the year.

Sustaining its successful performance as in the previous years, TEB Securities Services and TL Cash Clearing won new clients and carried on managing the transactions of clients successfully in 2021.

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 and TL Cash Clearing services.

The department consistently ranked first in the surveys conducted by the market's leading institutions in 2021, which polled customers' opinions and scores:

- Global Custodian - Agent Banks in Emerging Markets (ABEM 2021)
- Global Finance Magazine - Country Award Best Sub-Custodian Bank 2021

TEB Securities Services and TL Cash Clearing monitors all the developments realized by regulatory bodies, namely Capital Markets Board of Türkiye (CMB), Takas İstanbul (İstanbul Clearing, Settlement and Custody Bank Inc.), Borsa İstanbul (BIST), Merkezi Kayıt İstanbul (MKK - Central Securities Depository of Türkiye) and the Banking Regulation and Supervision Agency (BRSA) from legal, technological and operational aspects. The department provides solutions 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 İstanbul, MKK and Turkish Capital Markets Association (TSPB).

A YEAR OF SIGNIFICANT DEVELOPMENTS

Significant developments occurred in the Turkish capital markets in 2021, and new product and cooperation development efforts continued throughout the year.

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 a 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, the department provides services for government domestic debt securities and lease certificates owned by foreign institutions and foreign funds, held in collective accounts to be opened with MKK.

The department expanded its customer portfolio by improving the correspondent banking service it provides to financial institutions.

Since the central counterparty (CCP) services started to be provided in the BIST Equity Market, TEB Securities Services conducted comprehensive evaluations with Takas İstanbul and the clients on the impacts of these changes on markets and services provided.

Work on becoming a General Clearing Member is planned to be completed in 2022. TEB continues its efforts to support development and growth of this market by becoming the leading bank providing this new service.

CLOSE COOPERATION WITH TEB AFFILIATES

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 with increasing transaction volumes and number of customers.

TEB Securities Services Department continued to provide collective portfolio custody and fund services for portfolio management companies in 2021.

NEW PRODUCTS AND SERVICES

TEB made new additions to its product and service range in the light of the evolving customer expectations, market trends and in particular, the fast progress in digitalization throughout 2021. The highlights of these efforts are described briefly on the basis of business lines.

CORPORATE BANKING GROUP

TEB Cash Management launched TEB Mobile Collection Platform, its new product for collections, the top-ranked matter for corporate and commercial customers.

At the onset of 2021, TEB took place among the first banks to join the FAST (Instant and Continuous Transfer of Funds) system launched by the CBRT.

SWIFT SCORE (The Standardised Corporate Environment) payment service was introduced for corporate customers.

Capability to integrate with fintech platforms was added to two different models whereby lending is provided to the supplier and the buyer, which take place within the supplier finance solutions.



SME BANKING GROUP

TEB put into service “KOBİ Dört Dörtlük” and “KOBİ PRATİK” products whose advantageous fee structures allow customers to manage their everyday banking transactions at low-cost.

Under three different Foreign Trade Expense Packages differentiated according to scales of customers, SMEs were provided with the opportunity to perform their SWIFT and other transfers free-of-charge for up to six months in their exports and imports.

On the TEB FX Platform, on the other hand, SMEs were presented with the option to buy and sell FC at advantageous exchange rates.

With its teams that possess expertise in respective sectors, TEB SME Banking continues to service customers also with specialty products such as lending against ELUS (Electronic Product Certificate), Gold Flexible Installment Loan for the jewelry industry, as well as credits entailing grace periods.

TEB continued to further develop CEPTETEB İŞTE Mobile App in 2021. In response to customer needs, the Bank made the following services available on the mobile app during 2021:

- CEPTETEB İŞTE Digital Loan Application,
- FAST 24/7 money transfer,
- KOLAS – Easy Address integration and transfer,
- Rolling (Overdraft Bank Account) Loan use and repayment,
- SWIFT payment monitoring and payment tracking (SWIFT GPI),
- E-mail verification and deletion,
- Payment with QR Code (using a credit card),
- Insurance policy monitoring.

Having carried on with its customer-oriented developments by revamping its website's home page in April, CEPTETEB switched to end-to-end digital customer acquisition from 1 May 2021.



New features were introduced also on the Corporate Internet Banking channel, whereby the capability to issue İBKB (Export Value Acceptance Document) documents was launched for the needs of foreign trade customers.

Within the scope of the Start-up Houses initiative co-executed with the Turkish Exporters Assembly (TİM), TEB organized SME-Start-up Gatherings on the digital platform in 2021, to assist with the digitalization of SMEs that serve as the engine of the economy. The Bank brought together its SME customers from various sectors with start-ups that might have a potential impact on their ways of doing business.

On another note, in keeping with its goal to help women entrepreneurs strengthen and become globally successful entrepreneurs, AWE (Academy for Women), a joint program by TİM-TEB Start-up House and the American Embassy made its debut in 2021. 40 successful women entrepreneurs were supported through the Start Up and Scale Up programs implemented at the Academy.

RETAIL AND PRIVATE BANKING GROUP

During 2021, TEB continued to fulfill the needs of its Retail and Private Banking customers with services designed to generate added value.

While the Bank's digital banking platform CEPTETEB claimed bronze in the "Best Customer Focus" category at the Best Business Awards competition and in the "Online Banking" category at the Social Media Awards, it was also named the "Best Integrated Consumer Bank Site" in Western Europe at the competition held by Global Finance.

Having carried on with its customer-oriented developments by revamping its website's home page in April, CEPTETEB switched to end-to-end digital customer acquisition from 1 May 2021.

Potential CEPTETEB customers having an NFC- (Near Field Communication) enabled smart phone and Turkish Republic ID card could rapidly become a TEB customer by holding a video chat with the mobile app anywhere they wished.

In 2021, TEB carried on with its investments in technology that will add value for customers. Going beyond offering advantageous products and services to customers via its digital banking platform CEPTETEB, the Bank launched CEPTETEB Super, its new marketplace platform using API technology, on the basis of productive business partnerships.

CEPTETEB Super facilitates airline ticket and electronic product purchases, and offers users an effortless shopping experience by filling in the necessary data at the time of purchase and payment securely and quickly with the API technology, alongside special discounts.

TEB Call Center earned three gold medals in three different categories at the Contact Center World 2021, a global competition organized by the Contact Center World to recognize Contact Centers and customer engagement applications.

- TEB, Best Contact Center,
- Best in Customer Service,
- Best use of Self-Service Technology – (TELEPATHY)



**WE LOOK AT NEW
HORIZONS TO CARRY THE
SOCIETY TO A BETTER
FUTURE**



TEB FINANCIAL AND NON-FINANCIAL SERVICES GROUP

In 2021, TEB Faktoring's turnover was TL 15.7 billion and its total assets were TL 4.8 billion, with a growth of 82%.

TEB FAKTORİNG A.Ş.

ONE OF THE BIGGEST PLAYERS IN ITS INDUSTRY

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 2021, TEB Faktoring's turnover was TL 15.7 billion and its total assets were TL 4.8 billion, with a growth of 82%.

Having impacted the whole world for the last two years, the Covid-19 pandemic took its toll on the Turkish economy as well. However, in parallel with the growth trend of the Turkish economy in 2021, the turnover of the factoring sector also expanded which increased by 34% during 2021.

Although the restrictions implemented in 2021, the weakened Turkish currency and the uptrend in inflation affected the Turkish economy negatively, the shift of global orders to Turkey influenced our country's export volume positively.

94% GROWTH IN NET PROFIT

TEB Faktoring recorded increase particularly in its overseas factoring transactions in line with the rise in Turkey's exports and successfully increased its factoring receivables 85% in 2021.

TEB Faktoring has booked a net profit of 56.5 million TL as of the end of 2021 with 94% increase.

The company's return on equity (ROE) was 25.5% which has been significantly above the sector ROE of 18.2%.

In 2021, the factoring industry's non-performing loan ratio (NPL) and cost of risk ratio were 2.8% and 1.0%, respectively.

In 2021, TEB Faktoring's NPL ratio and cost of risk ratio were 0.60% and 0.39%, respectively, which are well below the industry average.

As of 2021 year-end, the company had 15 branches and 96 employees.

LEADER IN EXPORT FACTORING

Named the world's best export factoring company seven times by the Factors Chain International (FCI), the world's largest factoring chain, TEB Faktoring succeeded in leading Turkey's export factoring market also in 2021.

Having adopted an efficient and effective company management principle, TEB Faktoring continually improves its work processes in order to provide better quality and faster service to its customers and to correctly analyze and satisfy customer needs, and attaches great importance to digital transformation and effective customer relationship management.

TEB Faktoring increased its investment in this area in recent years.

PRIORITY IS ON SMES

TEB Faktoring caters to customer needs evolving with the advancing technology by offering an effective and lean customer experience and by standing by its customers any time, wherever they may be, in the manner preferred by the customers. Extending increasing support to all its customers with a particular focus on the SMEs, TEB Faktoring has contributed to Turkey's sustainable economy and carried on with its support.

GROWING IMPORTANCE OF THE DIGITAL

In parallel with the changes in customer habits resulting from our fast-moving age and technology, sustainable digital transformation and services play an ever-increasing role in the real economy and competitiveness. TEB Faktoring kept improving its digital channels in 2021 in line with its customer-oriented and innovative vision.

Besides investing in digital channels, TEB Faktoring stood by its customers at all times through its conventional channels and customer representatives during 2021.

TEB Faktoring will continue to support its customers through all available channels directed towards need and choice by blending digital and conventional channels.

Concentrating on customer needs and feedbacks in innovation and digital transformation projects, TEB Faktoring put Hızlı Başvur (Fast Apply) and TEB Faktoring mobile application in its focus, which will let customers send their applications anywhere, anytime they may need with an invoice-backed cheque.

According to the customer satisfaction survey that featured questions in diverse categories in 2021, TEB Faktoring customers' satisfaction ratio is 88%.



88% SATISFACTION RATIO

According to the customer satisfaction survey that featured questions in diverse categories in 2021, TEB Faktoring customers' satisfaction ratio is 88%.

The results from this research planned to be administered regularly are carefully evaluated and the Company intends to maintain high levels of satisfaction and loyalty of our customers that make our focal point also in the coming years.

TEB Faktoring targets to establish a system enabling remote performance of transactions by its customers, to the extent permissible under the legislation. Having presently digitalized its application process, TEB Faktoring will further reinforce its digital channel infrastructure in 2022 by closely following up trends and developments for an enhanced and lean customer experience.

In order to diversify its delivery channels used to reach its customers, TEB Faktoring evaluates potential partnerships with fintechs and digital platforms that make up an important part of digital business models.

TEB Faktoring will carry on with its digital transformation and process improvement projects enabling effective risk management, and increased productivity, automation and service speed in 2022, and will contribute value to its customers and remain one of the players steering the marketplace in the future, as it has been before.

FOR HEALTHY GROWTH OF SMEs

Proper management of risks in the domestic market has become more critical. In today's economic environment, for healthy growth, SMEs will need to focus on exports with more favorable conditions. Their most significant motivation will be to open up to new markets, realize trade with companies in unfamiliar countries where they cannot measure their risk while protecting their cash flow and equity.

In line with this need, TEB Faktoring will continue to be the biggest supporter of primarily the SMEs as well as firms of any scale by providing guarantee, finance and collection services either in combination or individually.

Besides the support it extends to the SMEs, TEB Faktoring offers boutique solutions generating value also to corporate companies. The company offers solutions that are advantageous for all parties concerned, mainly supplier finance, to corporate companies. Through Multi-Local, an authentic approach, the company offers service to multinationals with the added contribution of BNP Paribas's global network and synergy.

TEB Faktoring keeps generating value for its customers and all its stakeholders, backed by the strong relations of TEB and BNP Paribas Group in Turkey and abroad.

TEB PORTFÖY YÖNETİMİ A.Ş.

8TH LARGEST COMPANY IN ITS SECTOR

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

As of year-end 2021, it is the 8th largest asset management company in Turkey, with TL 22.1 billion and 3.39% market share in the sector.

THE BEST ASSET MANAGEMENT COMPANY IN TURKEY

TEB Asset Management was selected as the “Best Asset Management Company in Turkey” as part of the International Finance Awards 2021 organized by the International Finance Magazine, one of the leading finance and business analysis publications of the UK.

The key factors that brought this award included the importance attached to sustainability, the sensitive approach to environmental, social and governance (ESG) matters, leadership in multi-asset investment, broad product range, role in robo advisory, and adoption of an innovative asset management concept.

A COMPREHENSIVE FIELD OF ACTIVITY

Authorized by the Capital Markets Board of Türkiye (CMB) to engage in asset management and investment advisory activities on 15 June 2015, the Company has 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.

In addition, TEB Asset Management, which also manages private pension funds, 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.

Five new mutual funds, including TEB Asset Management Sustainability Fund Basket Fund were offered to the public in 2021.

EXPANDING DISTRIBUTION NETWORK

On 16 August 2019, TEB Asset Management reached a deal with ING and acquired all shares of ING Portföy Yönetimi. Thanks to the strategic collaboration with ING for the distribution of mutual funds launched by TEB Asset Management and with NN Hayat Emeklilik for the management of pension funds launched by NN Hayat Emeklilik, the company further increased its existing strength in the sector in 2021. During the reporting period, TEB Asset Management signed TEB Asset Management fund distribution agreements also with Burgan Bank, Alternatif Bank and Turkish Bank and kept expanding its distribution network.

A WORKING CONCEPT THAT ELIMINATED THE PANDEMIC EFFECTS

Following the Covid-19 outbreak, TEB Asset Management began working mainly on the basis of remote access.

In this context, the company kept all risk and control points under close watch, maintained close contact with its clients and business partners regularly keeping them informed about financial markets and mutual funds, and prioritized liquidity in portfolio investments, by taking necessary precautionary actions to preclude any liquidity problem under an extraordinary circumstance.

AS OF 2021 YEAR-END

TEB Asset Management possesses a broad external distribution channel. The Company's key performance indicators as of 2021 year-end are summarized below:

- a 2.66% market share in the mutual funds market, with a total of TL 7.9 billion of assets,
- a 3.73% market share in the money market mutual funds,
- a 2.39% market share in the actively-managed mutual funds,
- a total of TL 117 million assets under management in its institutional wealth management and discretionary portfolio management business lines,
- a 5.63% market share in the pension funds market, with a total of TL 13.7 billion assets
- a total of TL 374 million in international investment funds.



ONE OF TURKEY'S LARGEST ASSET MANAGERS

The synergies that TEB Asset Management generates 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 entered into strategic partnerships with many other international firms.

TEB Asset Management manages Parvest Turkey Fund, a leading Turkish equities based fund whose assets of TL254 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 TL120 million.

TEB Asset Management provides investment advisory to other international funds which invest in Turkish equities with asset size of TL57 million.

Based on the total assets of equity based international funds that are managed and advised, TEB Asset Management is one of Turkey's largest asset managers working for international clients.

Five new mutual funds, including TEB Asset Management Sustainability Fund Basket Fund that attests to the importance TEB Asset Management attaches to sustainability and its sensitive approach to ESG matters, were offered to the public in 2021.

TARGET TO BECOME A DIGITAL ASSET MANAGEMENT COMPANY

Targeting to become Turkey's leading digital asset management company, TEB Asset Management put into life a number of projects in 2021, the foundations of which it had laid as part of its digitalization efforts.

The company launched and offered to investors TEB Asset Management Second Fund Basket Fund (TEB Asset Management Robo Fund Basket Fund) that uses the robo advisory service introduced under the agreement signed for Robo Advisory service with GAMBIT, Europe's largest company in its field used by 20 institutions engaged in the finance sector including the BNP Paribas network, covering total assets worth EUR 50 billion, and servicing over 1 million end-users.

The company set up social network accounts and initiated communication through digital channels. In an effort to diversify digital materials and to give a better account of our mutual funds to the target investor audience, fund videos were created and posted on digital channels. Agreements were made with various fintechs and the automation process was maximized. "Mutual Fund" pages on "teb.com.tr" were updated and push notifications publicizing TEB Asset Management mutual funds were sent to clients via CEPTETEB Mobile App.

Following the Covid-19 pandemic breakout, training programs continued to be given on distance learning platforms to the personnel taking place in TEB Retail Banking sales network about capital markets with a special emphasis on TEB Asset Management mutual funds through TEB Fund Academy.

2022 TARGETS

TEB Asset Management will carry on with its activities geared towards achieving a more active presence in digital and social network media; optimizing content management, media planning, agency management, event management and media/press relations, and revamping its website also in 2022.

TEB Asset Management steers its investors to the right investment alternatives at the right times and capitalizes on cooperation opportunities with the potential to increase its market share together with its domestic and international stakeholders. The company also implements hedging strategies against potential volatilities in markets to protect its clients and itself.

TEB FINANCIAL AND NON-FINANCIAL SERVICES GROUP

TEB YATIRIM MENKUL DEĞERLER A.Ş.

25 YEARS OF EXPERIENCE

Having started its operations in 1996, TEB Investment conducts the investment services and operations of the TEB Group as a “Broadly Authorized Brokerage House” being an investment house licensed by the Capital Markets Board of Türkiye (CMB).

TEB Investment currently provides the following investment services:

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

Backed by 25 years of experience, TEB Investment reaches its clients at home and abroad with an extensive array of products and services through a variety of product and service channels that address the particular needs of different investor profiles. Accordingly, the company provides intermediation services in capital market instruments such as equities and derivatives markets, debt instrument markets and mutual funds, along with corporate finance and research services.

In the field of corporate finance, TEB Investment offers high-quality advisory services in the areas of mergers and acquisitions in integration with intermediation of public offering and debt aimed particularly at fulfilling the financing needs of businesses.

In parallel with the developments in international markets, TEB Investment captured the technological innovations that gained speed especially in recent years in its own IT infrastructure, upon which it has developed major projects and upgraded its digital infrastructure covering both mobile and desktop applications in line with customer demands.

STRONG RESEARCH INFRASTRUCTURE

Another important advantage TEB Investment enjoys in the investment houses universe is the research infrastructure at its disposal, which supports its extensive and efficient marketing network. TEB Investment has become an investment house appreciated particularly by investors with a number of awards earned in this area in recent years.

Specifically in the capital markets, TEB Investment is an investment house of choice by virtue of its competent human resource capable of effectively serving both individual and institutional investors, a team of experienced research experts, ability to combine its local market knowledge with the international experience of its global partner, BNP Paribas, and effective use of technology.

COLLABORATION WITH BNP PARIBAS

In conducting its activities, TEB Investment also capitalizes on the international experience of, and collaborates with the BNP Paribas Group. A central example of this collaboration has been the research conducted in the area of financing resources entailing different products, addressing clients in the field of corporate finance. In addition to that, there is intense collaboration in institutional intermediary services, access to international markets, investment advisory in Retail and Private Banking business lines, digitalization and new customer acquisition.

TEB Investment carries out a number of activities with various business lines of TEB and BNP Paribas that increase the synergy within the group. While TEB Investment handles a substantial portion of debt issues for TEB’s subsidiaries and TEB itself, intermediation and corporate finance services are offered to TEB’s corporate customers in debt and equity issues, and commodity hedging and derivatives transactions are intermediated in selected products.

Together with the Retail Banking Group, the company acquires new customers digitally and through the branch channel for investing customers’ assets in Borsa İstanbul; similarly, joint marketing activities are carried out with the Bank’s custody department with the purpose of offering brokerage services to foreign institutional investors.

The company collaborates with BNP Paribas in customer acquisition and creation of marketing strategies in the futures and equity markets, and work is undertaken to offer certain global markets’ products covered in the services portfolio of BNP Paribas jointly with TEB Investment to clients.

Continuing to work towards offering innovative platforms to its clients in the area of digitalization, TEB Investment will be launching its new investment applications and websites from early 2022.



TEB YATIRIM
PRIME

THE TRIGGERING EFFECT OF TECHNOLOGICAL DEVELOPMENTS

TEB Investment recognizes that digitalization, which has gained speed due to the trends in technology, is modifying the sector's structure and business conduct in parallel with the changes in international markets and local regulatory framework. Aware of this fact, the company implemented the strategies it has formulated and concentrated on enriching the customer experience through service diversification in different segments.

In 2021, as the first step of achieving these targets, digital 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.

Continuing to work towards offering innovative platforms to its clients in the area of digitalization, TEB Investment will be launching its new investment applications and websites from early 2022.

The new platforms that will cover a number of value-added services will bring along many infrastructural innovations which will support investment decisions and speed up service processes in terms of customer experience.

TEB Investment constantly reviews and revises its technical and organizational infrastructure as necessary in order to complete its efforts targeted at new services planned to be introduced in the coming period, particularly structured products and digital platforms, and to create added value for all its stakeholders amid the evolving market structure.

AN APPROACH THAT IS ALIGNED WITH MARKET DEVELOPMENTS

On the basis of domestic markets, on the other hand, recent global and local developments fueled household interest in the capital markets from the first quarter of the year, and hence the number and composition of investors changed significantly.

TEB FINANCIAL AND NON-FINANCIAL SERVICES GROUP

Along with the ongoing pandemic process in 2021, TEB Investment enabled all its employees to carry on with their work seamlessly, securely and without suffering from business interruption through remote access enabled by its technical infrastructure and means.

AS PART OF COVID-19 MEASURES

Along with the ongoing pandemic process in 2021, TEB Investment enabled all its employees to carry on with their work seamlessly, securely and without suffering from business interruption through remote access enabled by its technical infrastructure and means. During this period, all customer marketing activities, and contacts with internal and third parties were carried out through remote access.

TEB Investment Head Office and branches implemented rotating working system, and the health of employees was monitored closely. In the office environment, equipment and protective materials securing hygiene were distributed to all employees, and necessary measures were taken. Physical and protective health requirements defined by the Group and by the public authority were implemented at a high standard to safeguard employee health. The actualizations that occurred in the Company's revenues and expenses by reason of Covid-19 did not have a material impact on the Company's financials.

AN ACHIEVEMENT SURPASSING BUDGET TARGETS

As a result of all these developments, TEB Investment successfully attained its budgeted targets for 2021 and authored significant achievements in terms of a number of criteria.

At 2021 year-end, TEB Investment ranked 21st with a 1.43% share of the market for its trading volume worth TL214,938 million. TEB Investment ranks 10th in Borsa İstanbul Derivatives Market with a 3.33% market share secured with a trading volume of TL298,160 million.

TEB Investment revamped its website into a mobile-compatible touchpoint with enriched technological infrastructure for its visitors on the digital environment. tebyatirim.com.tr website was awarded the second prize in the Banking and Finance category at the 19th Golden Spider Web Awards.

With its organizational and systemic infrastructure focused on domestic and international developments and changes, TEB Investment targets to increase its market share particularly through digital channels and investment advisory services, and to sustain its active and pioneering role in the development of our country's capital markets by offering high-quality and value-added services to investors in the coming year.

With the "Convertible Bond Issuance Financial Advisory and Global Coordination Project" carried out in the reporting period with SASA Polyester, TEB Investment was honored with the "Most Creative Capital Market Project" award at the TCMA Golden Bull Awards organized for the sixth time in 2021 by the Turkish Capital Markets Association (TCMA).

SASA convertible Eurobond project, in which TEB Investment and BNP Paribas were engaged as global coordinators, is characterized as Turkey's first issuance in this area. With this feature, the project contributed directly to diversification of capital market instruments and introduced an innovation to the market. In addition, given the prevailing conditions at the time and the low number and size of non-financial corporate borrowing instruments, the deal that has been carried out also supported the development of the capital markets.

MOVING FORWARD WITH A REFORMULATED VISION

Having redefined its vision along this line in 2021, TEB Investment spelled it out as "Our vision is to be named as the place where all investors active in financial markets of Turkey place the highest reliance on, and take support from the suggestions of, and feel standing beside themselves on their way to guide their investments and achieve their goals".

The company carries on with its operations with the same vision.

TEB ARF TEKNOLOJİ A.Ş.

FINANCIAL R&D AND INNOVATION SERVICES

Having started operations in December 2020, TEB ARF develops R&D and innovation projects in the field of financial technology. The company carried on with its activities with approximately 120 employees in the Technoparks in İstanbul and İzmir in 2021.

During the course of the Covid-19 pandemic that dominated the whole world, TEB ARF aimed to minimize the impact of the negative outputs of the process on its human resource and prioritized the well-being and health of its employees.

In 2021, the company shifted to the teleworking model and rendered it permanent by switching to the hybrid working format during the year. Making employee health and motivation a priority, TEB ARF continually backed its employees' development through distance learning programs.

The evolved working and living styles worldwide pushed digital transformation and the operating quality of digital infrastructures to the forefront in 2021. Priority was given to be immune from the negative effects arising from social isolation implemented due to the Covid-19 pandemic. TEB ARF produced solutions in these areas that enabled TEB to migrate a substantial portion of the transactions it handles from branches to the digital environment.

Targeting the conversion of meaningful outputs in the area of data science into products and services, TEB ARF expanded its Artificial Intelligence and Data Science team. The unit is intended to be further broadened in 2022.

TL 36 MILLION SALES VOLUME

TEB ARF registered TL 36 million in sales volume and TL 2 million in net profit at the end of 2021, during which it concentrated on R&D activities in relation to digital technologies, advanced data analytics and artificial intelligence (AI). In 2022, the company intends to augment its sales volume to TL 82 million and to grow its net profit by 2.5 folds of the previous year's value.

2022 TARGET

In 2022, TEB ARF will sustain its operations with the mission of offering service in relation to digital technologies, machine learning and AI solutions first and foremost to TEB and its subsidiaries, to be followed by a large number of national and international organizations awaiting fintech-based solutions.

Arf
A Rising Future

In 2022, TEB ARF will sustain its operations with the mission of offering service in relation to digital technologies, machine learning and AI solutions to a large number of national and international organizations awaiting fintech-based solutions.

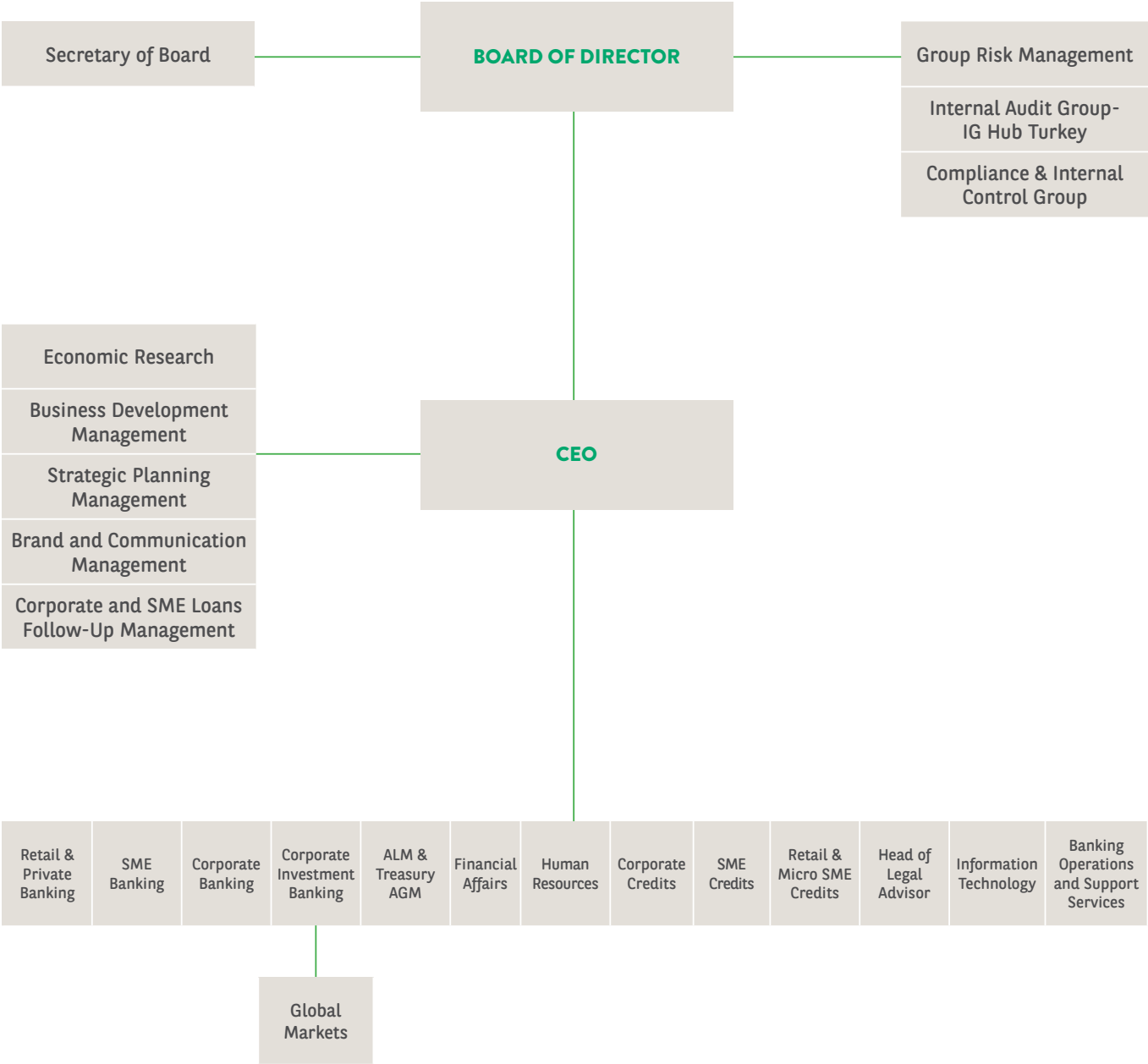
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An aerial photograph of a dense forest. The trees are mostly green, but a large, irregularly shaped area in the upper left is highlighted with a bright yellow border. This highlighted area contains trees with a golden-yellow hue, suggesting autumn foliage or a specific type of tree. The rest of the forest is a deep green. The text is overlaid on the top left of the image.

**WE CONTINUE GROWTH
WITH OUR INNOVATIVE AND
DYNAMIC STRUCTURE**

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
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
Sabri Davaz	Board Member and Member of the Audit Committee
Özden Odabaşı	Board Member
Xavier Henri Jean Guilmineau	Board Member
François Andre Jesualdo Benaroya (**)	Deputy Chairman
Hans Wilfried J. Broucke	Board Member
Sandrine Ferdane (*)	Board Member

(*) Jean Paul Sabet, Deputy Chairman, resigned from his duty on 22 September 2021. Sandrine Ferdane has been appointed as a member of the Board of Directors as of the same date to fill the vacant membership in the Board of Directors due to this resignation.

(**) François Andre Jesualdo Benaroya, Board Member, has been appointed as the Deputy Chairman as of 22 September 2021.

(***) Yvan L.A.M De Cock, Board Member, resigned from the Audit Committee membership as of 30 November 2021.

Yavuz Canevi, Chairman

2015-2021	TSKB, Board Member
2012-2015	FERB Turkish-French Business Forum, Vice President
2010-2015	FERB Turkish-Holland Business Forum, Board Member
2009-present	Global Relations Forum/Auditor
2004-2010	NETAŞ, Board Member
1996-present	TEB A.Ş., Chairman of the Board of Directors
1995-2019	İKV, 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	Türk Eximbank 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 (Bachelor's Degree)

BOARD OF DIRECTORS

Dr. Akin Akbaygil, Deputy Chairman

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, Bachelor's Degree
Ümit Leblebici, Executive Member and CEO	
July 2020-present	TEB ARF Teknoloji A.Ş., Chairman
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	Ottoman Bank, 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

Nicolas de Baudinet de Courcelles, Member and Chairman of the Audit Committee

July 2019-present	TEB A.Ş., Chairman of the Audit Committee and Chairman of the Compliance 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 and Chairman of the Audit Committee
December 2018-present	TEB Yatırım Menkul Değerler A.Ş., Board Member and Chairman of the Audit Committee

2013-2019	BNP PARIBAS Compliance Group Corporate and Investment Banking Financial Security Chairman
1986-2012	BNP PARIBAS Corporate and Investment Banking
1981-1984	Sciences Po Paris/Economics and Finance

Ayşe Aşardağ, Member and Deputy Chairman of the Audit Committee

May 2021-present	TEB Faktoring A.Ş., Board Member
March 2020-present	TEB Sh.A. (Kosovo), Deputy Chairman
March 2017-present	TEB A.Ş., Deputy Chairman of the Audit Committee
2016-March 2021	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
2009-2020	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 TEB Sigorta A.Ş. Chairman TEB İletişim ve Yayıncılık Hizmetleri A.Ş. Chairman Etkin Personel Taşımacılık Hizmetleri A.Ş. Chairman
2007-2008	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. Auditor TEB Faktoring A.Ş. Auditor 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

Yvan L.A.M. De Cock, Member

June 2019-present	Bank Degroof Petercam, Independent Board Member
June 2018-present	IFTHEA B.V./Brussels-CEO
2016-2018	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-November 2021	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
2012-2019 May	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 Finance 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

BOARD OF DIRECTORS

Sabri Davaz, Member and Member of the Audit Committee

2017-2019	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

Hans Wilfried J. Broucke, Member

August 2020-present	TEB A.Ş. Board Member
October 2017-present	Ukrsibbank Ukraine/Head of Corporate Banking
2012-2017	BNP Paribas Bulgaria CEO/Country Head
2010-2012	BNP Paribas Czech Republic/Country Head
2005-2010	BNP Paribas Czech Republic/General Manager
1985-1987	Applied Economics-Catholic University of Louvain-Belgium, Master's Degree
1983-1985	Economical, Political and Social Sciences-UFSAL-Brussels-Belgium, Bachelor's Degree

Özden Odabaşı, Member

March 2021-present	TEB Faktoring A.Ş., Deputy Chairman
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

Xavier Henri Jean Guilmineau, Member	
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
October 2015-December 2015	TEB A.Ş., Advisor
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

François Andre Jesualdo Benaroya, Deputy Chairman	
July 2021-present	TEB Holding A.Ş., Board Member
September 2021-present	TEB A.Ş. Deputy Chairman
January 2018-September 2021	TEB A.Ş., Board Member
October 2021-present	BNP Paribas –IRB Vice President
October 2017-September 2021	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 Ukraine, 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

Sandrine Ferdane, Member	
2020-present	Global Head of Financial Institutions Coverage, Paris
2015-2020	CEO, BNPP Brazil
2007-2015	Head of Corporate Coverage Brazil
2003-2007	Head of Export Finance Latin America, BNPP Paris
1998-2003	Head of Export Finance Brazil, BNPP Brazil
1992-1998	Corporate Banking, BNPP Paris

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
Bade Sipahioğlu Işık	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
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
Orhan Hatipoğlu (*)	Assistant General Manager	Banking Operations and Support Services

Managers of Internal Systems

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

(*) Orhan Hatipoğlu has been appointed as the Assistant General Manager responsible for Banking Operations and Support Services Group, effective from 19 July 2021.

Ümit Leblebici, Executive Member and CEO

July 2020-present	TEB ARF Teknoloji A.Ş., Chairman
July 2017-present	FERB Board Member
May 2014-present	Banks Association of Turkey, Board Member
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

Gökhan Mendi, Senior Assistant General Manager, Retail and Private Banking

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 O., 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

Mustafa Aşkın Dolaştır, Assistant General Manager, Financial Control Group

December 2020-present	TEB ARF Teknoloji A.Ş., Board Member
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/Factoring/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

EXECUTIVE MANAGEMENT

Bade Sipahioğlu Işık, Assistant General Manager, Human Resources Group

April 2020-present	TEB A.Ş., Assistant General Manager, Human Resources Group
2014-2017	OGER Telecom, Chief Human Resources Officer
2001-2014	Akbank T.A.Ş. Group Head (Human Resources and Organization), Executive Vice President (Human Resources)
1997-2001	Doğuş Group (Garanti Bank, Humanitas, Ottoman Bank) Vice President (Human Resources and Organization)
1996-1997	Intertech İşlem ve Pazarlama, Human Resources Manager
1994-1995	Institut d'Etudes Politiques de Paris, Master's degree in Business Management and Corporate Social Development
1990-1994	Marmara University Faculty of Economics and Administrative Sciences, Political Sciences (French)

Gökhan Özdil, Assistant General Manager, Corporate Credits Group

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	Türkiye İş Bankası A.Ş., Head Office
1981-1986	Middle East Technical University, Economics

Ali İhsan Arıdaşır, Assistant General Manager-SME Credits Group

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

Osman Durmuş, Assistant General Manager-Retail and Micro SME Credits Group

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., Rihtım Branch, Clerk
1982-1986	Marmara University, Faculty of Press and Media, Journalism and Public Relations Department, Bachelor's Degree

Melis Coşan Baban, Chief Legal Advisor, Board General Secretary, Assistant General Manager

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

Mehmet Ali Cer, Assistant General Manager, Information Technologies Group

July 2020-present	TEB ARF Teknoloji A.Ş., Deputy Chairman
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

Ömer Abidin Yenidoğan, Assistant General Manager, Corporate Investment Banking ^(*)

March 2021-present	TEB Yatırım Menkul Değerler A.Ş., Chairman
December 2020-March 2021	TEB Yatırım Menkul Değerler A.Ş., Board Member
October 2014-January 2022	TEB A.Ş., Assistant General Manager, Corporate Investment Banking
2014-2021	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)

(*) Effective from 1 January 2022, the Corporate Banking Group and the Corporate Investment Banking Group were merged under the name of "Corporate and Corporate Investment Banking Group". Accordingly, the title of Ömer Abidin Yenidoğan, Assistant General Manager, Corporate Investment Banking Group was changed to Assistant General Manager, Corporate and Corporate Investment Banking Group.

EXECUTIVE MANAGEMENT

Akil Özçay, Assistant General Manager, Global Markets

2015-2020	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, Bachelor's Degree

Tuğrul Özbakan, Assistant General Manager, ALM & Treasury

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

Gülümser Özgün Henden, Assistant General Manager, Corporate Banking^(*)

March 2021-present	TEB Faktoring A.Ş. Board Member
March 2018-March 2021	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

(*) Gülümser Özgün Henden, Assistant General Manager responsible for the Corporate Banking Group, resigned from her position as of 31 December 2021 due to her appointment as the General Manager of TEB Faktoring A.Ş., effective from 1 January 2022.

Hakan Tıraşın, Head of Internal Audit

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

Birol Deper, Head of Compliance and Internal Control, Consumer Relations Coordination Officer

May 2021-present	MASAK TEB A.Ş. and TEB A.Ş. Financial Group Compliance Officer
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

Nimet Elif Kocaayan, Head of Group Risk Management

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	İstanbul University, Faculty of Economics, Department of Economics

Ali Gökhan Cengiz, Assistant General Manager, SME Banking

March 2021-present	BNPP Finansal Kiralama A.Ş. Board Member
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 T.A.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

Orhan Hatipoğlu, Assistant General Manager-Banking Operations and Support Services

July 2021-present	TEB A.Ş. Assistant General Manager-Banking Operations and Support Services
May 2021-present	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member
2020-2021	TEB A.Ş. Core Banking, ADC and Payment Systems Operations Management, Group Director
2017-2019	Fibabanka A.Ş., Assistant General Manager
2012-2016	TEB A.Ş. Core Banking, ADC and Payment Systems Operations Management, Director
February 2012-October 2012	Akbank A.Ş., Director
October 2010-January 2012	Credit Europe Bank Ukraine Kiev, Chief Operating Officer
1988-1992	Boğaziçi University Faculty of Engineering/Computer Engineering

COMMITTEES OF TÜRK EKONOMİ BANKASI A.Ş.

Information on Participation of Board Members and Committee Members in Respective Meetings:

As of 31 December 2021 the Board of Directors has accepted 207 resolutions. The Board Members and Committee Members have participated into respective meetings at sufficient levels.

SENIOR EXECUTIVE COMMITTEE

Responsibilities of the 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

François Andre Jesualdo BENAROYA, 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

Responsibilities of the 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

Members

Özden ODABAŞI, Board Member
Nicolas de BAUDINET de COURCELLES, Board Member
Hans Wilfried J. BROUCKE, Board Member
Ümit LEBLEBİCİ, General Manager

Alternate Members

Sabri Davaz, Board Member
Ayşe Aşardağ, Board Member

Committee meets as required.

RISK COMMITTEE

Responsibilities of the Committee:

To audit and assess risk policies

Chairman

Hans Wilfried J. BROUCKE, Board Member

Deputy Chairman

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

Committee meets as required.

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

Sabri DAVAZ, Board Member

Committee meets at least every three months.

OPERATIONAL RISK COMMITTEE

Responsibilities of the Committee:

- To make suggestions for the Operational Risk Management Policy approved by the Board of Directors,
- Based on the results of measurements and management conducted in accordance with the Operational Risk Management Policy;
- To review operations by measuring operational risks and by making general assessments regarding incidents that take place and potential risks aimed at mitigation, and to pass decisions when necessary,
- To follow up the course and development of audit suggestions,
- To oversee the development of key risk indicators identified by the Group Risk Management and to evaluate new indicators based on risk mitigation measures, risk profile and trends,
- To review and evaluate the risk assessment results of service providers within the scope of the Regulation on Procurement of Support Services by Banks and the Regulation on Information Systems of Banks and Electronic Banking Services.

Chairman

Assistant General Manager, Banking Operations and Support Services

Deputy Chairman

Assistant General Manager, Financial Control Group

Members

Senior Assistant General Manager, Retail and Private Banking Group

Assistant General Manager, SME Banking Group

Assistant General Manager, Corporate Credits Group

Assistant General Manager, Corporate Investment Banking

Assistant General Manager, Information Technologies Group

Assistant General Manager, Human Resources Group

Chief Legal Advisor, Secretary of the Board of Directors

Committee meets as monthly.

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, fringe benefits and social 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 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.
- Determination and approval of organizational structure, norms, job descriptions, appointment, promotion, salary and performance bonuses for Group Director and higher positions.

Chairman

François Andre Jesualdo BENAROYA, 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.

COMMITTEES OF TÜRK EKONOMİ BANKASI A.Ş.

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 CANEVI, Chairman of the Board of Directors

Members

Hans Wilfried J. BROUCKE, Board Member

Nicolas de BAUDINET de COURCELLES, 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
Information Security and Quality 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
Legislation Manager

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 Strategies Execution Director
Treasury Director
Market Risk and Operational Risk Director
Capital Markets Mid-Office Director

Committee that meets on a monthly basis or as required.

INFORMATION DISCLOSURE COMMITTEE

Responsibilities of the Committee:

- To determine the general principles for disclosure of information that are in the nature of customer secrets and bank secrets with third parties,
- To undertake the overall coordination of such disclosures; to set the related responsibilities and general rules of operation,
- To evaluate whether demands received for information disclosure are appropriate; to enter these evaluations into record.

Chairman

For one-year terms of office ^(*);

- Head of Compliance Group and Internal Control Group
- Chief Legal Advisor, Secretary of the Board of Directors

^(*) A new Committee Chairman will be assigned as and when the position of Secretary is handed over.

Deputy Chairman

For one-year terms of office ^(*);

- Chief Legal Advisor, Secretary of the Board of Directors
- Head of Compliance Group and Internal Control Group

^(*) A new Committee Vice Chairman will be assigned as and when the position of Secretary is handed over.

Members

Group Chief Risk Officer
Financial Affairs Assistant General Manager
Banking Operations and Support Services Assistant General Manager
Information Technologies Assistant General Manager
Information Security and Quality Director

The committee meets monthly 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 2021 and 31 December 2020 were as follows:

%	31.12.2021	31.12.2020
Share in total cash loans	1.22%	1.27%
Share in total non-cash loans	1.35%	2.18%
Share in total cash and non-cash loans	1.25%	1.49%

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 2021 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	OPERATIONAL SUPPORT FOR 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 (OTHER)	HUMAN RESOURCES UPDATE AND TELEPHONE SUPPORT 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	RISKTURK 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 INSTALLATION 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 (OTHER)	SOFTWARE MAINTENANCE AGREEMENT
ECZACIBAŞI BİLİŞİM SAN. VE TİC. A.Ş.	SOFTWARE (BANKING)	MOBILINK MAINTENANCE AGREEMENT
YNDRYL GLOBAL SERVICES İŞ VE TEKNOLOJİ HİZMETLERİ VE TİCARET LİMİTED ŞİRKETİ	INFORMATION SYSTEMS	EMERGENCY SERVICES
SUPERONLINE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ	INFORMATION SYSTEMS	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 CENTER SUBSCRIPTION AGREEMENT
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	SCAN DATA ENTRY OUTSOURCING
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ	OPERATIONAL SERVICES	OPERATIONAL SERVICE RELATED TO MORTGAGE TRANSACTIONS
KEY YAZILIM ÇÖZÜMLERİ ANONİM ŞİRKETİ	SOFTWARE	APPRAISAL SOFTWARE AGREEMENT
NETAS TELEKOMÜNİKASYON A.Ş.	OPERATIONAL SERVICES	NETWORK MAINTENANCE AGREEMENT
MATRİKS BİLGİ DAĞITIM HİZ. A.Ş.	SOFTWARE	MOBILE PRACTICE DEVELOPMENT AND MAINTENANCE AGREEMENT

ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

COMPANY TITLE	SCOPE OF SUPPORT SERVICES TAKEN	EXPLANATION OF THE SERVICE
PAYCORE ÖDEME HİZMETLERİ TAKAS VE MUTABAKAT SİSTEMLERİ A.Ş.	OPERATIONAL SERVICES	PRINTING AND ENVELOPING AGREEMENT
FOREKS BİLGİ İLETİŞİM HİZ. A.Ş.	SOFTWARE	SERVICE FACILITATION AGREEMENT
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 (OTHER)	SOFTWARE DEVELOPMENT, MAINTENANCE AND SUPPORT SERVICE
KARTNET BİLGİSAYAR SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CAPV 2.1 MAINTENANCE AND REPAIRING SERVICES AGREEMENT
VERİSOFT BİLGİ İŞLEM TİCARET VE SANAYİ ANONİM ŞİRKETİ	SOFTWARE	TEB POS APPLICATION ON CASH REGISTER MACHINES SOFTWARE AGREEMENT
HUGIN YAZILIM TEKNOLOJİLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH REGISTER EQUIPMENT SERVICE AGREEMENT
R2 SERVİS ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH REGISTER EQUIPMENT SERVICE AGREEMENT
POSTA VE TELGRAF TEŞKİLATI ANONİM ŞİRKETİ.	OPERATIONAL SERVICES	CREDIT APPLICATIONS AND REPAYMENTS FROM PTT BRANCHES
TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH REGISTER POS SLA FIELD SERVICES
D.T.P. BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.	SOFTWARE	E-INVOICE PROJECT
HOBİM ARŞİVLEME VE BASIM HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	PURCHASING CREDIT CARD STATEMENT PRINTING AND ENVELOPING SERVICE
KEYTORC TEKNOLOJİ HİZMETLERİ VE DANIŞMANLIK ANONİM ŞİRKETİ	OPERATIONAL SERVICES	TEST CONSULTANCY SERVICE AGREEMENT
ONUSS 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
TÜRKKEP KAYITLI ELEKTRONİK POSTA HİZM. SAN. VE TİC. A.Ş.	SOFTWARE	REGISTERED E-MAIL LICENSING SERVICES

COMPANY TITLE	SCOPE OF SUPPORT SERVICES TAKEN	EXPLANATION OF THE SERVICE
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
AGT HIZLI 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 (OTHER)	CORTEX
AGT HIZLI KURYE HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	COURIER SERVICES UNDER ROBIN PROJECT
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
İNFİNA 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 (OTHER)	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 LICENSE & MAINTENANCE PURCHASE
İNFİNA YAZILIM A.Ş.	SOFTWARE	FUND OPERATIONS AND COLLECTIVE CUSTODY AGREEMENT
32 BİT BİLG. HİZM. SAN. VE TİC. LTD. ŞTİ.	SOFTWARE	OTASS INTEGRATION SOFTWARE MAINTENANCE
PANAROMA BİLİŞİM TEKNOLOJİLERİ SANAYİ VE TİCARET A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES INSTALLATION AND SERVICE AGREEMENT
ARUTE SOLUTIONS YAZILIM ANONİM ŞİRKETİ	SOFTWARE	CASH MANAGEMENT COSTS OPTIMIZATION
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	SERVICE PROCUREMENT AGREEMENT

ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

COMPANY TITLE	SCOPE OF SUPPORT SERVICES TAKEN	EXPLANATION OF THE SERVICE
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 HİZMETLERİ TİCARET A.Ş.	OPERATIONAL SERVICES	HIRING STAFF FOR INFORMATION SYSTEMS
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
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	CALL CENTER OUTGOING CALL SERVICE
MİKROSARAY MİKROBİLGİSAYAR PAZ. VE TİC. A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES-FIELD SERVICES
RİSK YAZILIM TEKNOLOJİLERİ DAN. EĞ. TİC. LTD. ŞTİ	OPERATIONAL SERVICES	RISKTURK SOFTWARE, PROCUREMENT, WARRANTY AND MAINTENANCE AGREEMENT
INGENİCO ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	SERVICE FOR REMOTE INSTALLING TO POS DEVICES.
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	DATA INPUT SCANNING OUTSOURCING
AMARIS TEKNOLOJİ İSTANBUL DANIŞMANLIK LTD. ŞTİ.	OPERATIONAL SERVICES	INFORMATION TECHNOLOGIES SERVICE AGREEMENT
TEB ARF TEKNOLOJİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	INFORMATION TECHNOLOGIES SERVICE AGREEMENT
TTBOOM DİJİTAL İNTERAKTİF MEDYA REKLAM AJANSI VE BİLİŞİM HİZ. A.Ş.	OPERATIONAL SERVICES	SOCIAL MEDIA PAGE FOLLOW-UP AND MANAGEMENT
ASSİSTT REHBERLİK VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	CALL CENTER OUTGOING CALL SERVICE AGREEMENT
SUPERONLINE İLETİŞİM HİZMETLERİ A.Ş.	OPERATIONAL SERVICES	DATA FLOW ACCESS SERVICE AGREEMENT
İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	LEGA LEGAL FOLLOW-UP SYSTEM
SERİ BİLGİ TEKNOLOJİLERİ DESTEK HİZ. VE TİC. LTD. ŞTİ.	OPERATIONAL SERVICES	JOINT POS FIELD SERVICES AGREEMENT
TEKNOSER BİLGİSAYAR TEKNİK HİZM. SAN. VE DIŞ TİC. A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES-FIELD SERVICES

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. Performance bonuses will only be paid if the 80% target actualization rate is achieved in a given year and subject to the decision made by SECOM (Selection and Compensation Committee) for that year.

TL 194.1 million in total has been set aside in the Bank's 2021 financial statements as provision for performance bonuses and sales premiums. Slated for payment in 2022, the amount splits as TL 179.5 million to be paid depending on the performances of the employees during the year and TL 14.7 million as sales premium in line with the sales realized by sales staff in 2021.

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 55.7 million.

FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF BOARD OF DIRECTORS 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 remuneration principles and policy proposed by the Head Office for Material Risk Takers.
- 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.
- 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 26 March 2021, a decision was taken not to pay an attendance fee to Board members in consideration of their roles.

During the period January-December 2021, any and all rights, interests and remunerations paid to our Board members and senior executives amounted to TL 67,901,114 and travel, accommodation and representation expenses amounted to TL 697,015.

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 2021 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 Competition Authority and the Central Bank of the Republic of Türkiye (CBRT).

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

964 lawsuits worth TL 15,707,488 in total were brought against the Bank during 2021. A total of 9,890 lawsuits brought in 2021 and previous years are currently in litigation. A provision of TL 79,841,713 had been set aside for these lawsuits as at 31 December 2021.

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 2,766,070.

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 2021.

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 2021. 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 2021 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 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 and therefore, no losses to the detriment of the Company arose.

TEB has a big family of 8,572 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; hence, TEB positions its human resource at the heart of its strategy that will enable achievement of its business goals.

The Strategic Priorities of TEB

- Management approach
 - We trust employees and value their ideas,
 - We emphasize positive aspects through constant feedbacks and we appreciate and recognize their achievements,
 - We offer them opportunities for continuous development,
 - We espouse a management approach supportive of cooperation.
- Equipping our employees with the new competencies required by the business world and retaining them
- Implementing the new working models introduced by the new world
- Increasing efficiency through digitalization and effective data usage
- Creating an agile culture
- Forming a human resource with a high level of risk awareness and risk management
- Making a positive impact for a better future
 - Listening to and understanding the expectations of employees that make TEB's most important and key stakeholder group, using various methods, enhancing their engagement, and implementing the necessary policies and practices to be the "top employer",
 - Treating external candidates and employees equally and fairly, protecting their rights, and encouraging diversity and inclusion,
 - Creating a dynamic working environment where all our employees are offered equal opportunities, continuous learning and development are supported, and innovation and entrepreneurship are encouraged,
 - Encouraging our employees' involvement in volunteering programs.

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 approach

We are working hand in hand to build a "Great Place to Work"

Embracing the "Positive Management" approach and putting into life practices that value the employees, TEB has been making efforts since 2012 to build a "Great Place to Work". TEB succeeded in being the first and only bank to make the list of "Great Place to Work" in 2016.

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 2021.

TEB succeeded in receiving the Top Employer Turkey and Top Employer Europe Certificates for 9 years in a row.

Targeting organizational efficiency in performance management

TEB Performance Management System is intended to align individual targets and required business results with the Bank's goals and strategies, to provide accurate guidance to the employees, to ensure their development, thereby increasing organizational efficiency.

TEB carries out the performance reviews based on objective criteria taking into consideration the extent at which individual business targets assigned to employees are attained and their achievement of their competence targets.

TEB HUMAN RESOURCES GROUP

Local and international career opportunities offered to employees

TEB offers the future leaders both internal and international mobility opportunities with the support extended by BNP Paribas.

In line with TEB's objective and transparent communication and equal opportunity principles, 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.

Organized annually to promote internal local and global mobility, the Mobility Days was held online in 2021 with the theme "Take Ownership of Your Career Path".

TEB makes it a fundamental principle to make appointments to manager and higher-level positions from internal resources.

TEB makes it a fundamental principle to make appointments to senior manager and higher-level positions from internal resources.

In 2021, 83% of appointments to managerial positions were made from internal resources.

During the reporting period, a total of 538 employees were promoted, 122 of them senior managers and higher-level positions, whereas 261 employees were transferred to different functions within the scope of mobility.

Talent Management Programs aiming to train the future leaders

Training the future leaders is a main pillar of the HR management concept at TEB. To this end, the Bank carries out projects and initiatives focused on maximizing individual and team performances through designing new processes and systems, building on its employees' competences and offering them a working environment and diverse career opportunities that will drive their continuous development.

High-potential and high-performing TEB employees are provided with the opportunity to get together with senior management in various events, where they have a chance to introduce themselves and share their opinions in an open and cordial environment.

At TEB, the future leaders are provided with personalized learning and development opportunities which will guide their careers. In 2021, leadership program for talents were redesigned and 200 talents took part in these renewed leadership programs. 84 senior manager candidates and 10 director candidates participated in the talent development hub implementation.

To its global talents, TEB offers the opportunity to take part in BNP Paribas Global Talent Development Programs. During 2021, online global development programs were made available to all global talents.

As part of the succession planning carried out regularly each year to ensure continuity in the Bank's management, succession plans for N-1, N-2 and other critical roles were reviewed and revised also in 2021.

Effective support to employees' personal and professional development

TEB recognizes that "qualified and trained workforce" is the most significant differentiating element in the finance industry. The Bank continued to support employees' personal and professional development in the most effective way also in 2021.

TEB Academy structure was renewed to help employees build on the competencies that they might need at any stage of their careers. The schools opened in various disciplines including finance, sales, risk, leadership etc., new trends and approaches are followed up and the content offered is continuously updated according to the new competencies required by the business world.

While TEB offered trainings on digital, it also supported employees' development by holding webinars regarding topics linked to the current period. The Bank polled its employees' needs in this specific period and organized 29 webinars on 11 different topics, in which 1,800 employees participated.

In 2021, nearly 8,500 TEB employees attended classroom training sessions. As these employees participated in several training programs, total participations numbered approximately 40,000 in classroom trainings, 260 in on-the job trainings, and nearly 200,000 in e-learning programs. In 2021, nearly 59% of the training programs were given by internal trainers.

Career Development Programs

TEB integrates career development processes in its academic programs and thereby prepares its employees for their future roles in advance.

The certification programs designed offer TEB employees the chance to build on their knowledge, skills and competencies.

Continuously updated training and development programs

While raising the future leaders, TEB continuously updates the training and development programs implemented at the Bank in line with the new needs that arise.

In keeping with the changing dynamics of the era, the Bank continued to provide more personalized, agile and data-driven tailored training programs also in 2021.

Training and Development Bulletin

A monthly Training Bulletin is published to keep TEB employees informed about internal and external development opportunities. The Training Bulletins feature news about webinars, videos, seminars, articles and book recommendations related to the theme of the month.

TEB Leadership School

Leadership programs developed in various levels intended to train and raise the leaders that will carry TEB into the future are designed in the form of development journeys under the TEB Leadership School roof.

In other words, the development steps are defined, which deal with the leadership skills that a young talent starting a career with TEB as part of the Talent Pool needs to acquire until reaching a top manager position.

Awarded innovation and entrepreneurship activities

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.

Having received "Turkey Innovation Champion" award in 2014, TEB was named the "Most Successful Bank in Innovation Management" by the European Financial Management Association (EFMA) for four consecutive years between 2013 through 2016.

Top Employers Institute, one of the world's most prestigious organizations that rates HR implementations which named TEB the "Top Employer in Europe and in Turkey" for nine years running, has published the TEB Intrapreneurship Program as a case study in 2021.

TEB continued to regularly share the latest news and new trends in innovation, technology and entrepreneurship via various channels, to which new ones were added in 2021.

TEB HUMAN RESOURCES GROUP

Intrapreneurship Program

With the Intrapreneurship Program launched in 2014 TEB aims to create an entrepreneurial culture within the organization and to raise the intrapreneurs who conceive and are able to realize innovative projects that can change the Bank's future. Through this program, existing ways of doing business are changed, a working environment where employees can develop and implement their projects as entrepreneurs is offered, and employees are supported with training programs, mentorship and coaching.

TEB Intrapreneurship Program entered its seventh year in 2021. The program, for which over 120 projects were submitted by TEB employees who have an intrapreneurial spirit, was carried out on the digital environment. All components of the program such as Hackathon, jury, mentor meetings and accelerators program were carried out online.

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. 2021 saw the debut of the Innovation Talks sessions, which addressed the topics covered in the submissions and which were participated by local and foreign experts.

Partnerships with start-ups

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.

Within the scope of the Home Program that employs innovative methods, 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.

Innovation remains an important part of TEB's DNA through programs that help TEB employees produce solutions and take initiative to lead change and thus strengthen their entrepreneurial muscles.

The ever-growing innovation ecosystem at TEB

Since 2007, TEB has been including its customers, students, start-ups, academics and suppliers in its innovation ecosystem, in addition to its employees. While the Bank's products and services are re-designed through partnerships established, innovation culture is being spread to a much wider population.

TEB Open Innovation Competition

The process started for the fourteenth edition of the annual TEB Open Innovation Competition, which is one of the largest reflections of TEB's innovation practices outside the Bank. All processes of the program are conducted online.

The finalists get ready to compete in a special innovation and entrepreneurship camp and the winners are offered career opportunities at TEB, MBA scholarship, and priority admission to TEB start-up House, as well as monetary prizes. To date, 12 finalists joined the TEB family within the scope of the Competition.

"My TEB My World"

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.

TEB Online University Internship Program

In 2021, TEB carried out the Online University Internship Program for university students. Under the program, 12 university students were delivered an online internship experience of 4 weeks during which they were able to generate projects together with TEB managers. In addition to project work, students were provided with e-learning opportunities through face-to-face trainings in virtual classrooms and on the digital platform.

Recruitment Practices

Through online university campus events and presentations, TEB reached over 10,000 students at its target universities.

In 2021, within the frame of Future Leaders programs, 58 new-graduate young talents in total joined the Bank, who will be employed at the Head Office and in the field. Furthermore, 69 new-graduate young talents were included in the Bank's IT teams. TEB aims to carry on with these programs every year and increase the number of young talents.

During 2021, a total of 1,236 candidates were won for the TEB Family using various selection and placement tools in line with the Bank's goals and strategies.

TEB Young Engineers Meeting

TEB Young Engineers Meeting, which has by now become a traditional event, was held for the third time online in 2021. The Bank gathered with more than 450 engineering new graduates and students. At the event, participating young engineers were given an introduction to the banking sector and the engineering positions in the finance sector.

TEB Innovation and Youth Summit

Innovation gatherings where TEB talents are being brought together around a new theme each year since 2007 was held online for the first time in 2021. University students that attended the event were provided with the chance to listen to inspirational presentations and engage in career conversations with TEB managers throughout the event.

As was the case in earlier editions of the event, awards were presented also during the online Summit to innovative, creative TEB employees who submitted their ideas at the Internal Innovation Competitions and to customers, university students, new graduates and techno start-ups who were placed at TEB Innovation Competition.

TEB Agile Studio

IT Agile Studio was established in 2020 to increase agility at TEB and launch projects more rapidly.

In 2021, development journeys in this area were designed and implemented in cooperation with the TEB Agile Studio and TEB Academy.

Innovative digital HR practices focused on perfecting employee experience

TEB introduced innovative digital HR practices to deliver a perfect employee experience.

TEB targets to offer digital recruitment processes, learning and development applications, talent management systems and other processes digitally in the most practical manner. TEB employs applications offered by BNP Paribas to make life easier for its employees, as well as various applications including Chatbot, HR Mobile App, TEB Digital Campus TEB Digital Library and TEB HR Analytics.

A human resource capable of managing the risks in the most effective manner

"First Level Control" project which has the objective of ensuring employees at all levels to manage risks that are related to their duties and responsibilities effectively has been completed and launched.

TEB HUMAN RESOURCES GROUP

TEB VOLUNTEERING PROGRAMS

TEGV - Educational Volunteers Program

Under the program, TEB volunteers extended education support to underprivileged primary school students in six disciplines (Science, Math, Art, Coding, Reading, Writing).

TEV - Mentoring Program

TEB volunteers meet monthly to offer career mentoring to TEV scholar students attending a high school or university under the TEV-Mentoring Program. The objective of the program is to help university students make a head start in business life.

Run for Kindness

23 TEB volunteers ran for a charitable cause at the 2021 İstanbul Marathon. With the funds they raised, the volunteers helped cover the educational expenses for one year of many students who are challenged in accessing education.

A more joyous family when 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. Held digitally in 2021, these meetings were open to TEB employees from all over Turkey.

Employees can participate in 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. The activities continued on online platforms in 2021.

TEB Sports Academy

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.

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.

Saklıköy restarted welcoming TEB employees in September by taking the necessary measures for the ongoing pandemic circumstances.

SUMMARY OF BOARD DIRECTORS' REPORT PRESENTED TO THE GENERAL ASSEMBLY

Distinguished shareholders, customers and employees,

In 2021, the global services industry embarked upon a rapid recovery phase as vaccination campaigns accelerated. However, uncertainties associated with the economy exacerbated upon emergence and proliferation of new Covid-19 variants in this period. Climate conditions in food exporting countries negatively affected food prices, which soared worldwide with the further addition of higher transportation costs. The International Monetary Fund (IMF) estimated global economic growth for 2021 as 5.9% due to increased volatilities and supply constraints.

Having carried on with its growth also in 2021, TEB registered TL 194.1 billion in total assets and booked TL 1.9 billion in net profit as of 31 December 2021. Loans, which represent the most important indicator of our support to the economy and our customers, accounted for 54% of our total assets. Giving priority to risk management and asset quality as always, the Bank's total lending amounted to TL 104.5 billion, with total deposits worth TL 131.8 billion. Having secured stable growth and maintained its profitability sustainably on the back of its solid capital structure in 2021, TEB's shareholders' equity was worth TL 13.6 billion, and capital adequacy ratio was 18.05%, well above the target ratio of 12%.

TEB aligned itself with the measures adopted for exchange rates and the new instruments launched for that purpose and introduced new products and services in this vein. Accordingly, the Bank made its "FC-Indexed TL Time Deposit Account", "FC Deposit Account-Indexed TL Time Deposit Account" and "Gold Account-Indexed TL Time Deposit Account" products aimed at protecting savings in Turkish lira against the changes in exchange rates available to its customers via TEB branches and CEPTETEB internet branch. With its products that highlight saving up, TEB sought to protect its customers with savings against the currency risk and to encourage its customers having foreign currency deposits to convert to the Turkish lira.

In 2021, TEB sustained its support to customers with its consumer loans that entailed deferment and alternative term options. Having received more than 80 percent of consumer loan applications through digital channels in the reporting period that saw gradually increasing use of digital channels, TEB extended 86 percent of approved credits via digital channels as well. The rapid rise in consumers' demand for the digital kept rapidly transforming the products offered by the finance sector. Along this line, TEB launched its new digital credit card online in response to consumer demands, which enables more secure shopping as it does not bear such information as the card number, expiry date, CVC etc. on the card.

In addition to CEPTETEB and CEPTETEB İŞTE Mobile Apps, TEB fulfills customer demands and needs with a swift, practical and solution-oriented understanding also via TEB Internet Banking. Continuing to grow with the end-to-end digital customer acquisition process, CEPTETEB reached more than 2.2 million digitally active customers in the last quarter of the reporting period.

Growing savings becomes gradually more critical in order for Turkey to capture its growth target and for sustainable development of the society. Throughout the year, TEB carried on with its systematic efforts for proliferation of the habit of saving up, ensuring sustainable economic growth, and raising a financially literate generation through the TEB Family Academy, an important extension of its responsible banking notion. Expanding its sphere of influence thanks to initiatives held on digital platforms, the TEB Family Academy kept offering financial literacy training in cooperation with different institutions and organizations.

TEB Private Banking initiated communications on the Investment Agenda of the Week and Fund Basket suggestions with its clients with the aim of sharing the latest information about market developments and to assist its clients manage their assets optimally amid the volatile market conditions. Prepared by the Private Banking Investment Advisory Team of TEB Investment, the contents were shared with the clients through CEPTETEB Mobile App every Monday.

SUMMARY OF BOARD DIRECTORS' REPORT PRESENTED TO THE GENERAL ASSEMBLY

TEB sustains its support to SMEs with its products and services offered in SME Banking in keeping with its "consultant banking" approach. The Bank enriched CEPTETEB İŞTE, the mobile banking platform specifically designed for the SMEs, with new developments, and put into use various new functions such as digital loan application, rolling credit usage and repayments, insurance policy monitoring, FAST 24/7 money transfer and easy address on the mobile app.

TEB kept working with the vision of being an important stakeholder for start-ups during scaling up of innovative and value-added technology firms, as well as sustaining financial and non-financial supports provided to start-ups on the basis of Start-up Banking.

TEB Corporate Banking kept extending support for the increasing financing needs of its corporate customers through cash and non-cash loan options at favorable terms in a bid to increase its support to our country's increasing exports and developing economy. Using the international broad global network of BNP Paribas, TEB also offered diverse medium-term financing options to its customers offering overseas contracting services and its customers with machinery investments.

Blending TEB's power in the domestic market with BNP Paribas's financial strength, position in the world finance markets, and expertise and experience in the capital markets, structured finance and advisory, the Corporate Investment Banking Group devised tailored banking solutions for its customers and extended the necessary support for the creation of favorable financing terms.

TEB kept supporting the real sector with funding in 2021. Having signed its first sustainability-linked syndicated loan, TEB will be extending foreign trade finance support to the real sector with the USD380 million loan it has secured. The cost of the syndicated loan will be improved subject to achievement of various performance criteria such as increasing lending for renewable energy and energy efficiency projects for promoting adoption of sustainable approaches by customers, integration of sustainability practices in work processes, provision of corporate sustainability training program to employees on creating sustainable value, and procurement of the Bank's electricity need from renewables. With this facility, which also demonstrates its strength in tapping sustainable funding in overseas financial markets, TEB targets to contribute to the development of the national economy as always by supporting foreign trade finance of the real sector.

In 2021, TEB made two new agreements with the European Bank for Reconstruction and Development (EBRD). Under the finance package created for fighting the negative effects of the pandemic upon the economy at the onset of the year, the Bank signed an agreement with the EBRD for a USD58 million loan with a term of 367 days. This was followed by another cooperation agreement with the EBRD for USD50 million signed in the third quarter of the year. Aimed at continuity of foreign trade, the facility is being on-lent for supporting companies' needs associated with their foreign trade transactions.

We hereby present the operating results and financial statements of TEB for 2021 fiscal year for your comments and review. We, as the Board of Directors, 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 2021 (TL)

1	Paid-in/Issued Capital	2,204,390,000.00
2	Total legal reserves (According to Legal Records)	510,951,261.56
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	2,498,526,169.25
4	Taxes to be paid (-)	(585,628,419.95)
5	Net profit for the period (=)	1,912,897,749.30
6	Losses related to the Previous Years (-)	0
7	Primary Legal Reserve (-)	(95,644,887.47)
8	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	1,817,252,861.83
9	Donations Made within the Year (+)	
10	First Dividend to Shareholders Cash	
11	Share Dividend	0.00
	- Total	0.00
	- Dividend distributed to the holders of the privileged share	0.00
	- Dividend distributed to	0.00
12	The Members of Board of Directors	0.00
13	Employees	
	- Other than Shareholders	
	- Dividend distributed to the holders of redeemed share certificates	
	- Second dividend for the shareholders	0.00
14	Secondary Legal Reserves	1.56
15	Statutory Reserves	0.00
16	Special Reserves	0.17
17	Extraordinary Reserves	0.00
18	Other resources planned to be distributed	0.00
19	PROFIT FOR THE PERIOD	1,817,252,860.10
20	Taxes to be paid (-)	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 (%)
A	1.56	0.00	0.00	0.00	0.00
B	0.00	0.00	0.00	0.00	0.00
NET TOTAL	1.56	0.00	0.00	0.00	0.00

ASSESSMENT OF FINANCIAL POSITION AND RISK MANAGEMENT

- 104** The Audit Committee's Assessment of Internal Control, Internal Audit and Risk Management Systems and Activities During the Reporting Period
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- 121** Branches
- 142** Convenience Translation into English of Independent Auditor's Report on the Board of Directors' Annual Report Originally Issued in Turkish

A photograph of a white wind turbine with three blades, each featuring a red and white striped tip. The turbine is situated on a green, rocky hill. The background is a clear, deep blue sky. A green rectangular frame is superimposed on the image, containing the text.

**WE CARRY OUR
ENVIRONMENTAL FOCUS TO
FUTURE WITH AN INNOVATIVE
APPROACH**

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 2021.

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 of year-end, the Internal Audit Group was formed of 1 Group Head, 4 Assistant Group Heads, 7 Audit Managers, 2 Supervisor Auditors, 5 Senior Auditors, 3 Senior IT Auditors, 20 Auditors, 9 Authorized Assistant Auditors, 3 Authorized IT Assistant Auditors, 17 Assistant Auditors, 1 IT Assistant Auditor, 1 Data Analysis Assistant Manager, 1 Internal Audit Group Support and Coordination Assistant Manager 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.

In 2021 audits, 132 branches in total were audited within the scope of solo branch, 5 field processes and related head office audits.

In addition to branch audits, inspections were conducted in a total of 38 different areas: 24 at the Head Office, 9 at subsidiaries, 5 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 Risk Committee and 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 20 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 and Operational Risk Departments and Environmental and Social Credit Policies Department and Group Risk Analysis Department

At the Bank's Board of Directors meeting held on 8 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 2021, the Audit Committee met 59 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 2021 reached TL 1.91 billion and the Bank posted a RoE of 15.82% in line with its strategies focused on profitability and productivity. Sustaining a consistent growth with its strong capital structure, TEB's equity was TL 13.6 billion and its capital adequacy ratio was realized as 18.05%, considerably higher than target ratio of 12%.

The Bank increased its total assets by 38.6% to reach TL 194,057 million in 2021 while credits which are the most important indicator of TEB's contribution to the economy and its customers became TL 107.8 billion constituting 56% 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 68%. On the other hand, demand deposits also increased to reach TL 58.5 billion and had a great contribution to the Bank in terms of funding costs.

On 27 October 2021, TEB secured a syndicated loan with a 367-day term comprised of two tranches in the amounts of EUR 230.5 million and USD 113 million from international banks. The all-in cost of the portion of this facility that will be used for foreign trade finance pertaining to banks that committed the highest amount is Euribor+1.75% for the Euro tranche and Libor+2.15% for the USD tranche.

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 BRSB. 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 each group of debtors. 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.

Credit risk concentration arises when customers are of a nature that would cause their ability to fulfill contractual obligations to be similarly affected by changes in economic, political or other conditions. Customers engaged in similar business activities or pursuing activities in the same geographical region are monitored with respect to credit concentration. 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.

RISK MANAGEMENT POLICIES ACCORDING TO VARIOUS TYPES OF RISKS

The Group Risk Management reports to the Risk Committee, the Audit Committee, the Risk Policies Committee and the Board of Directors and 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 overdue (non-performing) loans in view of the current regulatory rules.

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 net interest income sensitivity and market value of equity sensitivity. TEB runs simulations of interest income 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 can make 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, exchange rate risk, commodity risk and equity position risk resulting from fluctuations in the financial markets, in interest rates, exchange rates, commodity 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, PV01 (base points sensitivity) 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 financial models. VaR figure is calculated using historical simulation method on the basis of a 250-business-day market data and a one-day holding period in a 99% confidence interval. Daily VaR figures are used for internal reporting and risk monitoring of the Bank. 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 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 sector 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 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 Market and Liquidity Risk Committee that meets at least 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. The difference arising from the return and cost of TL and foreign currency asset-liability items in the balance sheet is constantly managed by targeting positive margin.

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.

RISK MANAGEMENT POLICIES ACCORDING TO VARIOUS TYPES OF RISKS

Operational Risk

Operational risk refers the probability of loss resulting from:

Inadequate or failing business processes, people, systems, or

Ordinary or extraordinary external events.

Operational risk management principles are set out in the Operational Risk Management Policy approved by the Board of Directors.

Advanced measurement approach tools are used to measure operational risk. It is targeted to measure operational risk through historic data analyses, risk indicators, process analyses, scenario analyses, stress tests and risk self-assessment studies. Risk exposure is constantly monitored to determine whether it is within the Company's risk appetite and is overseen by the Board of Directors via the Audit Committee. Remedial actions for identified irregularities are assessed and put into life by the Bank's related management committees.

Counterparty Credit Risk

Counterparty credit risk is defined as the risk of each party arising from contract, that neither can deny liability for.

The Bank aims to manage counterparty credit risk in a manner presenting a true and fair view, using predefined methods.

Implementation procedures regarding counterparty credit risk are defined in the policy document approved by the Board of Directors.

The tasks mentioned below are included in counterparty credit risk management:

- Clearly determine open positions of counterparty credit risk
- Recognize the tools forming the systemic infrastructure in the measurement and management of risk (risk management)
- Define each counterparty, group, country and risk limits
- Report open positions and projected size of risk
- Reduce risk through framework agreements (ISDA, CSA, GMRA, etc.), receiving collateral and margin completion within the scope of counterparty credit risk measurement

Strategy, policy and implementation procedures for counterparty credit risk are defined in the policy document approved by the Board of Directors.

CREDIT RATINGS ASSIGNED BY RATING AGENCIES AND INFORMATION ON THEIR CONTENTS

The current ratings of the Bank are as follows:

Moody's Investor Services	
Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term Foreign Currency Deposit Rate:	B2
Short Term Foreign Currency Deposit Rate:	NP
Long Term Turkish Lira Deposit Rate	B1
Short Term Turkish Lira Deposit Rate:	NP
Outlook	Negative

Fitch Ratings ^(*)

Foreign Currency Commitments

Long Term	B+
Short Term	B
Outlook	Negative

Turkish Lira Commitments

Long Term	BB-
Short Term	B
Outlook	Negative
National	AA (tur)
Outlook	Stable
Financial Capacity Rating	b+
Shareholder Support Rating	b+

On 11 February 2022, international rating agency Fitch Ratings downgraded Turkey's Long-term rating from "BB-" to "B+" and Country Ceiling Rating from "BB-" to "B+", confirming the outlook as "Negative". Following this decision, Fitch revised TEB's Long Term FC Issuer Default Rating (IDR) from "B+" to "B" and Long-Term LC Issuer Default Rating (IDR) from "BB-" to "B+" on 25 February 2022. In addition, Fitch downgraded the Bank's Long-Term Senior Unsecured Debt rating from "B+" to "B".

	Rating	Outlook
Long-Term FC Issuer Default Rating	B	Negative
Long-Term LC Issuer Default Rating	B+	Negative
Short-Term FC and LC Issuer Default Rating	B	
Viability Rating	b+	Rating Watch Negative
National	AA (tur)	Stable
Shareholder Support Rating	b	
Long-Term/Short-Term Senior Unsecured Debt	B	

DONATIONS

Date	Recipient	Amount
1/7/2021	Elif Parlakay/January 2021 Scholarship	500.00
1/7/2021	Sabri Talha Parlakay/January 2021 Scholarship	1,000.00
1/7/2021	Elif Zeynep Dalkılıç/January 2021 Scholarship	1,000.00
1/7/2021	Yiğit Eren Dalkılıç/January 2021 Scholarship	1,000.00
1/7/2021	Ahmet İbre/January 2021 Scholarship	1,500.00
1/7/2021	Buse Aras/January 2021 Scholarship	1,500.00
1/7/2021	Nehir Aras/January 2021 Scholarship	1,000.00
1/7/2021	Tuna Çelik/January 2021 Scholarship	500.00
1/7/2021	İklim Hira Altınok/January 2021 Scholarship	500.00
1/7/2021	Yiğit Berk Şenlik/January 2021 Scholarship	1,000.00
1/29/2021	Turkish Education Foundation	100.00
2/3/2021	Elif Parla/Elif Parlakay/February 2021 Scholarship	500.00
2/3/2021	Sabri Talha/Sabri Talha Parlakay-February 2021 Scholarship	1,000.00
2/3/2021	Elif Zeynep/Elif Zeynep Dalkılıç/February 2021 Scholarship-D131978 (1)	1,000.00
2/3/2021	Yiğit Eren/Yiğit Eren Dalkılıç/February 2021 Scholarship-D131979 (1)	1,000.00
2/3/2021	Ahmet İbre/Ahmet İbre/February 2021 Scholarship-D131980 (1)	1,500.00
2/3/2021	Müge Şirin/Buse Aras/February 2021 Scholarship-D131981 (1)	1,500.00
2/3/2021	Müge Şirin/Nehir Aras/February 2021 Scholarship-D131982 (1)	1,000.00
2/3/2021	Tuna Çelik/Tuna Çelik/February 2021 Scholarship-D131983 (1)	500.00
2/3/2021	Fatoş Kang/İklim Hira Altınok/February 2021 Scholarship-D131984 (1)	500.00
2/3/2021	Yiğit Berk/Yiğit Berk Şenlik/February 2021 Scholarship-D131985 (1)	1,000.00
3/1/2021	Turkish Education Foundation/Ümit Leblebici/TEV/Representation-D132269 (1)	600.00
3/1/2021	Turkish Education Foundation	550.00
3/3/2021	Elif Parlakay/March 2021 Scholarship	500.00
3/3/2021	Sabri Talha Parlakay/March 2021 Scholarship	1,000.00
3/3/2021	Elif Zeynep Dalkılıç/March 2021 Scholarship	1,000.00
3/3/2021	Yiğit Eren Dalkılıç/March 2021 Scholarship	1,000.00
3/3/2021	Ahmet İbre/March 2021 Scholarship	1,500.00
3/3/2021	Buse Aras/March 2021 Scholarship	1,500.00
3/3/2021	İklim Hira Altınok/March 2021 Scholarship	500.00
3/3/2021	Yiğit Berk Şenlik/March 2021 Scholarship	1,000.00
3/3/2021	Nehir Aras/March 2021 Scholarship	1,000.00
3/3/2021	Tuna Çelik/March 2021 Scholarship	500.00
3/4/2021	Turkish Education Foundation	500.00
3/8/2021	Turkish Education Foundation	200.00
3/10/2021	Turkish Education Foundation	100.00
3/10/2021	Turkish Education Foundation	200.00
3/11/2021	Arapgir Municipality/Donation of 17 Assets Invoice: 1734367	700.71

Date	Recipient	Amount
3/11/2021	Association for Supporting Contemporary Life-N. Kamuran Emiroğlu Primary School/Donation of 40 Assets Invoice: 1734373	845.00
3/11/2021	Turkish Education Foundation	650.00
3/11/2021	Turkish Education Foundation	900.00
3/16/2021	Turkish Education Foundation/Ümit Leblebici/TEV/Representation-D132430 (1)	300.00
3/19/2021	Turkish Education Foundation	500.00
4/6/2021	Elif Parlakay/Nisan 2021 Scholarship	500.00
4/6/2021	Sabri Talha Parlakay/April 2021 Scholarship	1,000.00
4/6/2021	Elif Zeynep Dalkılıç/April 2021 Scholarship	1,000.00
4/6/2021	Yiğit Eren Dalkılıç/April 2021 Scholarship	1,000.00
4/6/2021	Ahmet İbre/April 2021 Scholarship	1,500.00
4/6/2021	Buse Aras/April 2021 Scholarship	1,500.00
4/6/2021	Nehir Aras/April 2021 Scholarship	1,000.00
4/6/2021	Tuna Çelik/April 2021 Scholarship	500.00
4/6/2021	İklim Hira Altınok/Nisan 2021 Scholarship	500.00
4/6/2021	Yiğit Berk Şenlik/April 2021 Scholarship	1,000.00
4/15/2021	Turkish Education Foundation	131.00
4/16/2021	Ümraniye Social Security Center	3,717.00
4/16/2021	Ümraniye Social Security Center	4,685.04
4/19/2021	Turkish Education Foundation	100.00
4/19/2021	Turkish Education Foundation	100.00
4/21/2021	Turkish Education Foundation	150.00
4/22/2021	Turkish Education Foundation	300.00
4/22/2021	Antalya Provincial Gendarmerie Command	7,500.00
4/30/2021	Turkish Education Foundation	150.00
5/3/2021	Elif Parlakay/May 2021 Scholarship	500.00
5/3/2021	Sabri Talha Parlakay/May 2021 Scholarship	1,000.00
5/3/2021	Elif Zeynep Dalkılıç/May 2021 Scholarship	1,000.00
5/3/2021	Yiğit Eren Dalkılıç/May 2021 Scholarship	1,000.00
5/3/2021	Ahmet İbre/May 2021 Scholarship	1,500.00
5/3/2021	Buse Aras/May 2021 Scholarship	1,500.00
5/3/2021	Nehir Aras/May 2021 Scholarship	1,000.00
5/3/2021	Tuna Çelik/May 2021 Scholarship	500.00
5/3/2021	Yiğit Berk Şenlik/May 2021 Scholarship	1,000.00
5/3/2021	İklim Hira Altınok/May 2021 Scholarship	500.00
5/10/2021	Invoice: 1731052/Accidental Spending Type. Erroneous Payment Amount Charged	-150.00
5/26/2021	İsmail Barış Törer/May 2021 Scholarship	1,500.00

DONATIONS

Date	Recipient	Amount
5/26/2021	Rüzgar Efe Törer/May 2021 Scholarship	1,000.00
6/2/2021	Yavuz Canevi-Turkish Education Foundation-Flower Cost	500.00
6/2/2021	Turkish Education Foundation	900.00
6/2/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	131.00
6/8/2021	Turkish Education Foundation	500.00
6/8/2021	Turkish Education Foundation	100.00
6/14/2021	Turkish Education Foundation	450.00
6/14/2021	İstanbul Bilgi University	50,000.00
6/17/2021	Turkish Education Foundation	150.00
6/25/2021	Turkish Education Foundation	100.00
6/30/2021	Soma Gazi M. Kemal Primary School/Donation of 4 Assets Invoice: 1802841	2,500.00
7/7/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	131.00
7/7/2021	Turkish Foundation For Children In Need of Protection	300.00
7/27/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats/Payment: 1742179/Tema Donation-D133396 (1)	52.50
7/31/2021	Balkan Turkish Education Foundation	50.00
8/3/2021	Aegean Contemporary Education Foundation	250.00
8/13/2021	Soma Vocational Technical Anatolian High School Donation of 3 Assets Invoice: 1831575	2,400.00
8/16/2021	Association For Supporting Contemporary Life	200.00
8/16/2021	Turkish Education Foundation	150.00
8/17/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	220,000.00
8/17/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	110,000.00
8/19/2021	The Foundation For Children With Leukemia	300.00
8/19/2021	The Foundation For Children With Leukemia	400.00
8/20/2021	Turkish Education Foundation	100.00
8/25/2021	Turkish Education Foundation	150.00
8/27/2021	Turkish Education Foundation	100.00
8/31/2021	Aegean Contemporary Education Foundation	200.00
9/2/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	131.00
9/2/2021	Darüşşafaka Society	250.00

Date	Recipient	Amount
9/2/2021	Darüşşafaka Society	250.00
9/6/2021	Turkish Education Foundation	100.00
9/9/2021	Turkish Education Foundation	150.00
9/10/2021	Turkish Education Foundation	150.00
9/10/2021	Turkish Education Foundation	1,050.00
9/13/2021	Ümit Leblebici/Turkish Education Foundation-08.09.2021-195980	650.00
9/14/2021	Turkish Education Foundation	600.00
9/14/2021	Turkish Education Foundation	350.00
9/16/2021	Turkish Education Foundation	200.00
9/16/2021	Turkish Education Foundation	100.00
9/16/2021	Turkish Foundation For Children In Need of Protection	100.00
9/22/2021	Salihli District Governorship District Directorate of National Education Donation Invoice: 1860823	3,600.00
9/22/2021	Beykoz District Governorship District Directorate of National Education Donation Invoice: 1860865	500.00
9/22/2021	Şahinbey Vocational Technical Anatolian High School Donation Invoice: 1863446	17,430.00
9/22/2021	Giresun Municipality Donation Invoice: 1863515	3,330.00
9/22/2021	Van Yüzyıl University Dursun Odabaş Medical Center Donation Invoice: 1863532	3,700.00
9/22/2021	Mersin Vocational Technical Anatolian High School Donation Invoice: 1864015	8,700.00
9/22/2021	Sarıgazi Ahmet Keleşoğlu Primary School Donation Invoice: 1864791	8,427.00
9/22/2021	Hopa Mehmet Akif Ersoy Primary School Donation Invoice: 1864795	2,478.00
9/28/2021	Kadıköy Vocational Technical Anatolian High School	30,000.00
10/7/2021	Gebze District Governorate/Fevzi Çakmak Primary School Donation Invoice: 1875756	6,000.00
10/7/2021	Kayapınar District Governorate/Prf. Suat Sezgin Primary School Donation Invoice: 1875757	3,300.00
10/11/2021	Elif Parlakay/September 2021 Scholarship	600.00
10/11/2021	Sabri Talha Parlakay/September 2021 Scholarship	1,200.00
10/11/2021	Elif Zeynep Dalkılıç/September 2021 Scholarship	1,200.00
10/11/2021	Yiğit Eren Dalkılıç/September 2021 Scholarship	1,200.00
10/11/2021	Ahmet İbre/September 2021 Scholarship	1,800.00
10/11/2021	Nehir Aras/September 2021 Scholarship	1,200.00
10/11/2021	Tuna Çelik/September 2021 Scholarship	600.00

DONATIONS

Date	Recipient	Amount
10/11/2021	İklim Hira Altınok/September 2021 Scholarship	600.00
10/11/2021	Yiğit Berk Şenlik/September 2021 Scholarship	1,200.00
10/11/2021	İsmail Barış Törer/September 2021 Scholarship	1,800.00
10/11/2021	Rüzgar Efe Törer/September 2021 Scholarship	1,200.00
10/11/2021	Elif Parlakay/October 2021 Scholarship	600.00
10/11/2021	Sabri Talha Parlakay/October 2021 Scholarship	1,200.00
10/11/2021	Elif Zeynep Dalkılıç/October 2021 Scholarship	1,200.00
10/11/2021	Yiğit Eren Dalkılıç/October 2021 Scholarship	1,200.00
10/11/2021	Ahmet İbre/October 2021 Scholarship	1,800.00
10/11/2021	Nehir Aras/October 2021 Scholarship	1,200.00
10/11/2021	Tuna Çelik/October 2021 Scholarship	600.00
10/11/2021	İklim Hira Altınok/October 2021 Scholarship	600.00
10/11/2021	Yiğit Berk Şenlik/October 2021 Scholarship	1,200.00
10/11/2021	İsmail Barış Törer/October 2021 Scholarship	1,800.00
10/11/2021	Rüzgar Efe Törer/October 2021 Scholarship	1,200.00
10/11/2021	Turkish Education Foundation	1,000.00
10/18/2021	Turkish Education Foundation	200.00
10/19/2021	Koç University-Anatolian Scholars Program	216,878.00
10/20/2021	Turkish Education Foundation	500.00
10/21/2021	Turkish Education Foundation	100.00
10/22/2021	Turkish Education Foundation	250.00
10/22/2021	Turkish Education Foundation	100.00
10/27/2021	Turkish Education Foundation	300.00
11/1/2021	Aegean Contemporary Education Foundation	100.00
11/3/2021	Elif Parlakay/November 2021 Scholarship	600.00
11/3/2021	Sabri Talha Parlakay-November 2021 Scholarship	1,200.00
11/3/2021	Elif Zeynep Dalkılıç-November 2021 Scholarship	1,200.00
11/3/2021	Yiğit Eren Dalkılıç-November 2021 Scholarship	1,200.00
11/3/2021	Ahmet İbre-November 2021 Scholarship	1,800.00
11/3/2021	Nehir Aras-November 2021 Scholarship	1,200.00
11/3/2021	Tuna Çelik-November 2021 Scholarship	600.00
11/3/2021	İklim Hira Altınok-November 2021 Scholarship	600.00
11/3/2021	Yiğit Berk Şenlik-November 2021 Scholarship	1,200.00
11/3/2021	İsmail Barış Törer-November 2021 Scholarship	1,800.00
11/3/2021	Rüzgar Efe Törer-November 2021 Scholarship	1,200.00

Date	Recipient	Amount
11/5/2021	Turkish Education Foundation	500.00
11/5/2021	Turkish Education Foundation	100.00
11/11/2021	Beykoz District Governorate/Galip Öztürk Vocational Technical Anatolian High School Donation Invoice: 1896864	12,395.76
11/11/2021	Safranbolu Municipality Financial Services Directorate Donation Invoice: 896865	3,700.00
11/11/2021	Kayapınar District Governorate/Prf. Suat Sezgin Primary School Donation Invoice: 1896866	3,300.00
11/11/2021	Kdz Ereğli District Governorate/Armutçuk Madenci Primary School Donation Invoice: 1896905	3,000.00
11/12/2021	Menteş Şehit Osman Köse Secondary School Donation Invoice: 1897444	7,100.00
11/12/2021	Sultangazi Esentepe Family Health Center Donation Invoice: 1897445	2,800.00
11/12/2021	Adapazarı Bahçelievler Gazi Primary School Invoice: 1897446	3,200.00
11/12/2021	Ege University Technical Department of Construction Works Maintenance and Repair Branch Directorate Invoice: 1897443	45,000.00
11/16/2021	Turkish Education Foundation	200.00
11/17/2021	Kastamonu Abana Atatürk Primary School	101.67
11/17/2021	Kastamonu Abana Atatürk Primary School Donation	157,488.38
11/19/2021	Turkish Education Fo/Ümit Leblebici Bağış/Ö. Özaltın Funeral	300.00
11/19/2021	Turkish Education Fo/Ümit Leblebici/H. Mehmet Ateş-Esin Arslan Funeral	1,000.00
11/23/2021	Turkish Education Foundation	100.00
11/24/2021	Turkish Education Foundation	100.00
11/24/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	131.00
11/24/2021	The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats	100.00
11/24/2021	Turkish Education Foundation	100.00
11/24/2021	TEV Türkan Sedefoğlu Primary School Donation Invoice: 1903562	6,430.00
11/24/2021	Salih Günaydın Anatolian Imam Hatip High School Donation Invoice: 1903565	2,800.00
11/24/2021	Düzce Governorship Provincial Directorate of National Education Donation Invoice: 1903567	3,762.96
11/24/2021	Mezitli District Governorate Zeki Koyuncuoğlu Primary School Donation Invoice: 1903570	7,230.00
11/24/2021	Akdeniz University Strategy Development Department	450,000.00
11/26/2021	Samandra Veysel Karani Primary School Donation Invoice: 1905850	8,880.83
11/30/2021	Turkish Education Foundation	350.00

DONATIONS

Date	Recipient	Amount
12/2/2021	Yildiz Florist Sunay Sağlam	649.99
12/3/2021	Erdek Municipality Donation Invoice: 1908879	3,800.00
12/3/2021	Kütahya Air Private Training Brigade Command Donation Invoice: 1908881	2,550.00
12/3/2021	Kütahya Tavşanlı İstiklal Secondary School Donation Invoice: 1908881	2,660.00
12/3/2021	Adana Sarıçam District Municipality Donation Invoice: 1909224	10,700.00
12/3/2021	Eskişehir Municipality Press and Public Relations Department Donation Invoice: 1909418	4,540.24
12/3/2021	Elif Parlakay/December 2021 Scholarship	600.00
12/3/2021	Sabri Talha Parlakay/December 2021 Scholarship	1,200.00
12/3/2021	Elif Zeynep Dalkılıç/December 2021 Scholarship	1,200.00
12/3/2021	Yiğit Eren Dalkılıç/December 2021 Scholarship	1,200.00
12/3/2021	Ahmet İbre/December 2021 Scholarship	1,800.00
12/3/2021	Nehir Aras/December 2021 Scholarship	1,200.00
12/3/2021	Tuna Çelik/December 2021 Scholarship	600.00
12/3/2021	İklim Hira Altınok/December 2021 Scholarship	600.00
12/3/2021	Yiğit Berk Şenlik/December 2021 Scholarship	1,200.00
12/3/2021	İsmail Barış Törer/December 2021 Scholarship	1,800.00
12/3/2021	Rüzgar Efe Törer/December 2021 Scholarship	1,200.00
12/6/2021	Turkish Education Foundation	200.00
12/6/2021	Turkish Education Foundation	100.00
12/6/2021	Turkish Education Foundation	100.00
12/7/2021	Silifke Mukaddem Family Health Center Donation Invoice: 1860936	3,100.00
12/7/2021	Diyarbakır Hatboyu Family Health Center Donation Invoice: 1864698	4,400.00
12/7/2021	Diyarbakır Ali Gaffar Okkan Family Health Center Donation Invoice: 1864717	3,600.00
12/8/2021	Turkish Education Foundation	50.00
12/8/2021	Turkish Education Foundation	100.00
12/9/2021	İstanbul Metropolitan Municipality Evliya Çelebi Primary School Donation Invoice: 1913367	12,880.00
12/9/2021	75. Yıl Ziya Gökalp Primary School Donation Invoice: 1913368	700.00
12/9/2021	Altınova Municipality Directorate of Science Affairs Donation Invoice: 1913368	2,100.00
12/9/2021	Sancaktepe Halime Hatun Primary School Donation Invoice: 1913369	18,385.00
12/9/2021	Sancaktepe Şehit Ömer Halisdemir Primary School Donation Invoice: 1993371	19,108.08

Date	Recipient	Amount
12/9/2021	1765603/Donation Tax Base Deduction 08.11.21-97080 Account Correction	4,475.00
12/15/2021	Turkish Education Foundation	200.00
12/17/2021	Balıkesir Metropolitan Municipality General Directorate of Printing Donation Invoice: 1918180	3,500.00
12/17/2021	Sarıgazi Ahmet Keleşoğlu Primary School Donation Invoice: 1918181	5,000.00
12/17/2021	Kocaeli University Faculty of Medicine Dean's Office Donation Invoice: 1918181	15,060.00
12/17/2021	Sultan Çiftliği Primary and Secondary School Donation Invoice: 1918181	4,900.00
12/17/2021	Çorlu Cumhuriyet Primary School Donation Invoice: 1918183	1,800.00
12/21/2021	Turkish Education Foundation	100.00
12/22/2021	Turkish Education Foundation	250.00
12/22/2021	Kastamonu Abana Primary School Donation	2,163.05
12/23/2021	Gebze Technical University Rectorate Donation Invoice: 1922031	8,200.00
12/23/2021	Sancaktepe Ertuğrulgazi Imam Hatip Secondary School Donation Invoice: 1922032	25,536.36
12/24/2021	Yıldız Florist Sunay Sağlam	236.00
12/28/2021	Fethiye Municipality Donation Invoice: 1924496	33,500.00
12/30/2021	Turkish Education Foundation	400.00
12/31/2021	Representation Budget Donation	1,150.00
12/31/2021	Darıca Municipality Donation Invoice: 1926920	2,700.00
12/31/2021	Turgutlu Municipality Financial Services Management Donation Invoice: 1926924	2,800.00
12/31/2021	Teletaş Primary School Invoice: 1926928	15,384.90
12/31/2021	Perran Kutman Sarıtaş Primary School Donation Invoice: 1926928	11,785.00
12/31/2021	1721519/Ünye Şube Kadılar Neighborhood Headquarters Donation of 11 Assets	235.00
12/31/2021	İdealtepe Neighborhood Headquarters Donation of 40 Assets Invoice: 1800471	10,175.00
12/31/2021	Kahramanmaraş Tekir Neighborhood Headquarters Donation Invoice: 1908880	2,100.00

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

(TL thousand)	31.12.2017	2017 2016 Change	31.12.2018	2018 2017 Change	31.12.2019	2019 2018 Change	31.12.2020	2020 2019 Change	31.12.2021	2021 2020 Change
Liquid Assets	13,489,109	-11.47%	19,852,854	47.18%	21,336,601	7.47%	30,973,934	45.17%	47,341,927	52.84%
Securities	5,558,278	19.07%	6,699,383	20.53%	11,740,554	75.25%	22,802,391	94.22%	29,516,172	29.44%
Loans	63,290,777	12.29%	63,998,823	1.12%	65,577,143	2.47%	78,884,319	20.29%	103,783,001	31.56%
Other Assets	3,420,065	-1.11%	6,446,104	88.48%	8,695,870	34.90%	7,387,398	-15.05%	13,415,922	81.61%
Total Assets	85,758,229	7.56%	96,997,164	13.11%	107,350,168	10.67%	140,048,042	30.46%	194,057,022	38.56%
Demand Deposits	9,504,405	24.59%	11,644,855	22.52%	16,786,665	44.16%	32,754,131	95.12%	58,517,838	78.66%
Time Deposits	46,072,311	9.17%	52,572,309	14.11%	55,407,662	5.39%	61,019,347	10.13%	73,321,412	20.16%
Funds Borrowed	15,186,301	-8.50%	14,671,854	-3.39%	13,412,150	-8.59%	20,490,810	52.78%	31,678,510	54.60%
Other Liabilities	5,975,535	8.67%	8,369,638	40.07%	12,023,117	43.65%	14,373,903	19.55%	16,921,444	17.72%
Equity (excl. profit)	7,950,838	15.94%	8,736,805	9.89%	8,650,220	-0.99%	10,232,537	18.29%	11,704,921	14.39%
Net Income	1,068,839	13.49%	1,001,703	-6.28%	1,070,354	6.85%	1,177,314	9.99%	1,912,898	62.48%
Total Liabilities	85,758,229	7.56%	96,997,164	13.11%	107,350,168	10.67%	140,048,042	30.46%	194,057,022	38.56%
NPL Ratio	3.02%	-0.06%	4.15%	1.13%	5.99%	1.84%	4.22%	-1.77%	3.08%	-1.14%
Return on Equity	13.38%	-0.15%	11.18%	-2.20%	11.50%	0.32%	11.61%	0.11%	15.82%	4.21%
Return on Assets	1.29%	0.05%	1.10%	-0.20%	1.05%	-0.05%	0.95%	-0.10%	1.15%	0.19%
Capital Adequacy Ratio	16.12%	1.74%	16.93%	0.81%	16.95%	0.02%	18.51%	1.56%	18.05%	-0.46%

BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
4. Levent Branch	Emniyet Evleri Mahallesi, Eski Büyükdere Caddesi, No: 11/A, 34415	KAĞITHANE	İSTANBUL	+90 850 204 00 49
4. Sanayi Branch	129 Sokak, No: 1/E, 4. Sanayi Sitesi	BORNOVA	İZMİR	+90 850 204 03 45
A.O.S.B. İzmir Branch	M. Kemal Atatürk Bulvarı No: 42/19, 35620	ÇİĞLİ	İZMİR	+90 850 204 00 67
Acıbadem Branch	Acıbadem Caddesi, No: 164/4, 34660	ÜSKÜDAR	İSTANBUL	+90 850 204 01 83
Adana Atikop Branch	Yeşiloba Mahallesi, Turhan Cemal Beriker Bulvarı, Adana İş Merkezi A Blok, No: 443/E, 01100	SEYHAN	ADANA	+90 850 204 05 35
Adana Branch	Turan Cemal Beriker Bulvarı, Güleç İşhanı, No: 23, 01120	SEYHAN	ADANA	+90 850 204 00 26
Adana Çarşı Branch	Karasoku Mahallesi, Kızılay Cad. No: 14, 01010	SEYHAN	ADANA	+90 850 204 04 45
Adana Çukurova Branch	Çınarlı Mahallesi, Atatürk Caddesi, No: 15, 01120	SEYHAN	ADANA	+90 850 204 05 24
Adana Mobilyacılar Branch	Güzelevler Mah. Mobilyacılar Sitesi Meşe Caddesi, No: 18, A Kısım, 01310	YÜREĞİR	ADANA	+90 850 204 02 69
Adana Toros Branch	Beyazevler Mahallesi, Bülent Angın Bulvarı, No: 128/A, 01170	ÇUKUROVA	ADANA	+90 850 204 04 46
Adapazarı Branch	Tiğcılar Mahallesi, Atatürk Bulvarı, No: 27	MERKEZ	SAKARYA	+90 850 204 01 13
Adapazarı Çarşı Branch	Orta Mahalle Soğan Pazarı Caddesi, No: 8, 54040	ADAPAZARI	SAKARYA	+90 850 204 05 05
Adıyaman Branch	Yenipınar Mahallesi, Atatürk Caddesi, No: 31 A/A, 02100	MERKEZ	ADİYAMAN	+90 850 204 02 81
Afyon Branch	Burmali Mahallesi, Cumhuriyet Meydanı, No: 7/1, 03100	MERKEZ	AFYONKARAHİSAR	+90 850 204 01 16
Afyon Kadınana Branch	Dumlupınar Mahallesi, Kadınana Caddesi, Davulcuoğlu İş Merkezi No: 5 A, 03200	MERKEZ	AFYONKARAHİSAR	+90 850 204 05 10
Akdeniz Sanayi Branch	Şafak Mahallesi, 5009 Sokak, Akdeniz Sanayi Sitesi, 36. Blok No: 114, 07224	KEPEZ	ANTALYA	+90 850 204 02 04
Akdeniz Üniversitesi Branch	Akdeniz Üniversitesi Dumlupınar Bulvarı Olbia Çarşısı Kampüs Konyaaltı 07058	KONYAALTI	ANTALYA	+90 850 204 07 32
Akdeniz Üniversitesi Tıp Fakültesi Branch	Dumlupınar Bulvarı, Akdeniz Üniversitesi Tıp Fak. Hastanesi, H Blok, Giriş Katı, 07070	KONYAALTI	ANTALYA	+90 850 204 07 72
Akhisar Branch	Şehit Teğmen Ün Cad. Paşa Mahallesi, No: 78, 45200	AKHİSAR	MANİSA	+90 850 204 02 59
Aksaray Branch	Hamidiye Mahallesi, 761/Şehit Ali Mutlu Sokak, No: 1/1, 68100	MERKEZ	AKSARAY	+90 850 204 03 54
Aksaray İstanbul Branch	Kemalpaşa Mah. Ordu Caddesi No: 66 A, Kat: 1, 34134	FATİH	İSTANBUL	+90 850 204 00 72
Aksaz Branch	Aksaz Deniz Üs Komutanlığı, Aksaz	MARMARİS	MUĞLA	+90 850 204 02 40
Akşehir Branch	Meydan Mahallesi, İnönü Cad. No: 64, 42550	AKŞEHİR	KONYA	+90 850 204 02 86

BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Alanya Branch	Atatürk Cad. 42/A, 07400	ALANYA	ANTALYA	+90 850 204 01 08
Alanya Mahmutlar Branch	Mahmutlar Mahallesi, Barbaros Caddesi, No: 98 B/A, 07450	ALANYA	ANTALYA	+90 850 204 01 73
Alanya Sanayi Branch	Cumhuriyet Mahallesi, Keykubat Bulvarı, No: 218, 07400	ALANYA	ANTALYA	+90 850 204 06 04
Alaşehir Branch	Soğuksu Mahallesi, Sekine Evren Caddesi, No: 87, 45600	ALAŞEHİR	MANİSA	+90 850 204 06 64
Alemdar Branch	Alemdar Caddesi, Ömerağa Mahallesi, No: 19	İZMİR	KOCAELİ	+90 850 204 03 48
Aliğa Branch	İstiklal Caddesi, No: 35/B	ALİAĞA	İZMİR	+90 850 204 02 11
Alibeyköy Branch	Alibeyköy Mahallesi, Namık Kemal Caddesi, 30/A, 34060	EYÜP	İSTANBUL	+90 850 204 05 61
Alsancak Branch	1382 Sokak, 33/A, Bodrum Kat Alsancak 35220	KONAK	İZMİR	+90 850 204 04 55
Altıparmak Branch	Cemal Nadir Caddesi, No: 47, Kat: 1, Altıparmak	OSMANGAZİ	BURSA	+90 850 204 03 63
Altıyol Branch	Osmanağa Mah. Söğütlüçeşme Cad. No: 124 A, 34714	KADIKÖY	İSTANBUL	+90 850 204 00 87
Altunizade Branch	Kısıklı Cad. No: 19 Altunizade	ÜSKÜDAR	İSTANBUL	+90 850 204 00 95
Amasya Branch	Yüzevler Mahallesi, Mustafa Kemal Paşa Caddesi, No: 76/A-B-1, 05100	MERKEZ	AMASYA	+90 850 204 06 87
Anamur Branch	Esentepe Mahallesi, Atatürk Bulvarı, No: 8/B	ANAMUR	MERSİN	+90 850 204 03 04
Ankara 4. Kolordu Branch	4. Kolordu Komutanlığı, Samsun Yolu Üzeri, 06265	MAMAK	ANKARA	+90 850 204 02 85
Ankara Branch	Mustafa Kemal Mahallesi, 2120 Caddesi No: 4 A, 06530	ÇANKAYA	ANKARA	+90 850 204 00 06
Antakya Branch	Yavuz Selim Caddesi, 5. Mıntıka Zühtüye Ökten Çarşısı No: 1-2, Antakya, 31100	Merkez	HATAY	+90 850 204 00 73
Antakya Mustafa Kemal Branch	Güzelburç Mah. E5 Karayolu Cad. Kutsal Mobilya Blok No: 12 Antakya 31060	ANTAKYA	HATAY	+90 850 204 07 82
Antalya Branch	Etiler Mahallesi, Adnan Menderes Bulvarı, Birlik Apartmanı No: 53/A-B, 07010	MURATPAŞA	ANTALYA	+90 850 204 00 25
Antalya Etiler Branch	Etiler Mahallesi, 851 Sokak, No: 2, 07010	MURATPAŞA	ANTALYA	+90 850 204 01 88
Antalya Muratpaşa Branch	Tahilpazarı Mahallesi, Şarampol Cad. Ömer Melli İş Hanı, No: 86 A 07040	MURATPAŞA	ANTALYA	+90 850 204 03 87
Antalya Sanayi Branch	Yükseliş Mahallesi, Gazi Bulvarı, No: 123/1, 07025	KEPEZ	ANTALYA	+90 850 204 05 60
Antalya Toptancı Hali Branch	Güneş Mahallesi, Yeni Toptancı Hal Kompleksi, B2/1 Blok No: 1, 07260	KEPEZ	ANTALYA	+90 850 204 03 18
Aspendos Corporate Branch	Etiler Mahallesi, Adnan Menderes Bulvarı, Birlik Apartmanı No: 53/A-B, Asma Kat, 07010	MURATPAŞA	ANTALYA	+90 850 204 02 82

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Atakum Branch	Mimar Sinan Mahallesi, 162 Sk. No: 17/E, 55200	ATAKUM	SAMSUN	+90 850 204 01 98
Ataşehir Branch	Atatürk Mahallesi, Ataşehir Bulvarı, No: 14/F, Özel işyeri: 1, 34758	ATAŞEHİR	İSTANBUL	+90 850 204 04 35
Atatürk Caddesi Adana Branch	Kurtuluş Mahallesi, Atatürk Caddesi Meryem Gizer Apartmanı, No: 63/A, 01130	SEYHAN	ADANA	+90 850 204 01 17
Atrium Branch	Ataköy 7-8-9-10. Kısım Mahallesi, Karanfil Sokak, Atrium AVM, No: 2/61, 34158	BAKIRKÖY	İSTANBUL	+90 850 204 04 72
Avcılar Branch	Mustafa Kemal Paşa Mahallesi, Firuzköy Bulvarı, No: 115 A 34320	AVCILAR	İSTANBUL	+90 850 204 00 74
Avcılar Çarşı Branch	Merkez Mahallesi, Reşitpaşa Caddesi, No: 41, 34310	AVCILAR	İSTANBUL	+90 850 204 02 41
Avcılar E-5 Branch	Cihangir Mahallesi, E-5 Yanyol Caddesi No: 239, 34310	AVCILAR	İSTANBUL	+90 850 204 05 97
Aydın Branch	Kurtuluş Mahallesi, Adnan Menderes Bulvarı, No: 40 B/B, 09020	EFELER	AYDIN	+90 850 204 00 75
Aydın Çarşı Branch	Hasan Efendi-Ramazan Paşa Mah. Hükümet Bulvarı No: 17/1, 09110	EFELER	AYDIN	+90 850 204 05 12
Ayvalık Branch	İsmetpaşa Mahallesi, Atatürk Bulvarı Caddesi, No: 109, 10400	AYVALIK	BALIKESİR	+90 850 204 07 14
Bafra Branch	Hacınabi Mahallesi, Tekel Caddesi, No: 40, 55400	BAFRA	SAMSUN	+90 850 204 03 33
Bağcılar Branch	İstanbul Caddesi, No: 12/B	BAĞCILAR	İSTANBUL	+90 850 204 01 76
Bahçelievler İstanbul Branch	İzzettin Çalışlar Caddesi, No: 40	BAHÇELİEVLER	İSTANBUL	+90 850 204 02 34
Bahçeşehir Branch	Bahçeşehir 2. Kısım Mahallesi, Süzer Bulvarı No: 13, 34488	BAŞAKŞEHİR	İSTANBUL	+90 850 204 00 76
Bakırköy Branch	Cevizlik Mahallesi, İstanbul Caddesi, No: 24, 34142	BAKIRKÖY	İSTANBUL	+90 850 204 00 14
Bakırköy Meydan Branch	Kartaltepe Mahallesi, İncirli Caddesi No: 12/14, 34145	BAKIRKÖY	İSTANBUL	+90 850 204 03 93
Balçova Branch	Onur Mahallesi, Ata Caddesi, No: 48/A, 35330	BALÇOVA	İZMİR	+90 850 204 02 16
Balgat Branch	Ceyhun Atıf Karsu Cad. No: 80, Balgat	ÇANKAYA	ANKARA	+90 850 204 01 50
Balıkesir Branch	Hisariçi Mahallesi, Örucüler Caddesi, No: 14 B, 10010	KARESİ	BALIKESİR	+90 850 204 00 77
Balıkesir Çarşı Branch	Altıeylül Mahallesi, Anafartalar Caddesi, No: 25/B, 10100	ALTIEYLÜL	BALIKESİR	+90 850 204 04 98
Bandırma Branch	İnönü Caddesi, No: 68/A	BANDIRMA	BALIKESİR	+90 850 204 03 51
Bankalar Caddesi Branch	Bereketzade Mahallesi, Bankalar Cad. No: 28 B	BEYOĞLU	İSTANBUL	+90 850 204 02 12
Barkal Branch	Şakirpaşa Mahallesi, Turhan Cemal Beriker Bulvarı, No: 249/A, 01100	SEYHAN	ADANA	+90 850 204 01 64
Bartın Branch	Kırtepe Mahallesi, Hamam Caddesi, No: 5, 74100	MERKEZ	BARTIN	+90 850 204 06 77

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BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Başkent Corporate Branch	Simon Bolivar Caddesi, No: 17 Kat: 1-2, 06680	ÇANKAYA	ANKARA	+90 850 204 04 56
Batı Ataşehir Branch	Barbaros Mahallesi, Halk Caddesi No: 47/1, 34746	ATAŞEHİR	İSTANBUL	+90 850 204 06 74
Batman Branch	Gap Mahallesi, Turgut Özal Bulvarı Babil Plaza, No: 90 C, 72070	MERKEZ	BATMAN	+90 850 204 03 28
Bayındır Branch	Mithatpaşa Mah. Fevzi Paşa Cad. No: 23 A, 35840	BAYINDIR	İZMİR	+90 850 204 07 25
Bayramiç Branch	Camicedit Mahallesi, Atatürk Caddesi No: 22 A, 17700	BAYRAMİÇ	ÇANAKKALE	+90 850 204 07 27
Bayrampaşa Branch	Yenidoğan Mah. Abdi İpekçi Cad. No: 4 D, 34030	BAYRAMPAŞA	İSTANBUL	+90 850 204 00 22
Bayramyeri Branch	Saraylar Mahallesi, Enverpaşa Caddesi, Katrancı İşhanı, No: 26/1, 20010	MERKEZEFENDİ	DENİZLİ	+90 850 204 00 98
Bebek Branch	Cevdet Paşa Caddesi, No: 55 Bebek	BEŞİKTAŞ	İSTANBUL	+90 850 204 00 48
Bekirpaşa Branch	28 Haziran Mahallesi, Turan Güneş Caddesi, No: 301 A, 41060	İZMİT	KOCAELİ	+90 850 204 03 13
Bergama Branch	Ertuğrul Mahallesi, Park Otel Sokak, No: 10, 35700	BERGAMA	İZMİR	+90 850 204 06 97
Beşevler Sanayi Branch	Üçevler Mahallesi, Nilüfer Caddesi, 16130	NİLÜFER	BURSA	+90 850 204 01 20
Beşiktaş Branch	Ortabahçe Caddesi, No: 2	BEŞİKTAŞ	İSTANBUL	+90 850 204 00 78
Beşiktaş Çarşı Branch	Cihannuma Mahallesi, Salih Efendi Sokak, No: 7, 34353	BEŞİKTAŞ	İSTANBUL	+90 850 204 05 42
Beşyüzevler Branch	Barbaros Hayrettin Paşa Mah. Eski Edirne Asfaltı Caddesi, No: 224 B, 34520	GAZİOSMANPAŞA	İSTANBUL	+90 850 204 00 79
Beyazıt Branch	Mimar Hayrettin Mah. Yeniçeriler Caddesi, No: 29, Bayazıt, 34126	FATİH	İSTANBUL	+90 850 204 01 23
Beykent Branch	Cumhuriyet Mah. Gürpınar Yolu, Beylikdüzü San. Sitesi, B2 Blok No: 325-326-327-328-355-356, 34500	BÜYÜKÇEKMECE	İSTANBUL	+90 850 204 06 37
Beykent Üniversitesi Branch	T.C. Beykent Üniversitesi Ayazağa Kampüsü, Ayazağa Mahallesi, Hadımkoru Caddesi, No: 19 A, 34485	SARIYER	İSTANBUL	+90 850 204 06 63
Beylikdüzü Branch	Beylikdüzü OSB Mahallesi, Açelya Cad. No: 1/8, 34524	BEYLİKDÜZÜ	İSTANBUL	+90 850 204 00 47
Beylikdüzü E-5 Branch	Barbaros Hayrettin Paşa Mah. Şehitler Cad. Beymahall Sit. No: 5 B/1, 34522	ESENYURT	İSTANBUL	+90 850 204 04 07
Beyoğlu Branch	Hüseyinağa Mahallesi, Hamalbaşı Caddesi, No: 6/A, 34435	BEYOĞLU	İSTANBUL	+90 850 204 04 51
Biga Branch	İstiklal Mahallesi, İstiklar Caddesi, No: 106-108 İç Kapı No: 1, 17200	BİGA	ÇANAKKALE	+90 850 204 02 77

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Bodrum Branch	Türk Kuyusu Mahallesi, Kıbrıs Şehitleri Caddesi, No: 65/A-65/B, 48400	BODRUM	MUĞLA	+90 850 204 01 06
Bodrum Gümbet Branch	Merkez Mahallesi, Atatürk Bulvarı No: 203/A1-A3, Konacık, 48480	BODRUM	MUĞLA	+90 850 204 03 14
Boğazlıyan Branch	Çarşı Mahallesi, Mescit Caddesi, No: 17, 66400	BOĞAZLIYAN	YOZGAT	+90 850 204 07 38
Bolu Branch	Aktaş Mahallesi, İzzet Baysal Cad. No: 114	MERKEZ	BOLU	+90 850 204 01 42
Bornova Branch	Manavkuyu Mahallesi, Mustafa Kemal Caddesi, 132/1 A, 35535	BAYRAKLI	İZMİR	+90 850 204 01 00
Bornova Çarşı Branch	Mustafa Kemal Caddesi, No: 11-A/B, 35040	BORNOVA	İZMİR	+90 850 204 03 98
Bostancı E5 Branch	İçerenköy Maha Değirmen Yolu Cad. No: 31/1 A, 34752	ATAŞEHİR	İSTANBUL	+90 850 204 04 31
Bostanlı Branch	Bostanlı Mahallesi, Cemal Gürsel Caddesi No: 526/B, 35590	KARŞIYAKA	İZMİR	+90 850 204 02 31
Bozüyük Branch	Yeni Mahalle, İsmet İnönü Caddesi No: 67, 11300	BOZÜYÜK	BİLECİK	+90 850 204 06 86
Buca Branch	Kozağaç Mahallesi, Uğur Mumcu Caddesi, No: 96, 35390	BUCA	İZMİR	+90 850 204 06 96
Bucak Branch	Oğuzhan Mah. Cumhuriyet Cad. No: 20/A	BUCAK	BURDUR	+90 850 204 03 47
Burdur Branch	Özgür Mahallesi, Gazi Caddesi, No: 79 A, 15200	MERKEZ	BURDUR	+90 850 204 02 73
Bursa Branch	Doğanbey Mahallesi, Fevzi Çakmak Caddesi, No: 52/B, 16220	OSMANGAZİ	BURSA	+90 850 204 00 17
Bursa Çekirge Branch	Çekirge Mahallesi, Çekirge Caddesi, Batıca-Bintaş Apartmanı No: 153 A, 16070	OSMANGAZİ	BURSA	+90 850 204 04 65
Bursa Cumhuriyet Caddesi Branch	Tuzpazarı Mah. Cumhuriyet Caddesi No: 114, 16020	OSMANGAZİ	BURSA	+90 850 204 05 87
Bursa Organize Sanayi Branch	Organize San, Bölgesi, Ali Osman Sönmez Bulv. Bankalar Cad. 16159	NİLÜFER	BURSA	+90 850 204 03 84
Bursa Serbest Bölge Branch	Ata Mah. Serbest Bölge Orkide Cad. No: 13/1, 16600	GEMLİK	BURSA	+90 850 204 00 65
Büsan Sanayi Sitesi Branch	Fevzi Çakmak Mah. KOSGEB Caddesi No: 1/1, 42050	KARATAY	KONYA	+90 850 204 01 18
Büyükçekmece Branch	19 Mayıs Mahallesi, Nutuk Caddesi No: 48 A/1, 34500	BÜYÜKÇEKMECE	İSTANBUL	+90 850 204 01 89
Caddebostan Branch	Caddebostan Mahallesi, Bağdat Caddesi, No: 265 A/1, 34728	KADIKÖY	İSTANBUL	+90 850 204 01 10
Çağlayan Branch	Çağlayan Mahallesi, Kağıthane Cad. No: 141 C, 34403	KAĞITHANE	İSTANBUL	+90 850 204 01 57
Çanakkale Branch	Kemalpaşa Mahallesi, Değirmenlik Sokak, No: 49/1, 17010	MERKEZ	ÇANAKKALE	+90 850 204 01 85

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BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Çankaya Ankara Branch	Simon Bolivar Cad. No: 17 06680	ÇANKAYA	ANKARA	+90 850 204 03 82
Çankırı Branch	Yunus AVM, Buğday Pazarı Mahallesi, Çarşamba Pazarı Caddesi, No: 4/B116-Z118-Z119	MERKEZ	ÇANKIRI	+90 850 204 06 73
Çarşamba Branch	Dr. Tefik Türker Caddesi, No: 13	ÇARŞAMBA	SAMSUN	+90 850 204 01 58
Çarşı İzmir Branch	1203/1 Sokak, No: 7 Yenişehir	KONAK	İZMİR	+90 850 204 00 66
Çarşı İzmit Branch	Karabaş Mahallesi, Leyla Atakan Cad. No: 27 A/0, 41040	İZMİT	KOCAELİ	+90 850 204 04 16
Çayyolu Branch	Prof. Dr. Ahmet Taner Kışlalı Mahallesi, S. Saltoğlu Bulvarı No: 35/9, 06810	ÇANKAYA	ANKARA	+90 850 204 01 05
Çekmeköy Branch	Madenler Mahallesi, Serencebey Cad. No: 58 A, 34776	ÜMRANIYE	İSTANBUL	+90 850 204 01 43
Çengelköy Branch	Çengelköy Mah. Çengelköy Caddesi, No: 59, Çengelköy, 34680	ÜSKÜDAR	İSTANBUL	+90 850 204 03 41
Çerkezköy Branch	Gazi Osman Paşa Mahallesi, Atatürk Caddesi, No: 5	ÇERKEZKÖY	TEKİRDAĞ	+90 850 204 02 84
Çeşme Branch	İsmet İnönü Mahallesi, 2001 Sokak No: 74/A, 35930	ÇEŞME	İZMİR	+90 850 204 02 48
Çetin Emeç Branch	Ehlibeyt Mahallesi, Ceyhan Atuf Kansu Caddesi, No: 126/E	ÇANKAYA	ANKARA	+90 850 204 03 42
Cevizli Branch	Orhantepe Mah. Üsküdar Cad. Breeze Tower Apt. No: 155 A, 34865	KARTAL	İSTANBUL	+90 850 204 05 62
Ceyhan Branch	Türlübaş Mahallesi, Atatürk Caddesi, No: 260, 01960	CEYHAN	ADANA	+90 850 204 06 56
Çiftelhavuzlar Branch	Bağdat Cad. Aziz Kaya İş Merkezi No: 193/A Zemin Kat A Kısım, Çiftelhavuzlar, 34730	KADIKÖY	İSTANBUL	+90 850 204 01 34
Çiğli Branch	Şirintepe Mah. Anadolu Cad. No: 778/3 A, 35620	ÇİĞLİ	İZMİR	+90 850 204 05 55
Çınar Branch	15 Mayıs Mahallesi, Gazi Mustafa Kemal Bulvarı No: 145/B, 20150	PAMUKKALE	DENİZLİ	+90 850 204 01 99
Çine Branch	Hamidabat Mahallesi, Mehmet Yavaş Caddesi, TN: 20 No: 111/A, 09500	ÇİNE	AYDIN	+90 850 204 07 35
Çok Uluslu Firmalar Corporate Branch	Değirmen Sokak, Nida Kule, No: 18 Kat: 3, Kozyatağı, 34710	KADIKÖY	İSTANBUL	+90 850 204 00 18
Çorlu Branch	Kazimiye Mahallesi, Salih Omurtak Caddesi, No: 22/B	ÇORLU	TEKİRDAĞ	+90 850 204 01 09
Çorlu Çarşı Branch	Cemaliye Mahallesi, Saray Caddesi No: 2, 59860	ÇORLU	TEKİRDAĞ	+90 850 204 02 89
Çorum Branch	Çepni Mahallesi, İnönü Caddesi, No: 4, 19040	MERKEZ	ÇORUM	+90 850 204 01 44
Çubuk Branch	Yıldırım Beyazıt Mahallesi, Ankara (1. Kısım) Bulvarı, B Blok Özdemirler Apartmanı, No: 29 G/H, 06760	ÇUBUK	ANKARA	+90 850 204 07 61
Çukurambar Branch	Kızılırmak Mahallesi, Ufuk Üniversitesi Caddesi, No: 1/A, 06530	ÇANKAYA	ANKARA	+90 850 204 05 17

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Çukurova Corporate Branch	Çınarlı Mahallesi, Atatürk Caddesi, No: 15 Kat: 1 A Kısım, 01120	SEYHAN	ADANA	+90 850 204 03 59
Çumra Branch	İzzetbey Mahallesi, 72444 Sokak, No: 3 A Daire: 1, 42500	ÇUMRA	KONYA	+90 850 204 07 28
Darıca Branch	Kazımkarabekir Mahallesi, İstasyon Caddesi, No: 467/A, 41700	DARICA	KOCAELİ	+90 850 204 07 22
Davutpaşa Branch	Maltepe Mah. Davutpaşa Cad. No: 101 DK: 230-231-232-352 Topkapı, 34010	ZEYTİNBURNU	İSTANBUL	+90 850 204 00 96
Değirmendere Trabzon Branch	Sanayi Mahallesi, Devlet Karayolu Caddesi, No: 85 A, 61030	ORTAHİSAR	TRABZON	+90 850 204 02 42
Demetevler Branch	Demetgöl Mahallesi, 408 Cadde No: 11 A, 06200	YENİMAHALLE	ANKARA	+90 850 204 06 70
Demirciler Sitesi Branch	Seyitnizam Mahallesi, Demirciler Sitesi 2. Cadde No: 81, 34015	ZEYTİNBURNU	İSTANBUL	+90 850 204 02 21
Demirtaş Branch	Panayır Mahallesi, Yeni Yalova Yolu Caddesi, No: 455/F	OSMANGAZİ	BURSA	+90 850 204 02 98
Demirtaş Organize Sanayi Branch	Demirtaş Organize Sanayi Bölgesi, Mustafa Karaer Cad. No: 18 16245	OSMANGAZİ	BURSA	+90 850 204 04 57
Denizli Branch	Saraylar Mahallesi, İzmir Blv. TEB Sit. No: 57, 20010	MERKEZEFENDİ	DENİZLİ	+90 850 204 00 19
Denizli Çivril Branch	Çatlar Mahallesi, Cumhuriyet Caddesi, No: 3, 20600	ÇIVRIL	DENİZLİ	+90 850 204 06 84
Denizli Sanayi Branch	Saraylar Mahallesi, Ahi Sinan Caddesi, No: 36/A, 20010	MERKEZEFENDİ	DENİZLİ	+90 850 204 05 51
Denizli Saraylar Branch	Saraylar Mahallesi, 459 Sokak, No: 3/1, 20010	MERKEZEFENDİ	DENİZLİ	+90 850 204 03 88
Develi Branch	İbrahimağa Mahallesi, Cumhuriyet Caddesi, Belediye İş Merkezi No: 2/1 B, 38400	DEVELİ	KAYSERİ	+90 850 204 07 63
Didim Branch	Efeler Mahallesi, Atatürk Bulvarı No: 107 A/A, 09270	DİDİM	AYDIN	+90 850 204 01 54
Dikmen Branch	Ş. Mevlüt Meriç Mahallesi, Dikmen Cad. No: 260/15, 06460	ÇANKAYA	ANKARA	+90 850 204 06 27
Diyarbakır Branch	Peyas Mahallesi, Urfa Bul. Azizoğlu Sit. A-Blok No: 98 B, 21070	KAYAPINAR	DİYARBAKIR	+90 850 204 01 28
Diyarbakır Kayapınar Branch	Selahattin Eyyubi Mahallesi, Turgut Özal Bulvarı, Yıldem Yapı Sitesi, B Blok No: 74/A, 21080	BAĞLAR	DİYARBAKIR	+90 850 204 05 99
Diyarbakır Sur Branch	Bağcılar Mahallesi, Urfa Bulvarı, Baran Plaza, No: 217/1, 21050	BAĞLAR	DİYARBAKIR	+90 850 204 04 80
Dokuz Eylül Üniversitesi Branch	İnciraltı Mahallesi, Mithatpaşa Caddesi, Dokuz Eylül Üniversitesi İnciraltı Yerleşkesi, No: 1606 2/1/1, 35330	BALÇOVA	İZMİR	+90 850 204 07 53
Dudullu Branch	Necip Fazıl Bulvarı, No: 7-9, 34773	ÜMRANİYE	İSTANBUL	+90 850 204 07 21
Düzce Branch	Camikebir Mahallesi, 659. Bulvar, No: 8 A, 81010	MERKEZ	DÜZCE	+90 850 204 02 87

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BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Edirne Branch	Mithatpaşa Mahallesi, Talatpaşa Caddesi, No: 155, 22100	MERKEZ	EDİRNE	+90 850 204 02 13
Edremit Branch	Camivasat Mahallesi, Menderes Bulvarı, No: 11/2, 10300	EDREMİT	BALIKESİR	+90 850 204 01 90
Ege Corporate Branch	Cumhuriyet Bulvarı 66 Kat: 2	KONAK	İZMİR	+90 850 204 00 68
Ege Üniversitesi Branch	Kazımdırık Mahallesi, Üniversite Caddesi, Ege Üniversitesi No: 9-47 A, 35100	BORNOVA	İZMİR	+90 850 204 07 54
Ege Üniversitesi Kampüsü Branch	Erzene Mah. Ankara Cad. Ege Üniversitesi D-Ziraat Fakültesi Blok No: 172/112 A, 35040	BORNOVA	İZMİR	+90 850 204 07 74
Elazığ Branch	Hürriyet Cad. Mehmet Arslan İş Merkezi, No: 35/A, 23200	MERKEZ	ELAZIĞ	+90 850 204 01 61
Elazığ Hürriyet Caddesi Branch	Nail Bey Mahallesi, Vali Fahribey Caddesi, Huzur İş Merkezi, No: 1/A, 23100	MERKEZ	ELAZIĞ	+90 850 204 06 02
Elbistan Branch	Güneşli Mahallesi, Dulkadiroğlu Caddesi, No: 100/B, 46300	ELBİSTAN	KAHRAMANMARAŞ	+90 850 204 06 85
Eminönü Branch	Hobyar Mahallesi, Vakıf Hanı Sokak, No: 8, 34112	FATİH	İSTANBUL	+90 850 204 00 29
Emirdağ Branch	Yenidoğan Mahallesi, Şehit Er Yüksel Yeşildağ Caddesi, No: 4/1-2, 03600	EMİRDAĞ	AFYONKARAHİSAR	+90 850 204 07 55
Erdemli Branch	Merkez Mahallesi, Alparslan Türkeş Bulvarı, No: 561 A, 33730	ERDEMLİ	MERSİN	+90 850 204 07 02
Erenköy Branch	Caddebostan Mahallesi, Ethem Efendi Caddesi, No: 13/1, 34728	KADIKÖY	İSTANBUL	+90 850 204 0389
Erenler Sanayi Branch	Erenler Mahallesi, Sakarya Caddesi, No: 306/A	ERENLER	SAKARYA	+90 850 204 02 88
Erzincan Branch	Atatürk Mahallesi, Nerim Tombul Caddesi, No: 12/Z2-Z3, 24002	MERKEZ	ERZİNCAN	+90 850 204 03 16
Erzurum Branch	Kazım Karabekir Paşa Mahallesi, Orhan Şerifsoy Caddesi Türk Ekonomi Bankası A.Ş. Apt. No: 52, 25100	YAKUTİYE	ERZURUM	+90 850 204 01 48
Esenler Branch	Menderes Mahallesi, Atışalanı Caddesi No: 15, 34225	ESENLER	İSTANBUL	+90 850 204 06 09
Esenyurt Branch	İnönü Mahallesi, Doğan Araslı Bulvarı, No: 124/C	ESENYURT	İSTANBUL	+90 850 204 03 36
Eskişehir Bağlar Branch	Yenişehir Mahallesi, Üniversite Caddesi, 106/A, 26170	TEPEBAŞI	ESKİŞEHİR	+90 850 204 05 67
Eskişehir Branch	İstiklal Mahallesi, İki Eylül Cad. No: 2/1, 26010	ODUNPAZARI	ESKİŞEHİR	+90 850 204 00 41
Eskişehir İki Eylül Caddesi Branch	İstiklal Mahallesi, İki Eylül Cad. No: 50/B, 26010	ODUNPAZARI	ESKİŞEHİR	+90 850 204 04 13
Etiler Branch	Etiler Mahallesi, Nispetiye Cad. No: 97 Kat: 1 Beşiktaş 34337	BEŞİKTAŞ	İSTANBUL	+90 850 204 00 16
Etimesgut Branch	İstasyon Mahallesi, İstasyon Caddesi Tüzün Sokak No: 8/7	ETİMESGUT	ANKARA	+90 850 204 02 52
Fatih Branch	Ali Kuşçu Mahallesi, Macar Kardeşler Cad. No: 34, 34083	FATİH	İSTANBUL	+90 850 204 03 35

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Fatsa Branch	Mustafa Kemal Paşa Mahallesi, Reşadiye Cad. No: 14/A, 52400	FATSA	ORDU	+90 850 204 01 53
Fener Branch	Çağlayan Mahallesi, Barınaklar Bulvarı, A. Atmaca Apt. B Blok No: 3/A-B, 07230	MURATPAŞA	ANTALYA	+90 850 204 02 93
Fethiye Branch	Cumhuriyet Mahallesi, Çarşı Caddesi, No: 25, 48300	FETHİYE	MUĞLA	+90 850 204 01 33
Fethiye Likya Branch	Taşyaka Mahallesi, İnönü Bulvarı, No: 4 4/A 4/B, 48300	FETHİYE	MUĞLA	+90 850 204 04 96
Fethiye Seydikemer Branch	Cumhuriyet Mahallesi, İnönü Caddesi No: 40, Kemer, 48300	FETHİYE	MUĞLA	+90 850 204 07 09
Fındıkzade Branch	Haseki Sultan Mahallesi, Kızılelma Caddesi, No: 15, 34096	FATİH	İSTANBUL	+90 850 204 04 30
Florya Branch	Şenlik Mahallesi, Florya Asfaltı No: 86 Zemin Kat Kısım A, Florya 34153	BAKIRKÖY	İSTANBUL	+90 850 204 02 02
Gaziantep Branch	İncili Pınar Mah. Muammer Aksoy Bulvarı, Dünya İş Merkezi, 34/2	ŞEHİTKAMİL	GAZİANTEP	+90 850 204 00 28
Gaziantep İncilipınar Branch	Değirmiş Mahallesi, Gazi Muhtar Paşa Bulvarı, No: 13 A, 27090	ŞEHİTKAMİL	GAZİANTEP	+90 850 204 04 09
Gaziemir Branch	Akçay Caddesi, No: 169/A	GAZİEMİR	İZMİR	+90 850 204 02 79
Gazimağusa Branch	İsmet İnönü Bulvarı, No: 43	-	GAZİMAĞUSA/KKTC	+90 392 365 59 20
Gaziosmanpaşa Ankara Branch	Uğur Mumcu Cad. 76/A, Gaziosmanpaşa	ÇANKAYA	ANKARA	+90 850 204 01 01
Gaziosmanpaşa İstanbul Branch	Merkez Mahallesi, Eyüp Yolu, No: 4 34245	GAZİOSMANPAŞA	İSTANBUL	+90 850 204 01 86
Gebze Branch	Hacı Halil Mahallesi, Zübeyde Hanım Cad. No: 33/B	GEBZE	KOCAELİ	+90 850 204 00 35
Gebze Çarşı Branch	Hacı Halil Mahallesi, Cumhuriyet Meydanı, No: 3/2, 41400	GEBZE	KOCAELİ	+90 850 204 04 11
Gebze E5 Branch	Osman Yılmaz Mahallesi, İstanbul Caddesi, No: 74/A	GEBZE	KOCAELİ	+90 850 204 02 44
Gebze Organize Sanayi Bölgesi Branch	Gebze Organize Sanayi Bölgesi, Bankalar ve Çarşı Merkezi, 1600 Sokak, No: 1601-7, 41480	GEBZE	KOCAELİ	+90 850 204 07 34
Gemlik Branch	Hamidiye Mahallesi, İstiklal Caddesi, No: 31, 16600	GEMLİK	BURSA	+90 850 204 01 93
Geyve Branch	Camikebir Mahallesi, Elvan Bey Sokak No: 66 A-1, 54700	GEYVE	SAKARYA	+90 850 204 07 52
Gezgin Branch	Kazlıçeşme Mahallesi, 10. Yıl Caddesi No: 45 İç Kapı No: 1, 34020	ZEYTİNBURNU	İSTANBUL	
Gimat Branch	Mehmet Emin Erdoğan İş Merkezi, Macun Mahallesi, Bağdat Cad. No: 93/25-26-27-28	YENİMAHALLE	ANKARA	+90 850 204 02 30
Giresun Branch	Şeyhkeramet Mahallesi, Gazi Caddesi, No: 2 Merkez 28200	MERKEZ	GİRESUN	+90 850 204 02 70
Girne Branch	Bedrettin Demirel Caddesi, No: 12/12 B	GİRNE	KKTC	+90 392 815 85 10

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BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Girne Bulvarı Branch	Bahriye Üçok Mahallesi, Atatürk Bulvarı No: 56/B, 35580	KARŞIYAKA	İZMİR	+90 850 204 00 86
Göktürk Branch	Göktürk Merkez Mahallesi, İstanbul Caddesi, No: 30-32 Göktürk, 34050	EYÜP	İSTANBUL	+90 850 204 06 99
Gölcük Branch	Amiral Sağlam Caddesi, No: 12/B	GÖLCÜK	KOCAELİ	+90 850 204 02 17
Gönen Branch	Akçaali Mahallesi, Atatürk Caddesi No: 27, 10900	GÖNEN	BALIKESİR	+90 850 204 06 60
Göztepe İstanbul Branch	Göztepe Mahallesi, Tütüncü Mehmet Efendi Caddesi, No: 93/A, Göztepe, 34730	KADIKÖY	İSTANBUL	+90 850 204 01 46
Gündoğdu Branch	Kültür Mahallesi, Plevne Bulvarı, Dr. Rıfat Bey Apartmanı, Zemin Kat No: 1 4 A-14/1, 35220	KONAK	İZMİR	+90 850 204 00 69
Güneşli Branch	15 Temmuz Mahallesi, Koçman Caddesi, No: 36 B, 34212	BAĞCILAR	İSTANBUL	+90 850 204 00 39
Güneşli Çarşı Branch	Hürriyet Mahallesi, Atatürk Cad. No: 3-5 C, 34212	BAĞCILAR	İSTANBUL	+90 850 204 04 04
Güneydoğu Anadolu Corporate Branch	Zeytinli Mahallesi, 79006 Sokak Koluman Apt. No: 3/35, 27500	ŞEHİTKAMİL	GAZİANTEP	+90 850 204 03 58
Güngören Sanayi Branch	Sanayi Mahallesi, Atatürk Cad. Real Merter Sit. No: 51/3/42, 34165	GÜNGÖREN	İSTANBUL	+90 850 204 04 08
Hadımköy Branch	Akçaburgaz Mahallesi, Hadımköy Yolu Caddesi No: 184 A/3, 34538	ESENYURT	İSTANBUL	+90 850 204 01 19
Harbiye Branch	Cumhuriyet Caddesi, No: 123 B, Harbiye 34373	ŞİŞLİ	İSTANBUL	+90 850 204 03 80
Hasanpaşa Branch	Kurbağalıdere Caddesi, No: 25, 34722 Söğütluçeşme	KADIKÖY	İSTANBUL	+90 850 204 05 23
Hatay İzmir Branch	İnönü Caddesi, No: 229/B, 35361	KARABAĞLAR	İZMİR	+90 850 204 03 22
Haznedar Bahçelievler Branch	Bahçelievler Mahallesi, Naci Kasım Sokak, No: 2/1 A, 34180	BAHÇELİEVLER	İSTANBUL	+90 850 204 04 34
Heykel Branch	Bursa Selçuk Hatun Mahallesi, Ressam Şefik Bursalı Cad. No: 5, Heykel, 16010	OSMANGAZİ	BURSA	+90 850 204 01 51
Hopa Branch	Merkez Kuledibi Mahallesi, Cumhuriyet Meydanı, No: 1/A, 08600	HOPA	ARTVİN	+90 850 204 02 90
Hürriyet Branch	Soğukkuyu Mahallesi, 1. Hürriyet Caddesi, No: 24-26 B, 16160	OSMANGAZİ	BURSA	+90 850 204 02 97
İçerenköy Branch	İçerenköy Mahallesi, Çayır Cad. Özce Center İş Merkezi, No: 3 A/1 34752	ATAŞEHİR	İSTANBUL	+90 850 204 01 52
İğdır Branch	Bağlar Mahallesi, İbrahim Bozyel Caddesi, No: 4/A, 76103	MERKEZ	İĞDIR	+90 850 204 06 78
İhlamurkuyu Branch	İhlamurkuyu Mahallesi, Alemdağ Caddesi, No: 249 A, 34771	ÜMRANİYE	İSTANBUL	+90 850 204 04 68

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
İkitelli Branch	İkitelli OSB Mahallesi, Atatürk Bulvarı, Dış Kapı No: 52, İç Kapı No: 1, 34490	BAŞAKŞEHİR	İSTANBUL	+90 850 204 00 60
İkitelli Organize Sanayi Branch	İkitelli OSB Mahallesi, Bağcılar-Güngören Metro AVM, B Blok Sokak, Dış Kapı No: 1/B İç Kapı No: 13, 34490	BAŞAKŞEHİR	İSTANBUL	+90 850 204 04 60
İmes Sanayi Sitesi Branch	İmes Sanayi Sitesi, C Blok 301/3, Yukarı Dudullu	ÜMRANİYE	İSTANBUL	+90 850 204 00 61
İmsan Branch	İkitelli Caddesi, İmsan Küçük Sanayi Sitesi, E-Blok, No: 10 İkitelli, 34303	KÜÇÜKÇEKMECE	İSTANBUL	+90 850 204 02 28
İnegöl Branch	Sinanbey Mahallesi, Nuri Doğrul Caddesi, No: 19, 16400	İNEGÖL	BURSA	+90 850 204 02 66
İnönü Caddesi Malatya Branch	Şıkşık Mahallesi, İnönü Caddesi No: 91/A	MERKEZ	MALATYA	+90 850 204 02 45
İskenderun Amanos Branch	Mustafa Kemal Mahallesi, İbrahim Karaoğlu Cad. Atay İş Merkezi Blok No: 66 F	İSKENDERUN	HATAY	+90 850 204 07 81
İskenderun Branch	Çay Mahallesi, Atatürk Bulvarı, No: 25 A, 31300	İSKENDERUN	HATAY	+90 850 204 00 85
Isparta Branch	Kutlubey Mahallesi, 106 Cadde Halısarayı Apartmanı, G Blok Dış Kapı No: 2-G, İç Kapı No: 1	MERKEZ	ISPARTA	+90 850 204 02 43
İstanbul Anadolu Corporate Branch	Esentepe Mahallesi, Cevizli D-100 Güney Yanyol Caddesi, Dumankaya Vizyon D Blok, No: 13 D/76, 34870	KARTAL	İSTANBUL	+90 850 204 05 36
İstanbul Corporate Branch	Gayrettepe Mahallesi, Yener Sokak, No: 1 Kat: 1/A, 34349	BEŞİKTAŞ	İSTANBUL	+90 850 204 00 12
İstanbul Ulus Branch	Nispetiye Mahallesi, Ahmet Adnan Saygun Caddesi, No: 22 D, 34340	BEŞİKTAŞ	İSTANBUL	+90 850 204 02 20
İstoç Branch	Mahmutbey Mahallesi, 17. Yol Sokak No: 132/A İSTOÇ, 34218	BAĞCILAR	İSTANBUL	+90 850 204 01 97
İvedik Branch	İvedik Organize Sanayi Sit. Melih Gökçek Bulvarı, Halk Yapı Koop. No: 17/22 Ostim, 06370	YENİMAHALLE	ANKARA	+90 850 204 01 67
İzmir 1. Sanayi Branch	Mersinli Mahallesi, 2822 Sokak No: 63, 35170	KONAK	İZMİR	+90 850 204 02 08
İzmir Branch	Akdeniz Mahallesi, Cumhuriyet Bulvarı, No: 86/A, 35210	KONAK	İZMİR	+90 850 204 0040
İzmir Çankaya Branch	Fevzipaşa Bulvarı, No: 59/A-B Çankaya, 35210	KONAK	İZMİR	+90 850 204 02 00
İzmir Göztepe Branch	Göztepe Mahallesi, Mithatpaşa Caddesi, No: 984 A, 35290	KONAK	İZMİR	+90 850 204 01 60
İzmit Branch	Körfez Mahallesi, Ankara Karayolu, No: 123/3	MERKEZ (İZMİT)	KOCAELİ	+90 850 204 00 20
Kadıköy Çarşı Branch	Caferağa Mahallesi, Mühürdar Cad. No: 22, 34710	KADIKÖY	İSTANBUL	+90 850 204 04 52

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BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Kadirli Branch	Savrun Mahallesi, Atatürk Caddesi No: 46, 80760	KADIRLI	OSMANİYE	+90 850 204 06 89
Kağıthane Branch	Merkez Mahallesi, Sadabat Cad. No: 40 A, 34406	KAĞITHANE	İSTANBUL	+90 850 204 04 76
Kahramanmaraş Branch	Hayrullah Mahallesi, Azerbaycan Blv. Ağdaş Plaza Sit. No: 12 A, 46040	ONİKİŞUBAT	KAHRAMANMARAŞ	+90 850 204 00 31
Kahramanmaraş Çarşı Branch	Menderes Mahallesi, Trabzon Bulvarı No: 53/D, 46100	DULKADİROĞLU	KAHRAMANMARAŞ	+90 850 204 04 86
Kalamış Branch	Faruk Ayanoglu Cad. Barış Apt. 19/1-2, Fenerbahçe	KADIKÖY	İSTANBUL	+90 850 204 00 42
Kalkan Branch	Kalkan Mahallesi, Milli Egemenlik Caddesi, No: 1/1, 07960	KAŞ	ANTALYA	+90 850 204 07 44
Karabağlar Branch	Aşık Veysel Mahallesi, Yeşillik Caddesi, No: 437-441/B 35110	KARABAĞLAR	İZMİR	+90 850 204 00 53
Karabük Branch	Bayır Mahallesi, Menderes Caddesi No: 2/B, 78100	MERKEZ	KARABÜK	+90 850 204 02 83
Karacabey Branch	Tavşanlı Mahallesi, Bursa Caddesi Necmi Akkuş Sitesi, No: 31 A/5, 16700	KARACABEY	BURSA	+90 850 204 02 91
Karadeniz Ereğli Branch	Orhanlar Mahallesi, Yalı Cad. No: 38, 67300	EREĞLİ	ZONGULDAK	+90 850 204 00 88
Karaköy Branch	Kemankeş Karamustafapaşa Mahallesi, Necatibey Caddesi, Hacı Mahmut İş Merkezi, No: 72/A	BEYOĞLU	İSTANBUL	+90 850 204 01 39
Karaman Branch	Mansurdede Mahallesi, Atatürk Bulvarı, No: 24 D-E-F, 70200	MERKEZ	KARAMAN	+90 850 204 06 72
Kars Branch	Merkez Mahallesi, Kazım Paşa Cad. No: 117	MERKEZ	KARS	+90 850 204 03 78
Karşıyaka Branch	Cemal Gürsel Caddesi, No: 200/A, 35600	KARŞIYAKA	İZMİR	+90 850 204 03 94
Kartal Çarşı Branch	Ankara Cad. Şimşek Han, No: 82, Zemin Kat	KARTAL	İSTANBUL	+90 850 204 01 40
Karya Bodrum Branch	Kıbrıs Şehitleri Cad. Emniyet Müdürlüğü Yanı, Ataman İş Merkezi, C Blok, 48400	BODRUM	MUĞLA	+90 850 204 04 19
Kastamonu Branch	Cebrail Mahallesi, Plevne Caddesi, No: 52 A-B, 37200	MERKEZ	KASTAMONU	+90 850 204 02 68
Kavacık Branch	Rüzgarlıbahçe Mahallesi, Cumhuriyet Cad. No: 12, 34805	BEYKOZ	İSTANBUL	+90 850 204 01 55
Kaynarca Branch	Fevzi Çakmak Mah. Tevfik İleri Cad. No: 111, 34899	PENDİK	İSTANBUL	+90 850 204 02 78
Kayseri Branch	Cumhuriyet Mahallesi, Turan Cad. No: 3, 38110	MELİKGAZİ	KAYSERİ	+90 850 204 00 23
Kayseri Corporate Branch	Anbar Mahallesi, 14. Cadde, No: 20, Asma Kat, 38070	MELİKGAZİ	KAYSERİ	+90 850 204 05 93
Kayseri Eski Sanayi Branch	Sanayi Mahallesi, Osman Kavuncu Blv. No: 90, 38010	KOCASİNAN	KAYSERİ	+90 850 204 05 72
Kayseri Sanayi Branch	Anbar Mahallesi, 14. Cadde No: 20 Zemin Kat	MELİKGAZİ	KAYSERİ	+90 850 204 01 70

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Kazasker Branch	Şemsettin Günaltay Caddesi, No: 109/A, Erenköy	KADIKÖY	İSTANBUL	+90 850 204 01 11
Keçiören Branch	Güçlükaya Mahallesi, Kızlar Pınarı Caddesi, No: 53/A, 06310	KEÇİÖREN	ANKARA	+90 850 204 03 08
Kemalpaşa Branch	Mehmet Akif Ersoy Mahallesi, Atatürk Blv. No: 51/1 A, 35730	KEMALPAŞA	İZMİR	+90 850 204 00 51
Kemer Branch	Yeni Mahalle Dört Yol Bulvarı No: 25/B	KEMER	ANTALYA	+90 850 204 01 74
Kepez Branch	Teomanpaşa Mahallesi, Yeşilirmak Caddesi 34/2, 07260	KEPEZ	ANTALYA	+90 850 204 07 04
Keşan Branch	Büyük Cami Mahallesi, Cumhuriyet Meydanı, No: 8, 22800	KEŞAN	EDİRNE	+90 850 204 02 94
Kestel Branch	Ahmet Vefik Paşa Mahallesi, Gazi Caddesi, No: 6/A	KESTEL	BURSA	+90 850 204 03 15
Kıraç Branch	Çakmaklı Mahallesi, Hadımköy Yolu Caddesi, Ufuk Plaza No: 57 B, 34500	BÜYÜKÇEKMECE	İSTANBUL	+90 850 204 06 54
Kırıkkale Branch	Yenidoğan Mahallesi, Cumhuriyet Cad. No: 8/A	MERKEZ	KIRIKKALE	+90 850 204 03 79
Kırklareli Branch	Karakaş Mah. 100. Yıl Cad. Necdet Şeylan Apt. No: 10/Z03, 39010	MERKEZ	KIRKLARELİ	+90 850 204 03 39
Kırşehir Branch	Medrese Mahallesi, M. Kemal Hotamaroğlu Sokak, No: 2 40200	MERKEZ	KIRŞEHİR	+90 850 204 06 68
Kızılay Branch	Gazi Mustafa Kemal Bulvarı, No: 7/A Kızılay, 06420	ÇANKAYA	ANKARA	+90 850 204 01 38
Kızıltoprak Branch	Zühtüpaşa Mahallesi, Bağdat Cad. No: 62/3 Kızıltoprak 34724	KADIKÖY	İSTANBUL	+90 850 204 04 89
Kocasinan Kayseri Branch	Sahabiye Mah. Ahmet Paşa Cad. No: 31-B, 31-C, 31-D, 31-E , 38010	KOCASINAN	KAYSERİ	+90 850 204 07 13
Konya Branch	Musalla Bağları Mahallesi, Ahmet Hilmi Nalçacı Caddesi, Cengizhan No: 130/1, 42060	SELÇUKLU	KONYA	+90 850 204 00 30
Konya Buğday Pazarı Branch	Fevzi Çakmak Mahallesi, Adana Çevreyolu Caddesi, No: 26 B-(1 İşyeri), 42050	KARATAY	KONYA	+90 850 204 07 08
Konya Ereğli Branch	Selçuklu Mahallesi, Atatürk Caddesi Necip Pala Apt. Sit. No: 44 D, 42310	EREĞLİ	KONYA	+90 850 204 02 60
Konyaaltı Branch	Bahçelievler Mahallesi, Konyaaltı Caddesi, Sıtkı Göksoy Apt. No: 40/Z1, 07050	MURATPAŞA	ANTALYA	+90 850 204 01 72
Körfez Branch	Kuzey Mahallesi, Cahit Zarifoğlu Caddesi, No: 53/B	KÖRFEZ	KOCAELİ	+90 850 204 03 26
Koşuyolu Branch	Koşuyolu Mahallesi, Koşuyolu Caddesi, No: 72 A, 34718	KADIKÖY	İSTANBUL	+90 850 204 05 63
Kozyatağı Branch	Sahrayıcedit Mah. Atatürk Cad. No: 67 A, 34734	KADIKÖY	İSTANBUL	+90 850 204 00 56

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BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Küçükbakkalköy Branch	Küçükbakkalköy Mah. Serdar Sk. No: 1 D: 3, 34750	ATAŞEHİR	İSTANBUL	+90 850 204 05 58
Küçüksu Branch	Saray Mahallesi, Küçüksu Caddesi No: 60/1 A, 34768	ÜMRANİYE	İSTANBUL	+90 850 204 03 77
Kumluca Branch	Merkez Mahallesi, Gödene Cad. No: 18, 07350	KUMLUCA	ANTALYA	+90 850 204 03 31
Kurtköy Branch	Şeyhli Mahallesi, Ankara Caddesi No: 217 A, 34890	PENDİK	İSTANBUL	+90 850 204 01 87
Kuşadası Branch	İsmet İnönü Bulvarı, No: 59, 09400	KUŞADASI	AYDIN	+90 850 204 04 77
Kütahya Branch	Gazi Kemal Mahallesi, Cumhuriyet Caddesi, No: 77/B, 43050	MERKEZ	KÜTAHYA	+90 850 204 06 43
Kuyubaşı Branch	Fahrettin Kerim Gökay Cad. No: 122/1, Zemin Kat, A Kısım, Göztepe, 34722	KADIKÖY	İSTANBUL	+90 850 204 03 02
Kuyumcukent Branch	29 Ekim Caddesi, No: 1, Kuyumcukent, Atölye Bloğu, Zemin/1. Kat, 5. Sokak, No: 19 Yenibosna	BAHÇELİEVLER	İSTANBUL	+90 850 204 02 71
Laleli Branch	Mimar Kemalettin Mahallesi, Mesih Paşa Cad. No: 54, D: 1, Laleli, 34130	FATİH	İSTANBUL	+90 850 204 02 10
Lara Branch	Yeşilbahçe Mahallesi, Metin Kasapoğlu Caddesi, Armada Apt. Sit. No: 44 D, 07160	MURATPAŞA	ANTALYA	+90 850 204 01 15
Lefkoşa Branch	Ortaköy Mahallesi, Kumsal Mevkii Mehmet Akif Caddesi Koçan No: D 303/D 304	LEFKOŞA	KKTC	+90 392 229 20 40
Lefkoşa Kaymaklı Branch	Küçük Kaymaklı Mahallesi, Şht. Mustafa Ahmet Ruso Caddesi No: 3/4	LEFKOŞA	KKTC	+90 392 228 02 55
Levent Çarşı Branch	Çarşı Caddesi, No: 22, 1. Levent	BEŞİKTAŞ	İSTANBUL	+90 850 204 01 12
Lüleburgaz Branch	Kocasinan Mahallesi, İstanbul Caddesi No: 12/Z01, 39750	LÜLEBURGAZ	KIRKLARELİ	+90 850 204 02 05
Maçka Branch	Harbiye Mahallesi, Kadırgalar Cad. No: 3 A, 34367	ŞİŞLİ	İSTANBUL	+90 850 204 00 45
Malatya Branch	Niyazi Mahallesi, Çevre Yolu Sokak Buhara Bulvarı (Caddesi), No: 195, 44100	MERKEZ	MALATYA	+90 850 204 00 89
Malatya Çarşı Branch	İzzetiye Mahallesi, Şehit Servet Aktaş Caddesi, No: 8, 44210	BATTALGAZİ	MALATYA	+90 850 204 06 90
Malkara Branch	Camiatik Mahallesi, Hürriyet Caddesi No: 25/11, 59300	MALKARA	TEKİRDAĞ	+90 850 204 07 30
Maltepe Çarşı İstanbul Branch	Altayçeşme Mahallesi, Atatürk Caddesi, No: 41/604, 34843	MALTEPE	İSTANBUL	+90 850 204 07 73
Maltepe E-5 Branch	Altayçeşme Mahallesi, Çam Sokak No: 25 A, 34843	MALTEPE	İSTANBUL	+90 850 204 04 41
Maltepe İstanbul Branch	Bağlarbaşı Mahallesi, Bağdat Caddesi, No: 477	MALTEPE	İSTANBUL	+90 850 204 01 21

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Manavgat Branch	Eski Hisar Mahallesi, Demokrasi Bulvarı, Öğrekçi Plaza No: 73/Z02-Z03, 07600	MANAVGAT	ANTALYA	+90 850 204 01 07
Manavgat Sanayi Branch	Aşağı Pazarcı Mahallesi, Zübeyde Hanım Caddesi, No: 19/Z01, 07600	MANAVGAT	ANTALYA	+90 850 204 04 78
Manavkuyu Branch	Adalet Mahallesi, Manas Bulvarı No: 20/A, 35530	BAYRAKLI	İZMİR	+90 850 204 06 25
Manisa Branch	1. Anafartalar Mahallesi, Mustafa Kemal Paşa Caddesi, No: 40/A, 45020	ŞEHZADELER	MANİSA	+90 850 204 01 14
Manisa Sanayi Branch	75. Yıl Mahallesi, Bahri Sarıtepe Caddesi, No: 53/A, 45030	YUNUSEMRE	MANİSA	+90 850 204 02 03
Mardin Branch	13 Mart Mahallesi, Vali Ozan Caddesi, 82/B, 47200	ARTUKLU	MARDİN	+90 850 204 03 27
Marmara Corporate Branch	23 Nisan Mahallesi, 75. Yıl Caddesi, No: 5 A/15 Durmazlar İş Merkezi, 16120	NİLÜFER	BURSA	+90 850 204 00 58
Marmaris Branch	Tepe Mahallesi, Ulusal Egemenlik Caddesi, No: 24, 48700	MARMARIS	MUĞLA	+90 850 204 01 02
Maslak Branch	Reşitpaşa Mahallesi, Eski Büyükdere Caddesi, No: 14/A, 34468	SARIYER	İSTANBUL	+90 850 204 01 29
Maslak Sanayi Branch	Ayazağa Mahallesi, Büyükdere Caddesi, No: 257/C, 34485	SARIYER	İSTANBUL	+90 850 204 04 06
Mecidiyeköy Branch	Büyükdere Cad. 103/1, Mecidiyeköy	ŞİŞLİ	İSTANBUL	+90 850 204 00 64
Mega Center Branch	Kocatepe Mahallesi, Yağ İskelesi Caddesi, Mega Center C.51 Blok No: 25/A, 34045	BAYRAMPAŞA	İSTANBUL	+90 850 204 01 80
Menemen Branch	Mermerli Mahallesi, Mithatpaşa Caddesi, No: 55, 35661	MENEMEN	İZMİR	+90 850 204 02 29
Mersin Branch	Camişerif Mahallesi, İsmet İnönü Bulvarı, No: 94 A, 33010	AKDENİZ	MERSİN	+90 850 204 00 38
Mersin Çamlıbel Branch	Kültür Mahallesi, 103. Cadde No: 62, 33100	MERKEZ	MERSİN	+90 850 204 03 85
Mersin Çarşı Branch	Camişerif Mahallesi, İstiklal Caddesi, No: 40/D, 33060	AKDENİZ	MERSİN	+90 850 204 04 44
Mersin Pozcu Branch	İnönü Mahallesi, Gazi Mustafa Kemal Bul. Emel Sitesi, C Blk. Blok No: 403 A, 33130	YENİŞEHİR	MERSİN	+90 850 204 05 84
Mersin Töptancılar Sitesi Branch	Mersin Töptancılar Sitesi (Mertoç), Hal Mahallesi, Turgut Özal Bulvarı, E Blok, No: 92, 33020	AKDENİZ	MERSİN	+90 850 204 06 52
Merter Branch	Mehmet Nesih Özmen Mahallesi, Fatih Cad. No: 2/1 A, 34173	GÜNGÖREN	İSTANBUL	+90 850 204 00 32
Merzifon Branch	Hocasüleyman Mahallesi, Yokuşbaşı Caddesi, No: 13, 05300	MERZİFON	AMASYA	+90 850 204 03 23
Metropol Mersin Branch	Mesudiye Mahallesi, Kuvayi Milliye Caddesi, No: 84/B, 33060	AKDENİZ	MERSİN	+90 850 204 03 52

BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Mevlana Branch	Aziziye Mahallesi, Mevlana Caddesi, No: 63 D: 1	KARATAY	KONYA	+90 850 204 02 57
Mezitli Branch	Menderes Mahallesi, Gazi Mustafa Kemal Bulvarı, Doğaner Yapı Koop. Sitesi, A Blok Apartmanı, No: 709 AA, 33340	MEZİTLİ	MERSİN	+90 850 204 02 55
Milas Branch	Hacıilyas Mahallesi, Menteşe Caddesi Özler İş Hanı Karşısı No: 91 48200	MİLAS	MUĞLA	+90 850 204 06 65
Montrö Branch	Şair Eşref Bulvarı, No: 23/A Çankaya, 35210	KONAK	İZMİR	+90 850 204 03 81
Muğla Branch	Şeyh Mahallesi, İsmet İnönü Caddesi Dış Kapı No: 17, 48050	MENTEŞE	MUĞLA	+90 850 204 02 58
Mut Branch	Doğancı Mahallesi, Atatürk Bulvarı No: 48/A-B, 33600	MUT	MERSİN	+90 850 204 07 46
Narlıdere Branch	Çamtepe Mah. Mithatpaşa Cad. No: 277-279, 35320	NARLIDERE	İZMİR	+90 850 204 07 03
Nato Yolu Branch	Tuzluca Mahallesi, Nato Yolu Caddesi, 294. Sokak, No: 1/A, 06620	MAMAK	ANKARA	+90 850 204 07 16
Nazilli Branch	Altıntaş Mahallesi, 129 Sokak, No: 2	NAZİLLİ	AYDIN	+90 850 204 03 21
Necatibey Branch	Kızılay Mahallesi, Necatibey Cad. Günay Apt. No: 25 B, 06420	ÇANKAYA	ANKARA	+90 850 204 01 36
Nevşehir Branch	Karasoku Mahallesi, Atatürk Caddesi No: 16/B, 50100	MERKEZ	NEVŞEHİR	+90 850 204 06 94
Niğde Branch	Yenice Mahallesi, Ayhan Şahenk Bulvarı, No: 15/A 51200	MERKEZ	NİĞDE	+90 850 204 01 66
Nilüfer Branch	İhsaniye Mahallesi, İzmir Yolu Caddesi, No: 118 A, 16130	NİLÜFER	BURSA	+90 850 204 01 03
Nuruosmaniye Branch	Alemdar Mah. Nuruosmaniye Cad. No: 12/1, 34110	FATİH	İSTANBUL	+90 850 204 02 54
Ödemiş Branch	Akıncılar Mahallesi, Gazi Caddesi, No: 32/1, 35750	ÖDEMiŞ	İZMİR	+90 850 204 02 49
Ofis Branch	Kooperatifler Mahallesi, Akkoyunlu Bulvarı, No: 19/B, 21100	YENİŞEHİR	DİYARBAKIR	+90 850 204 03 03
Ordu Branch	Şarkıye Mah. Süleyman Felek Cad. No: 93 C, 52000	ALTINORDU	ORDU	+90 850 204 01 82
Orhangazi Branch	Muradiye Mahallesi, Yalova Caddesi No: 38/A, 16800	ORHANGAZI	BURSA	+90 850 204 03 69
Ortaklar Caddesi Branch	Büyükdere Caddesi, No: 60/A Mecidiyeköy, 34387	ŞİŞLİ	İSTANBUL	+90 850 204 01 25
Ortaköy Branch	Yıldız Mahallesi, Çırağan Caddesi, No: 97 Ortaköy	BEŞİKTAŞ	İSTANBUL	+90 850 204 01 30
Osmanbey Branch	Cumhuriyet Mah. Halaskargazi Cad. No: 103 B, 34380	ŞİŞLİ	İSTANBUL	+90 850 204 00 13
Osmaniye Branch	Alibeyli Mahallesi, Dr Ahmet Alkan Caddesi, No: 17/A, 80010	MERKEZ	OSMANİYE	+90 850 204 06 42
Ostim Branch	Ostim Sanayi Sitesi, 100. Yıl Bulvarı No: 9, 06370	YENİMAHALLE	ANKARA	+90 850 204 01 24

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Özel Bankacılık Merkezi Branch	Nispetiye Cad. Dilhayat Sok. No: 8 Zemin Kat Etiler	BEŞİKTAŞ	İSTANBUL	+90 850 204 00 70
Özlüce Branch	Altınşehir Mahallesi, Ahmet Taner Kışlalı Blv. No: 36 A/A, 16230	NİLÜFER	BURSA	+90 850 204 05 79
Pendik Branch	Batı Mah. Erol Kaya Cad. TEB Blok No: 102 İç Kapı No: 1, 34890	PENDİK	İSTANBUL	+90 850 204 01 31
Pendik E-5 Branch	Çınardere Mahallesi, Gönenli Mehmet Efendi Caddesi, No: 85 34896	PENDİK	İSTANBUL	+90 850 204 00 37
Perpa Branch	Halil Rıfat Paşa Mah. Yüzer Havuz Sok. No: 1/922, 34384	ŞİŞLİ	İSTANBUL	+90 850 204 01 27
Pınarbaşı Branch	Ümit Mah. Kemalpaşa Cad. No: 333 B Pınarbaşı, 35060	BORNOVA	İZMİR	+90 850 204 00 50
Polatlı Branch	Cumhuriyet Mahallesi, Ankara Caddesi, No: 5, 06900	POLATLI	ANKARA	+90 850 204 06 57
Polatlı Topçu ve Füze Okulu Komutanlığı Branch	İstiklal Mahallesi, Refik Cesur Caddesi No: 1, 06900	POLATLI	ANKARA	+90 850 204 07 01
Rize Branch	Yeniköy Mah. Tevfik İleri Cad. No: 18	MERKEZ	RİZE	+90 850 204 01 95
Sakarya Caddesi Branch	Cumhuriyet Mahallesi, Sakarya-1 Caddesi, No: 37/A, 26130	TEPEBAŞI	ESKİŞEHİR	+90 850 204 02 27
Salihli Branch	Atatürk Mahallesi, Belediye Caddesi No: 93-95	SALİHLİ	MANİSA	+90 850 204 01 92
Samsun Branch	Kale Mahallesi, Kaptanağa Sok. No: 4/B İlkadım 55030	MERKEZ	SAMSUN	+90 850 204 00 90
Samsun Mecidiye Branch	Hançerli Mahallesi, Çifte Hamam Caddesi, No: 2, 55020	İLKADIM	SAMSUN	+90 850 204 04 94
Samsun Sanayi Branch	Yenimahalle Mahallesi, 28. Sokak No: 23/1, 55080	CANİK	SAMSUN	+90 850 204 01 81
Şanlıurfa Branch	Atatürk Bulvarı, Numune Pasajı No: 16/2-3, 63100	HALİLİYE	ŞANLIURFA	+90 850 204 01 35
Şanlıurfa Sarayönü Caddesi Branch	Yusuflpaşa Mahallesi, Sarayönü Caddesi, No: 131	HALİLİYE	ŞANLIURFA	+90 850 204 04 23
Santral Ümraniye Branch	Atatürk Mahallesi, Sütçü imam Caddesi, Kardeşler Apartmanı No: 51 A, No: 1-2, 34764	ÜMRANİYE	İSTANBUL	+90 850 204 04 02
Sarıgazi Branch	İnönü Mahallesi, Ankara Cad. No: 63/A	SANCAKTEPE	İSTANBUL	+90 850 204 03 43
Sarıgöl Branch	Cumhuriyet Mahallesi, Aşağı Koçaklar Caddesi, No: 6/Z01, 45470	SARIGÖL	MANİSA	+90 850 204 07 23
Sarıyer Branch	Sarıyer Merkez Mahallesi, Yeni Mahalle Cad. No: 19, 34450	SARIYER	İSTANBUL	+90 850 204 02 01
Saruhanlı Branch	Saruhan Mah. Cumhuriyet Meydanı No: 9/2-3, 45800	SARUHANLI	MANİSA	+90 850 204 07 24
Şaşmaz Branch	Bahçekapı Mahallesi, 2488. Cadde No: 4-A	ETİMESGUT	ANKARA	+90 850 204 02 39
Sefaköy Branch	Kartaltepe Mahallesi, Halkalı Caddesi No: 62 A/1, 34295	KÜÇÜKÇEKMECE	İSTANBUL	+90 850 204 01 22
Şehitkamil Gaziantep Branch	Budak Mahallesi, Gazi Muhtarpaşa Bulvarı, No: 44/D, 27090	ŞEHİTKAMİL	GAZİANTEP	+90 850 204 00 97

BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Şenesenevler Branch	Bostancı Mahallesi, Emin Ali Paşa Caddesi, No: 116 A/14, 34744	KADIKÖY	İSTANBUL	+90 850 204 04 87
Serik Branch	Yeni Mahalle, Hürriyet Caddesi No: 6-8	SERİK	ANTALYA	+90 850 204 03 30
Seyrantepe Branch	Seyrantepe Mahallesi, İbrahim Karaoğlu Cad. No: 111 A/1, 34418	KAĞITHANE	İSTANBUL	+90 850 204 06 18
Siirt Branch	Bahçelievler Mahallesi, Hükümet Bulvarı, No: 26, 56100	MERKEZ	SIİRT	+90 850 204 06 71
Silifke Branch	Mukaddem Mahallesi, İnönü Bulvarı No: 20 A, 33940	SİLİFKE	MERSİN	+90 850 204 06 88
Silivri Branch	Piri Mehmet Paşa Mah. Başkomutan Cad. No: 4, 34570	SİLİVRİ	İSTANBUL	+90 850 204 02 61
Sincan Branch	Atatürk Mahallesi, Ankara Caddesi, No: 44/A, 06930	SİNCAN	ANKARA	+90 850 204 01 91
Sinop Branch	Meydankapı Mahallesi, Kıbrıs Caddesi, No: 4, 57000	MERKEZ	SİNOP	+90 850 204 06 91
Şirehanı Branch	İsmetpaşa Mahallesi, İnönü Caddesi, No: 217/7, 27010	ŞAHİNBEY	GAZİANTEP	+90 850 204 03 37
Şirinevler Branch	Meriç Sokak Ünal İş Merkezi, No: 13/3 Zemin Kat, Şirinevler, 34188	BAHÇELİEVLER	İSTANBUL	+90 850 204 02 33
Şirinyalı Branch	Şirinyalı Mahallesi, İsmet Gökşen Caddesi, No: 80/1, 07160	MURATPAŞA	ANTALYA	+90 850 204 04 62
Şirinyer Branch	Güven Mahallesi, Menderes Caddesi, No: 318, 35370	BUCA	İZMİR	+90 850 204 02 76
Sirkeci Branch	Hobzar Mahallesi, Ankara Cad. Eraysan Ofis Malzemeleri Apt. No: 37/1, 34112	FATİH	İSTANBUL	+90 850 204 03 91
Şişli Meydan Branch	Merkez Mahallesi, Büyükdere Caddesi, C.E.M. İş Merkezi, No: 23 B, 34384	ŞİŞLİ	İSTANBUL	+90 850 204 03 83
Siteler Branch	Ulubey Mahallesi, Demirhendere Caddesi, No: 69, 06320	ALTINDAĞ	ANKARA	+90 850 204 04 74
Sivas Branch	Atatürk Caddesi, No: 15	MERKEZ	SİVAS	+90 850 204 02 47
Soğanlık Branch	Atatürk Caddesi, No: 119, 34880 Soğanlık	KARTAL	İSTANBUL	+90 850 204 05 96
Söğütözü Branch	Platin Tower Söğütözü Mahallesi, Dumlupınar Bulvarı (Eskişehir Yolu Üzeri), No: 94/G, 06510	ÇANKAYA	ANKARA	+90 850 204 06 82
Söke Branch	Konak Mahallesi, Aydın Caddesi No: 19, 09200	SÖKE	AYDIN	+90 850 204 06 59
Soma Branch	Kurtuluş Mahallesi, Fatih Caddesi, No: 10	SOMA	MANİSA	+90 850 204 03 40
Sorgun Branch	Çay Mahallesi, Cumhuriyet Caddesi No: 71 A, 66700	SORGUN	YOZGAT	+90 850 204 07 31
Suadiye Branch	Bağdat Caddesi, German Apt, Suadiye, No: 456, 34740	KADIKÖY	İSTANBUL	+90 850 204 00 15

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Suburcu Branch	Çukur Mahallesi, Suburcu Caddesi, No: 11/A Şahinbey 27400	ŞAHİNBEY	GAZİANTEP	+90 850 204 01 96
Sultanbeyli Branch	Mehmet Akif Mahallesi, Fatih Bulvarı, No: 244/B, 34920	SULTANBEYLİ	İSTANBUL	+90 850 204 01 94
Sultangazi Branch	Cebeci Mahallesi, Eski Edirne Asfaltı No: 748, Sultaçıflığı, 34270	SULTANGAZİ	İSTANBUL	+90 850 204 06 06
Tahtakale Branch	Süleymaniye Mahallesi, Şahende Sokak, Keleşler İş Hanı, No: 7 A, 34116	FATİH	İSTANBUL	+90 850 204 01 47
Tarsus Branch	Şehit Mustafa Mahallesi, Atatürk Bulvarı, No: 7/A, 33500	TARSUS	MERSİN	+90 850 204 02 37
Tarsus Makam Branch	Şehit Mustafa Mahallesi, Atatürk Cad. No: 17/A, 33400	TARSUS	MERSİN	+90 850 204 04 66
Tatvan Branch	Tuğ Mahallesi, Cumhuriyet Bulvarı, Şimşek Center, Blok No: 226 A, 13200	TATVAN	BİTLİS	+90 850 204 06 81
Tekirdağ Branch	Aydoğdu Mahallesi, Hükümet Caddesi No: 94, 59200	SÜLEYMANPAŞA	TEKİRDAĞ	+90 850 204 02 24
Teksan Branch	75. Yıl (Sultandere) Mahallesi, Teksan İdari (Küme Evler), No: 63/2, 26250	ODUNPAZARI	ESKİŞEHİR	+90 850 204 01 84
Tire Branch	Cumhuriyet Meydanı, No: 5	TİRE	İZMİR	+90 850 204 02 53
Tokat Branch	Kabe-i Mescid Mahallesi, Gaziosmanpaşa Bulvarı, No: 168/A, 60030	MERKEZ	TOKAT	+90 850 204 06 51
Topçular Branch	Rami Kışla Cad. Koçbay İş Merkezi, No: 25/B 7-8 Topçular	EYÜP	İSTANBUL	+90 850 204 01 78
Topkapı Maltepe Branch	Maltepe Mah. Gümüşsuyu Caddesi, No: 53, 34010	ZEYTİNBURNU	İSTANBUL	+90 850 204 05 28
Torbalı Branch	Tepeköy Mahallesi, Ağalar Caddesi, No: 16 A-B, 35860	TORBALI	İZMİR	+90 850 204 03 56
Trabzon Branch	Kemerkaya Mah. Kahramanmaraş Caddesi, No: 35 A, 61030	ORTAHİSAR	TRABZON	+90 850 204 00 91
Trakya Corporate Branch	15 Temmuz Mahallesi, Gülbahar Caddesi, Nur Yıldız Plaza, No: 7 A, Kat: 5 Güneşli, 34212	BAĞCILAR	İSTANBUL	+90 850 204 00 55
Trakya Üniversitesi Branch	Kocasinan Mahallesi, E5 Karayolu Caddesi, No: 76/13, İç Kapı: 2, 22030	MERKEZ	EDİRNE	+90 850 204 07 45
Tunalı Hilmi Branch	Remzi Oğuz Mahallesi, Tunalı Hilmi Caddesi, No: 68/A, Kavaklıdere	ÇANKAYA	ANKARA	+90 850 204 03 11 13
Turgutlu Branch	Altay Mahallesi, Atatürk Bulvarı, No: 163	TURGUTLU	MANİSA	+90 850 204 02 92
Tuzla Branch	İçmeler Mahallesi, Mazhar Sokak No: 21 A, 34947	TUZLA	İSTANBUL	+90 850 204 02 36
Tuzla Deniz Harp Okulu Branch	Tuzla Deniz Harp Okulu Komutanlığı Sosyal Tesisleri	TUZLA	İSTANBUL	+90 850 204 03 20

BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Tuzla OSB Branch	Aydınlı-İstanbul AYOSB Mahallesi, 5. Sokak, İstanbul Anadolu Yakası OSB Sitesi, No: 2, 34953	TUZLA	İSTANBUL	+90 850 204 02 18
Tuzla Piyade Okulu Branch	Piyade Okulu Komutanlığı	TUZLA	İSTANBUL	+90 850 204 03 50
Üçevler Branch	Üçevler Mahallesi, Ahıska Cad. No: 10/1, 16270	NİLÜFER	BURSA	+90 850 204 01 62
Ulus Ankara Branch	Anafartalar Mahallesi, Sanayi Caddesi, No: 15/1-2-3-4-5-6-7, 06050	ALTINDAĞ	ANKARA	+90 850 204 00 34
Ümitköy Branch	Çay Yolu Mahallesi, 8. Cadde No: 45, 06530	ÇANKAYA	ANKARA	+90 850 204 02 26
Ümraniye Branch	Alemdağ Caddesi, No: 194/2	ÜMRANIYE	İSTANBUL	+90 850 204 00 43
Ümraniye Sanayi Branch	Çakmak Mahallesi, Alemdağ Caddesi No: 422, 34775	ÜMRANIYE	İSTANBUL	+90 850 204 06 10
Uncalı Branch	Uncalı Mahallesi, Uncalı Caddesi No: 63, Konyaaltı, 07070	UNCALI	ANTALYA	+90 850 204 02 75
Ünye Branch	Kaledere Mahallesi, Akkuş Niksar Caddesi, No: 6/A, 52300	ÜNYE	ORDU	+90 850 204 06 98
Uşak Branch	İslice Mahallesi, İsmetpaşa Cad. No: 67/B, 64100	MERKEZ	UŞAK	+90 850 204 00 92
Uşak Çarşı Branch	İslice Mahallesi, İslice Sokak, No: 12/A, 64200	MERKEZ	UŞAK	+90 850 204 05 18
Üsküdar Branch	Aziz Mahmut Hüdayi Mahallesi, Hakimiyeti Milliye Cad. No: 50 Kat: 1, 34672	ÜSKÜDAR	İSTANBUL	+90 850 204 01 32
Uzunköprü Branch	Muradiye Camii Mahallesi, Cumhuriyet Caddesi, No: 1-A, 22300	UZUNKÖPRÜ	EDİRNE	+90 850 204 06 93
Valikonağı Branch	Teşvikiye Mahallesi, Valikonağı Caddesi, No: 66, 34365	ŞİŞLİ	İSTANBUL	+90 850 204 02 19
Van Branch	Şerefiye Mahallesi, M. Fevzi Çakmak Cad. Lütü Savur İş Merkezi Sit. No: 14, 65100	İPEKYOLU	VAN	+90 850 204 02 15
Van Yüzüncü Yıl Üniversitesi Branch	Bardakçı Mahallesi, Araştırma Sok. B Blok Sitesi, No: 10/BTD, 65040	TUŞBA	VAN	+90 850 204 07 10
Yalıkavak Branch	İnönü Caddesi, No: 101/A-E, Yalıkavak, 48990	BODRUM	MUĞLA	+90 850 204 06 92
Yalova Branch	Rüstempaşa Mahallesi, Çeşme Sokak, No: 2/1, 77200	MERKEZ	YALOVA	+90 850 204 03 10
Yalova İskele Branch	Süleyman Bey Mahallesi, Cengiz Koçal Caddesi, No: 24/1, 77200	MERKEZ	YALOVA	+90 850 204 05 59
Yeditepe Corporate Branch	Saray Mahallesi, Sokullu Cad. No: 7 A/1, 34768	ÜMRANIYE	İSTANBUL	+90 850 204 05 38

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
Yeni Adana Branch	Güzelyalı Mah. Turgut Özal Bulvarı No: 90/D, Edip Özalın Sitesi, B Blok Altı, 01170	ÇUKUROVA	ADANA	+90 850 204 05 73
Yenibosna Branch	Yenibosna Merkez Mahallesi, Yıldırım Beyazıt Caddesi, No: 210 A, 34197	BAHÇELİEVLER	İSTANBUL	+90 850 204 03 29
Yeniköy Antalya Branch	Yeniköy Mahallesi, Atatürk Caddesi, No: 476	DÖŞEMEALTI	ANTALYA	+90 850 204 03 53
Yeniköy Branch	Yeniköy Mahallesi, Köybaşı Caddesi No: 1, 34464	SARIYER	İSTANBUL	+90 850 204 02 51
Yeşilköy Branch	İstasyon Caddesi, Orhan Gazi Sok. No: 1, Zemin Kat Kısım A, Yeşilköy, 34801	BAKIRKÖY	İSTANBUL	+90 850 204 00 54
Yıldırım Branch	Duaçınarı Mahallesi, Ankarayolu Cad. B Blok Apt. No: 171-173 B 16370	YILDIRIM	BURSA	+90 850 204 02 80
Yıldız Branch	Turan Güneş Bulvarı, No: 17	ÇANKAYA	ANKARA	+90 850 204 01 63
Yıldız Posta Branch	Gayrettepe Mahallesi, Yener Sokak, No: 1	BEŞİKTAŞ	İSTANBUL	+90 850 204 03 92
Yozgat Branch	Medrese Mahallesi, Şeyhzade Caddesi, No: 11/B, 66100	MERKEZ	YOZGAT	+90 850 204 07 00
Yüreğir Branch	Cumhuriyet Mahallesi, 770 Sokak, No: 11/A, 01280	YÜREĞİR	ADANA	+90 850 204 01 56
Zekeriyaköy Branch	Zekeriyaköy Mahallesi, 4. Cadde, Kültür Merkezi Apt. No: 4/1/2, 34450	SARIYER	İSTANBUL	+90 850 204 03 70
Zeytinburnu Branch	Prof. Muammer Aksoy Caddesi, No: 85, 34020	ZEYTİNBURNU	İSTANBUL	+90 850 204 00 93
Zeytinburnu Bulvar Branch	Gökaltı Mahallesi, 58. Bulvar Caddesi No: 49-51, 34020	ZEYTİNBURNU	İSTANBUL	+90 850 204 05 21
Zonguldak Branch	Meşrutiyet Mahallesi, Gazipaşa Caddesi, No: 31, 67030	MERKEZ	ZONGULDAK	+90 850 204 06 34

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' 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 01/01/2021–31/12/2021, 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 01/01/2021–31/12/2021 in our Auditor's Report dated 8 February 2022.

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,

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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 2022

4. SECTION

UNCONSOLIDATED FINANCIAL STATEMENTS

PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2021 WITH INDEPENDENT AUDITOR'S REPORT

(Convenience translation of publicly announced unconsolidated financial statements and auditor report originally issued in Turkish)



**WE AIM TO LEAVE A MORE
LIVABLE WORLD FOR FUTURE
GENERATIONS**

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the financial statements of Türk Ekonomi Bankası A.Ş. (the "Bank"), which comprise the balance sheet as at 31 December 2021, 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 of 31 December 2021, 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 Accounting Standards (TAS) 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><i>Impairment of loans in accordance with TFRS 9 Financial Instruments Standard (“TFRS 9”)</i></p> <p>Impairment of loans is a key area of judgment for the management. The Bank has the total loans and receivables amounting to TL 107,822,996 thousand, which comprise 56% of the Bank's total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 4,039,995 as at 31 December 2021.</p> <p>As of 1 January 2018, the Bank has started to recognize provisions for impairment in accordance with TFRS 9 and “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.</p> <p>In accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, 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>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. In addition, impairment of loans and receivables consist of significant judgments and assumptions regarding with Covid 19 effects.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. 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 and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>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>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>We have performed loan review procedures on selected samples of loans and receivables considering effects of Covid 19 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>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 regarding with Covid 19 effects, 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>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate segments 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>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 considering Covid 19 effects 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 the Bank's management considering Covid 19 effects.</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>

INDEPENDENT AUDITOR'S REPORT

Pension fund obligations

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").

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.

As of 31 December 2021, 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 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.

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.

Our audit work included the following procedures:

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.

It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.

In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Bank's actuary.

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.

Information technologies audit

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.

Procedures within the context of our information technology audit work:

- We identified and tested the Banks' controls over information systems as part of our audit procedures.
- 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:
 - Security Management
 - Change Management
 - Operations Management and Network Operations
- 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.
- We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.
- Automated controls and integration controls were tested to underly and detect changes and accesses in the process of financial data generation.
- 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.
- Finally, we understood and tested the controls over database, network, application and operating system layers of applications.

4) Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank 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.

5) 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.

INDEPENDENT AUDITOR'S REPORT

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 skepticism 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 2021 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.

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

Yaman Polat
Partner

İstanbul, 8 February 2022

UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş. AS OF FOR THE YEAR ENDED 31 DECEMBER 2021

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
E-mail : 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 guidance, and incompliance with the financial records of our Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Yavuz Canevi
Chairman of the Board of Directors

Nicolas de Baudinet de Courcelles
Chairman of the Audit Committee

Ayşe Aşardağ
Vice Chairman of the Audit Committee

Ümit Leblebici
Chief Executive Officer

M. Aşkın Dolacı
Assistant General Manager Responsible
of Financial Reporting

Kamer Kızıllı
Director Responsible of
Financial Reporting

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

Name-Surname/Title : Aslıhan Kaya/External Reporting Senior Manager
Tel No: : (0216) 635 24 51
Fax No: : (0216) 636 36 36

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(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. 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 2021, and 31 December 2020, the shareholders' structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2021		31 December 2020	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2021, the Bank's paid-in-capital consists of 2,204,390,000 shares of TL 1.00 (full TL) nominal each.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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

Name	Title	Education
Board of Directors;		
Yavuz Canevi	Chairman of the Board of Directors	Master
Dr. Akın Akbaygil	Deputy Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors	University
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
Yvan L.A.M. De Cock	Member of the Board of Directors	University
Sabri Davaz	Member of the Board of Directors and Audit Committee	Master
Sandrine Ferdane	Member of the Board of Directors	University
Xavier Henri Jean Guilmineau	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
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 Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Affairs Group	Master
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit Group	University
Orhan Hatipoğlu	Assistant General Manager of Banking Operations and Support Services Group	University
Gülümser Özgün Henden (**)	Assistant General Manager Responsible from Corporate Banking Group	University
Bade Sipahioğlu Işık	Assistant General Manager Responsible from Human Resources Group	Master
Dr. Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay	Assistant General Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan (***)	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Group Heads (°);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit (°);		
Hakan Tıraşın	Head of Internal Audit	University

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

(**) Gülümser Özgün Henden, Executive Vice President of the Bank's Corporate Banking Group, resigned from her position as of 31 December 2021, due to her appointment as the General Manager of TEB Faktoring A.Ş., effective from 1 January 2022.

(*** Effective from 1 January 2022; The Bank's Corporate Banking Group and Corporate Investment Banking Group were merged and the name was determined as

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

"Corporate and Institutional Investment Banking Group". The title of Ömer Abidin Yenidogan, Deputy General Manager of the Corporate Investment Banking Group, was changed to the Assistant General Manager responsible for the Corporate and Corporate Investment Banking Group.

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

IV. Information on the Bank's Qualified Shareholders

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

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA whose shareholders are BNP Paribas Fortis NV/SA by 100% shares, respectively. 100% of the shares of BNPP Yatırımlar Holding A.Ş. 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 2021, the Bank has 451 local branches and 4 foreign branches (31 December 2020: 451 local branches, 4 foreign branches). As of 31 December 2021, the number of employees of the Bank is 8,572 (31 December 2020; 8,850).

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

There is no difference for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

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

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

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

None.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

UNCONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2021 AND 2020

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Section 5 Notes	Audited Current Period 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		20,140,497	45,304,746	65,445,243	20,245,141	23,861,188	44,106,329
1.1 Cash and Cash Equivalents		7,333,948	40,007,979	47,341,927	11,518,749	19,455,185	30,973,934
1.1.1 Cash and Balances with Central Bank	(I-1)	5,718,495	30,072,800	35,791,295	3,431,921	13,519,382	16,951,303
1.1.2 Banks	(I-4)	1,618,025	9,962,314	11,580,339	1,908,213	5,947,943	7,856,156
1.1.3 Money Markets		-	-	-	6,180,886	-	6,180,886
1.1.4 Expected Loss Provision (-)		2,572	27,135	29,707	2,271	12,140	14,411
1.2 Financial Assets at Fair Value Through Profit or Loss		2,001,647	792,140	2,793,787	511,089	1,119,802	1,630,891
1.2.1 Government Debt Securities	(I-2)	1,942,260	549,168	2,491,428	463,550	984,266	1,447,816
1.2.2 Equity Securities		59,387	135,326	194,713	47,539	75,378	122,917
1.2.3 Other Financial Assets		-	107,646	107,646	-	60,158	60,158
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-5)	3,001,729	4,173,355	7,175,084	5,628,391	3,022,986	8,651,377
1.3.1 Government Debt Securities		2,988,479	4,173,355	7,161,834	5,617,510	3,022,986	8,640,496
1.3.2 Equity Securities		13,250	-	13,250	10,881	-	10,881
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		7,803,173	331,272	8,134,445	2,586,912	263,215	2,850,127
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	6,006,577	325,399	6,331,976	1,936,770	263,215	2,199,985
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	1,796,596	5,873	1,802,469	650,142	-	650,142
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		86,522,949	36,807,353	123,330,302	76,191,309	15,213,133	91,404,442
2.1 Loans	(I-6)	78,371,554	29,451,442	107,822,996	69,567,055	13,365,035	82,932,090
2.2 Lease Receivables	(I-11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(I-7)	11,379,873	8,171,827	19,551,700	10,197,854	2,325,087	12,522,941
2.4.1 Government Debt Securities		11,379,873	8,171,827	19,551,700	10,197,854	2,325,087	12,522,941
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		3,228,478	815,916	4,044,394	3,573,600	476,989	4,050,589
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)		65,933	-	65,933	112,859	-	112,859
3.1 Held for Sale Purpose	(I-17)	65,933	-	65,933	112,859	-	112,859
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		116,041	-	116,041	116,041	-	116,041
4.1 Investments in Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-9)	116,036	-	116,036	116,036	-	116,036
4.2.1 Unconsolidated Financial Subsidiaries		115,986	-	115,986	115,986	-	115,986
4.2.2 Unconsolidated Non-Financial Subsidiaries		50	-	50	50	-	50
4.3 Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
V. PROPERTY AND EQUIPMENT (Net)	(I-13)	915,504	-	915,504	836,192	-	836,192
VI. INTANGIBLE ASSETS (Net)	(I-14)	601,609	-	601,609	564,803	-	564,803
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		180,485	-	180,485	143,679	-	143,679
VII. INVESTMENT PROPERTIES (Net)	(I-15)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		133,380	-	133,380	19,678	-	19,678
IX. DEFERRED TAX ASSET	(I-16)	133,323	-	133,323	632,912	-	632,912
X. OTHER ASSETS (Net)	(I-18)	2,552,827	762,860	3,315,687	1,965,145	289,641	2,254,786
TOTAL ASSETS		111,182,063	82,874,959	194,057,022	100,684,080	39,363,962	140,048,042

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

UNCONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2021 AND 2020

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	Section 5	Audited Current Period 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	TL	FC	Total
LIABILITIES	Note						
I. DEPOSITS	(II-1)	55,445,419	76,393,830	131,839,249	49,618,540	44,154,938	93,773,478
II. FUNDS BORROWED	(II-3)	602,162	14,995,603	15,597,765	412,907	9,334,699	9,747,606
III. MONEY MARKET FUNDS	(II-4)	3,839,747	5,001,962	8,841,709	3,830,785	2,717,468	6,548,253
IV. SECURITIES ISSUED (Net)	(II-3)	1,194,525	-	1,194,525	4,810,637	-	4,810,637
4.1 Bills		1,194,525	-	1,194,525	4,766,623	-	4,766,623
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	44,014	-	44,014
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		4,321,769	168,019	4,489,788	3,135,153	208,026	3,343,179
7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	3,995,359	163,818	4,159,177	2,151,316	193,125	2,344,441
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-7)	326,410	4,201	330,611	983,837	14,901	998,738
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-6)	526,566	37,923	564,489	547,035	51,922	598,957
X. PROVISIONS	(II-8)	903,248	321,520	1,224,768	746,323	226,726	973,049
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		693,202	55,663	748,865	475,253	29,963	505,216
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		210,046	265,857	475,903	271,070	196,763	467,833
XI. CURRENT TAX LIABILITY	(II-9)	240,411	-	240,411	321,406	-	321,406
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II-10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-11)	-	7,239,036	7,239,036	-	4,194,951	4,194,951
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7,239,036	7,239,036	-	4,194,951	4,194,951
XV. OTHER LIABILITIES		6,454,175	2,753,288	9,207,463	4,070,593	256,082	4,326,675
XVI. SHAREHOLDERS' EQUITY	(II-12)	13,793,809	(175,990)	13,617,819	11,360,851	49,000	11,409,851
16.1 Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Capital Reserves		389,769	-	389,769	390,297	-	390,297
16.2.1 Share Premiums		2,565	-	2,565	2,565	-	2,565
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		387,204	-	387,204	387,732	-	387,732
16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss		(53,164)	-	(53,164)	279,006	-	279,006
16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss		269,152	(175,990)	93,162	(363,792)	49,000	(314,792)
16.5 Profit Reserves		9,070,764	-	9,070,764	7,664,139	-	7,664,139
16.5.1 Legal Reserves		510,951	-	510,951	452,086	-	452,086
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		8,253,331	-	8,253,331	7,020,021	-	7,020,021
16.5.4 Other Profit Reserves		306,482	-	306,482	192,032	-	192,032
16.6 Profit or Loss		1,912,898	-	1,912,898	1,186,811	-	1,186,811
16.6.1 Prior Periods' Profit/Loss		-	-	-	9,497	-	9,497
16.6.2 Current Periods' Profit/Loss		1,912,898	-	1,912,898	1,177,314	-	1,177,314
TOTAL LIABILITIES		87,321,831	106,735,191	194,057,022	78,854,230	61,193,812	140,048,042

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

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS OF 31 DECEMBER 2021 AND 2020

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

	Section 5 Note	Audited Current Period 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	FC	TL	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		116,127,369	166,079,544	282,206,913	82,223,013	89,376,868	171,599,881
I. GUARANTEES AND WARRANTIES	(III-1)	8,471,532	30,062,181	38,533,713	7,481,426	16,764,598	24,246,024
1.1 Letters of Guarantee		7,058,379	14,037,146	21,095,525	6,052,327	8,131,845	14,184,172
1.1.1 Guarantees Subject to State Tender Law		133,980	147,510	281,490	80,715	89,820	170,535
1.1.2 Guarantees Given for Foreign Trade Operations		395,162	612,824	1,007,986	344,482	545,346	889,828
1.1.3 Other Letters of Guarantee		6,529,237	13,276,812	19,806,049	5,627,130	7,496,679	13,123,809
1.2 Bank Acceptances		-	33,680	33,680	-	16,573	16,573
1.2.1 Import Letter of Acceptance		-	33,680	33,680	-	16,573	16,573
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	10,343,834	10,343,834	-	5,025,525	5,025,525
1.3.1 Documentary Letters of Credit		-	4,046,781	4,046,781	-	3,656,589	3,656,589
1.3.2 Other Letters of Credit		-	6,297,053	6,297,053	-	1,368,936	1,368,936
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		1,384,153	4,279,755	5,663,908	1,428,395	2,548,277	3,976,672
1.9 Other Collaterals		29,000	1,367,766	1,396,766	704	1,042,378	1,043,082
II. COMMITMENTS	(III-1)	24,865,509	8,633,167	33,498,676	17,188,967	2,831,971	20,020,938
2.1 Irrevocable Commitments		24,865,509	8,633,167	33,498,676	17,188,967	2,831,971	20,020,938
2.1.1 Asset Purchase Commitments		3,543,805	7,707,411	11,251,216	916,964	2,114,054	3,031,018
2.1.2 Deposit Purchase and Sale Commitments		-	-	-	-	94,524	94,524
2.1.3 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		7,121,357	52,502	7,173,859	5,498,822	237,748	5,736,570
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		2,135,381	-	2,135,381	1,741,408	-	1,741,408
2.1.8 Tax and Fund Liabilities from Export Commitments		51,363	-	51,363	47,494	-	47,494
2.1.9 Commitments for Credit Card Limits		12,007,806	-	12,007,806	8,978,512	-	8,978,512
2.1.10 Commitments for Credit Cards and Banking Services Promotions		5,797	-	5,797	5,767	-	5,767
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		-	873,254	873,254	-	385,645	385,645
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-2)	82,790,328	127,384,196	210,174,524	57,552,620	69,780,299	127,332,919
3.1 Derivative Financial Instruments for Hedging Purposes		21,649,500	7,806,018	29,455,518	14,112,081	9,895,360	24,007,441
3.1.1 Fair Value Hedge		-	-	-	1,991,418	4,258,649	6,250,067
3.1.2 Cash Flow Hedge		21,649,500	7,806,018	29,455,518	12,120,663	5,636,711	17,757,374
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Held for Trading Transactions		61,140,828	119,578,178	180,719,006	43,440,539	59,884,939	103,325,478

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

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2021 AND 2020

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

	Section 5 Note	Audited Current Period 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	FC	TL	Total
3.2.1	Forward Foreign Currency Buy/Sell Transactions	11,386,300	15,523,785	26,910,085	6,698,057	10,100,110	16,798,167
3.2.1.1	Forward Foreign Currency Transactions-Buy	9,169,995	4,268,100	13,438,095	4,420,031	4,234,382	8,654,413
3.2.1.2	Forward Foreign Currency Transactions-Sell	2,216,305	11,255,685	13,471,990	2,278,026	5,865,728	8,143,754
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	47,269,862	90,288,974	137,558,836	35,101,585	43,210,657	78,312,242
3.2.2.1	Foreign Currency Swap-Buy	1,451,736	55,792,484	57,244,220	1,723,908	25,735,907	27,459,815
3.2.2.2	Foreign Currency Swap-Sell	30,279,126	26,837,944	57,117,070	20,517,677	10,825,732	31,343,409
3.2.2.3	Interest Rate Swaps-buy	7,769,500	3,829,273	11,598,773	6,430,000	3,324,509	9,754,509
3.2.2.4	Interest Rate Swaps-Sell	7,769,500	3,829,273	11,598,773	6,430,000	3,324,509	9,754,509
3.2.3	Foreign Currency, Interest Rate and Securities Options	2,116,848	11,241,994	13,358,842	1,050,757	3,069,974	4,120,731
3.2.3.1	Foreign Currency Options-Buy	1,630,468	2,022,308	3,652,776	729,259	1,370,067	2,099,326
3.2.3.2	Foreign Currency Options-Sell	486,380	3,144,606	3,630,986	321,498	1,699,907	2,021,405
3.2.3.3	Interest Rate Options-Buy	-	3,037,540	3,037,540	-	-	-
3.2.3.4	Interest Rate Options-Sell	-	3,037,540	3,037,540	-	-	-
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	367,818	439,173	806,991	590,140	543,771	1,133,911
3.2.4.1	Foreign Currency Futures-Buy	329,039	113,632	442,671	2,957	541,030	543,987
3.2.4.2	Foreign Currency Futures-Sell	38,779	325,541	364,320	587,183	2,741	589,924
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	-	2,084,252	2,084,252	-	2,960,427	2,960,427
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)	180,225,071	75,379,967	255,605,038	169,031,491	42,921,176	211,952,667
IV.	ITEMS HELD IN CUSTODY	32,867,319	11,269,226	44,136,545	26,642,365	5,778,751	32,421,116
4.1	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	12,863,893	8,458,577	21,322,470	14,096,812	4,231,162	18,327,974
4.3	Cheques Received for Collection	19,057,718	2,118,236	21,175,954	11,666,295	953,460	12,619,755
4.4	Commercial Notes Received for Collection	556,074	131,845	687,919	532,953	81,589	614,542
4.5	Other assets Received for Collection	125	560,568	560,693	125	512,540	512,665
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items under Custody	389,509	-	389,509	346,180	-	346,180
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGES RECEIVED	146,582,395	63,783,004	210,365,399	139,190,758	36,757,375	175,948,133
5.1	Marketable Securities	122,836	673,062	795,898	306,697	459,121	765,818
5.2	Guarantee Notes	53,995,371	42,876,164	96,871,535	50,158,510	24,390,412	74,548,922
5.3	Commodity	226,267	-	226,267	142,587	108,608	251,195
5.4	Warranty	-	-	-	-	-	-
5.5	Immovable	78,587,982	15,290,955	93,878,937	77,965,304	8,026,196	85,991,500
5.6	Other Pledged Items	13,649,939	4,942,823	18,592,762	10,617,660	3,773,038	14,390,698
5.7	Pledged Items-Depository	-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES	775,357	327,737	1,103,094	3,198,368	385,050	3,583,418
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		296,352,440	241,459,511	537,811,951	251,254,504	132,298,044	383,552,548

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020

(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 01.01-31.12.2021	Audited Prior Period 01.01-31.12.2020
I.	INTEREST INCOME	(IV-1)	15,688,351	11,234,821
1.1	Interest Income on Loans		11,849,972	8,673,914
1.2	Interest Income on Reserve Requirements		413,671	83,562
1.3	Interest Income on Banks		132,632	161,194
1.4	Interest Income on Money Market Transactions		118,711	145,965
1.5	Interest Income on Securities Portfolio		3,107,460	2,147,734
1.5.1	Financial Assets at Fair Value Through Profit or Loss		257,762	178,384
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		709,714	800,174
1.5.3	Financial Assets Measured at Amortized Cost		2,139,984	1,169,176
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		65,905	22,452
II.	INTEREST EXPENSE (-)	(IV-2)	8,835,958	5,088,745
2.1	Interest Expense on Deposits		7,267,025	3,688,830
2.2	Interest Expense on Funds Borrowed		646,307	485,826
2.3	Interest Expense on Money Market Transactions		315,621	238,193
2.4	Interest Expense on Securities Issued		451,610	454,149
2.5	Interest Expense on Leases		105,359	99,037
2.6	Other Interest Expenses		50,036	122,710
III.	NET INTEREST INCOME/EXPENSE (I - II)		6,852,393	6,146,076
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		1,385,256	1,157,227
4.1	Fees and Commissions Received		2,442,043	1,761,110
4.1.1	Non-cash Loans		323,558	260,274
4.1.2	Other	(IV-12)	2,118,485	1,500,836
4.2	Fees and Commissions Paid (-)		1,056,787	603,883
4.2.1	Non-cash Loans		7,301	6,628
4.2.2	Other	(IV-12)	1,049,486	597,255
V.	DIVIDEND INCOME	(IV-3)	6,436	31,334
VI.	TRADING INCOME/LOSS (Net)	(IV-4)	(1,997,967)	(1,739,661)
6.1	Securities Trading Gains/Losses		(66,347)	(52,291)
6.2	Gains/Losses on Derivative Financial Instruments		(2,761,832)	(1,059,395)
6.3	Foreign Exchange Gains/Losses		830,212	(627,975)
VII.	OTHER OPERATING INCOME	(IV-5)	220,579	132,845
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII)		6,466,697	5,727,821
IX.	EXPECTED CREDIT LOSS (-)	(IV-6)	(31,409)	752,187
X.	OTHER PROVISION EXPENSES (-)	(IV-6)	1,572	(22,683)
XI.	PERSONNEL EXPENSE (-)		1,828,080	1,581,739
XII.	OTHER OPERATING EXPENSES (-)	(IV-7)	2,169,928	1,866,858
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		2,498,526	1,549,720
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)	2,498,526	1,549,720
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-9)	585,628	372,406
18.1	Current Tax Provision		166,686	486,856
18.2	Deferred Tax Expense Effect (+)		3,014,587	1,314,199
18.3	Deferred Tax Income Effect (-)		(2,595,645)	(1,428,649)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVII±XVIII)	(IV-10)	1,912,898	1,177,314
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses from Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	(IV-8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
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)	1,912,898	1,177,314
25.1	Group's Profit/Loss		1,912,898	1,177,314
25.2	Minority Interest Profit/Loss (-)		-	-
	Earnings per Share		0.8678	0.5341

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 2021 AND 2020

(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 01.01-31.12.2021	Audited Prior Period 01.01-31.12.2020
I. CURRENT PERIOD INCOME/LOSS	1,912,898	1,177,314
II. OTHER COMPREHENSIVE INCOME	295,070	511,963
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	(112,884)	(42,575)
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	(143,916)	(53,832)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	2,369	500
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	28,663	10,757
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	407,954	554,538
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	(141,097)	(132,443)
2.2.3 Income/loss related with Cash Flow Hedges	658,228	829,370
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	(109,177)	(142,389)
III. TOTAL COMPREHENSIVE INCOME (I+II)	2,207,968	1,689,277

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

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2021 AND 2020

(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		
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3
Prior Period - 01.01-31.12.2020							
I. Prior Period End Balance	2,204,390	2,565	-	387,732	266,122	41,322	4,743
II. Corrections According to TAS 8	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-
2.2 Effects of Changes in Accounting Policy	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	387,732	266,122	41,322	4,743
IV. Total Comprehensive Income	-	-	-	-	-	(43,066)	491
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	-	-	-	-	9,394	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	9,394	-	-
11.3 Other	-	-	-	-	-	-	-
Period-End Balance 31.12.2020 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,732	275,516	(1,744)	5,234
Current Period - 01.01-31.12.2021							
I. Prior Period End Balance	2,204,390	2,565	-	387,732	275,516	(1,744)	5,234
II. Corrections According to TAS 8	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	387,732	275,516	(1,744)	5,234
IV. Total Comprehensive Income	-	-	-	-	-	(115,131)	2,247
V. Capital Increase by Cash	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	(528)	(220,221)	-	-
XI. Profit Distribution	-	-	-	-	935	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	935	-	-
11.3 Other	-	-	-	-	-	-	-
Period-End Balance 31.12.2021 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	56,230	(116,875)	7,481

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.

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or Loss	Total Equity
-	17,421	(886,751)	6,603,179	1,079,851	-	9,720,574
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	17,421	(886,751)	6,603,179	1,079,851	-	9,720,574
-	(105,508)	660,046	-	-	1,177,314	1,689,277
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,060,960	(1,070,354)	-	-
-	-	-	-	-	-	-
-	-	-	1,060,960	(1,070,354)	-	-
-	-	-	-	-	-	-
-	(88,087)	(226,705)	7,664,139	9,497	1,177,314	11,409,851
-	(88,087)	(226,705)	7,664,139	1,186,811	-	11,409,851
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(88,087)	(226,705)	7,664,139	1,186,811	-	11,409,851
-	(111,549)	519,503	-	-	1,912,898	2,207,968
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	230,246	(9,497)	-	-
-	-	-	1,176,379	(1,177,314)	-	-
-	-	-	-	-	-	-
-	-	-	1,176,379	(1,177,314)	-	-
-	-	-	-	-	-	-
-	(199,636)	292,798	9,070,764	-	1,912,898	13,617,819

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR 1 JANUARY - 31 DECEMBER 2021 AND 2020

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

VI. STATEMENT OF CASH FLOWS

	Section 5 Note	Audited Current Period 01.01-31.12.2021	Audited Prior Period 01.01-31.12.2020
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		12,949,732	4,593,464
1.1.1 Interest received		14,185,899	10,682,443
1.1.2 Interest paid		(8,661,220)	(4,927,409)
1.1.3 Dividend received		6,436	31,334
1.1.4 Fees and commissions received		2,383,938	1,345,387
1.1.5 Other income		1,050,791	133,145
1.1.6 Collections from previously written off loans		1,140,863	1,610,390
1.1.7 Payments to personnel and service suppliers		(1,790,465)	(1,551,591)
1.1.8 Taxes paid		(415,202)	(342,411)
1.1.9 Others	(VI-1)	5,048,692	(2,387,824)
1.2 Changes in operating assets and liabilities		(2,315,813)	7,275,565
1.2.1 Net (increase) in financial asset at fair value through profit or loss		(1,167,412)	(329,359)
1.2.2 Net (increase) in due from banks and other financial institutions		(73,186)	(83,896)
1.2.3 Net (increase) in loans		(14,684,933)	(10,570,598)
1.2.4 Net (increase) in other assets	(VI-1)	(9,886,311)	(1,402,056)
1.2.5 Net (decrease)/increase in bank deposits		(3,183,214)	11,958,916
1.2.6 Net increase in other deposits		15,499,421	5,480,752
1.2.7 Net increase/(decrease) in financial asset at fair value through profit or loss		-	-
1.2.8 Net increase in funds borrowed		5,821,763	1,206,986
1.2.9 Net (increase)/decrease in matured payables		-	-
1.2.10 Net increase in other liabilities	(VI-1)	5,358,059	1,014,820
I. Net cash provided from banking operations		10,633,919	11,869,029
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(1,692,346)	(9,602,984)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		-	(50)
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		(227,095)	(202,037)
2.4 Cash obtained from sale of tangible assets		3,618	3,907
2.5 Cash paid for purchase of financial assets at fair value through other comprehensive income		(3,472,651)	(6,171,855)
2.6 Cash obtained from sale of financial assets at fair value through other comprehensive income		6,749,988	3,620,752
2.7 Cash paid for purchase of financial assets measured at amortized cost		(6,645,155)	(7,591,796)
2.8 Cash obtained from sale of financial assets measured at amortized cost		2,016,874	823,184
2.9 Others	(VI-1)	(117,925)	(85,089)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(3,817,143)	2,189,332
3.1 Cash obtained from funds borrowed and securities issued		10,033,681	14,631,331
3.2 Cash used for repayment of funds borrowed and securities issued		(13,594,895)	(12,196,805)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		(255,929)	(245,194)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(VI-1)	2,128,252	1,432,624
V. Net increase in cash and cash equivalents		7,252,682	5,888,001
VI. Cash and cash equivalents at beginning of the period		24,074,539	18,186,538
VII. Cash and cash equivalents at end of the period	(VI-2)	31,327,221	24,074,539

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

UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2021 AND 2020

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2021 (*)	Audited Prior Period 31.12.2020
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	2,498,526	1,549,720
1.2 TAXES AND DUTIES PAYABLE (-)	585,628	372,406
1.2.1 Corporate tax (Income tax)	166,686	486,856
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (**)	418,942	(114,450)
A. NET INCOME FOR THE YEAR (1.1-1.2)	1,912,898	1,177,314
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	58,866
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	1,912,898	1,118,448
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	-	1,118,448
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVE	-	-
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 (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	0.8678	0.5341
3.2 TO OWNERS OF ORDINARY SHARES (%)	86.78	53.41
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
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 2021, when the financial statements have been finalized, the General Assembly meeting has not been held.

(**) Other taxes and duties amount is deferred tax income (31 December 2020: Deferred tax income).

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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") Turkish Financial Reporting Standards "TFRS" put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned regulations. The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué on Disclosures About Risk Management to Be Announced to Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The 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.

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

The effects of this global pandemic on the Bank's financial statements are regularly monitored by the Risk Management as well as the Bank's Management. While preparing the unconsolidated financial statements as at 31 December 2021, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgements used in the preparation of the financial statements. Bank Management takes the necessary precautions in order to keep the negative effects under control and to be affected at the minimum level. The approach preferred for the period of 31 December 2021, will be revised in the following reporting periods, considering the effect of the pandemic and future expectations.

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

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

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

I. Basis of Presentation (continued)

c. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements: (continued)

In addition, Benchmark Rate Reform - Phase 2, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021 was published in December 2020. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The impact of the changes on the Bank's financials has been evaluated and did not have a significant impact. On the other hand, the Benchmark Interest Rate Reform process continues for some indicators and the Bank continues to work within the scope of adaptation to the changes. In this context, a working group was established within the scope of evaluating the impact of the interest rate reform on the financial statements and harmonization with the reform. As a result of the evaluations, it is expected that the effect of the relevant change on the financial statements will be limited.

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, since cumulative change in the general purchasing power according to Consumer Price Index ("CPI") of the last 3 years was 74.41%, it has been stated that entities that apply Turkish Financial Reporting Standards ("TFRS") do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies". In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

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

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

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

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

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

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

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

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

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

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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

IV. Explanations on Forward and Option Contracts and Derivative Instruments

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

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

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

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

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

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

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

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

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

Disclosures on derivatives for hedging purposes

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

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

The portion of derivative financial assets at fair value through profit or loss (continued)

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

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

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

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

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

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

V. Explanations on Interest Income and Expenses

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

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

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

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

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

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 the 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 ("settlement date"). When the Bank first recognizes a financial asset, the business model, and the characteristics of contractual cash flows of the financial asset are considered by management.

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.

As of 31 December 2021, the Bank has reviewed the valuation of financial assets at fair value through other comprehensive income due to the adverse effects of the COVID-19 outbreak and as of the reporting date, there is no change that would require an adjustment in the fair value measurement.

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

VII. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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

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

As of 31 December 2021, the Bank has reviewed the valuation of equity instruments at fair value through other comprehensive income due to the adverse effects of the COVID-19 outbreak, and as of the reporting date, there is no change that would require an adjustment in the fair value measurement.

Financial Assets Measured at Amortized Cost

Financial investments measured at amortised cost:

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

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

Loans:

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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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 amortised 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 "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" which came into force starting from 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

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

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

Stage 1:

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

Stage 2:

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

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

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

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 that they are impaired as of the reporting date. For these assets, lifetime expected credit losses are recorded. For the related financial assets, the probability of default is taken into account as 100%.

Expected Credit Loss Calculation

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

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

There are mainly 3 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 considers different scenarios in the calculation of expected credit loss by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2021				2022				2023				2024				2025			
Period ^(*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	7.0	21.3	6.4	5.7	4.6	3.8	2.8	2.8	3.4	4.1	4.2	4.2	4.1	4.0	4.1	4.0	3.9	3.9	4.1	4.3

(*) It represents 3-month periods.

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

Probability of Default (PD): PD represents the likelihood of default over a specified time period. Based on the historical data, 1-year PD of a customer is calculated for each portfolio on the basis of credit ratings and 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

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.

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 these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

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

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

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

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

Qualitative assessments:

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

Quantitative assessments:

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

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

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

IX. Explanations on Offsetting of Financial Assets and Liabilities

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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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 repos") 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 2021, the Bank does not have any reverse repo transaction (31 December 2020: TL 3,679,810).

As of 31 December 2021, the Bank does not have any marketable securities lending transaction (31 December 2020: None).

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

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

As of 31 December 2021, assets held for sale and discontinued operations of the Bank are TL 65,933 (31 December 2020: TL 112,859). As per the appraisals performed for the real estates held for sale included "Assets Held for Sale" in the financial statements, TL 2,288 (31 December 2020: TL 5,330) has been reserved as provision for impairment losses.

As of 31 December 2021, 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. The measurement period shall not exceed one year from the acquisition date.

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

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 into consideration, based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible fixed assets are as follows:

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

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

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

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XIV. Explanations on Leasing Transactions

"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.

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

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

With the "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 recognized under "Tangible Assets" as an asset (tenure) and under "Lease Payables" as a liability.

XV. Explanations on Provisions and Contingent Liabilities

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

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

XVI. Explanations on Contingent Assets

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

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

XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30-day salary to each employee who has completed over 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

Since there is no obligation to allocate any funds in Turkey, no fund has been allocated for the benefit plans. The cost of the services rendered by the employees in the current or prior periods is calculated annually by independent actuaries within the framework of the defined benefit plan, using the liability method.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XVII. Explanations on Liabilities Regarding Employee Benefits (Continued)

Employees transferred to the Bank following the business combination defined in the Section One "General Information" of the Bank and Fortis Bank A.Ş. are the members of "Fortis Bank A.Ş. Mensupları Emekli Sandığı" (the "Pension Fund") which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the "Actuary Regulations" issued based on the same article. As of 31 December 2021, the Pension Fund has 1,414 employees and 1,238 pensioners (31 December 2020: 1,505 employees and 1,191 pensioners).

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

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

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2021. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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

XVIII. Explanations on Taxation

Corporate Tax

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated 21 September 2006, the corporate tax rate is 20% in Turkey. However, the corporate income tax rate has been applied as 22% for the 3 years between 2018-2020 regarding to the "Law on Amendment of Certain Tax Laws and Some Other Laws" numbered 7061 and published in the Official Gazette on 5 December 2017. With Article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and Amending Certain Laws, which was published in the Official Gazette dated 22 April 2021 and numbered 31462, and with the Provisional Article 13 added to the Corporate Tax Law No. 5520, the Corporate Tax rate will be applied as 25% for the corporate earnings of the 2021 taxation period and 23% for the corporate earnings of the 2022 taxation period. This change will be valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XVIII. Explanations on Taxation (Continued)

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

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

Tax returns 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.

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

As stated in the explanations regarding the Corporate Tax, the rates to be applied to the corporate earnings of the 2021 and 2022 taxation periods are determined as 25% and 23%, respectively. In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 31 December 2021, the Parent Bank evaluated its assets and liabilities according to their maturities, and deferred tax calculations were made according to the rate of 23% or 20% corresponding to the relevant maturities.

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

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

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

XIX. Additional Explanations on Borrowings

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

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

XX. Explanations on Issued Equity Securities

There is no share issued in 2021.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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.

XXIII. Explanations on Reporting According to Segmentation

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

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

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

SME banking provides small and medium-sized enterprises with financial solutions and exclusive services for non-financial matters. The Bank, which specifically designed its services for different segments in the field of SME Banking,

has developed solutions that are tailored to the needs of these segments. In addition to solutions developed for small and medium-sized enterprises, solutions were developed for agricultural producers, 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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:

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	6,436	6,436
Profit Before Tax	692,663	638,564	337,316	829,983	2,498,526
Tax Provision (-)	-	-	-	585,628	585,628
Net Profit for the Period	692,663	638,564	337,316	244,355	1,912,898

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

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

Prior Period (31.12.2020)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	31,334	31,334
Profit Before Tax	261,391	318,969	88,170	881,190	1,549,720
Tax Provision (-)	-	-	-	372,406	372,406
Net Profit for the Period	261,391	318,969	88,170	508,784	1,177,314

Prior Period (31.12.2020)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	29,454,535	30,864,545	17,917,969	61,694,952	139,932,001
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	116,041	116,041
Total Assets	29,454,535	30,864,545	17,917,969	61,810,993	140,048,042

Segment Liabilities	57,220,832	28,190,237	8,208,073	35,019,049	128,638,191
Shareholders' Equity	-	-	-	11,409,851	11,409,851
Total Liabilities	57,220,832	28,190,237	8,208,073	46,428,900	140,048,042

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XXIV. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 26 March 2021 of the Bank, TL1,177,314 that constitutes the 2020 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, TL58,866 as Legal Reserves, TL935 as Special Reserves, TL0.96 (full TL) as profit distributed to the holders of the founder jouissance certificates.

XXV. Reclassifications

In order to comply with the presentation of the financial statements dated 31 December 2021, some classifications were made on the statement of income and statement of cash flows dated 31 December 2020. The related classification has no impact on the Bank's performance.

In order to comply with the Bank's financial position as of 31 December 2021 prepared in accordance with the Uniform Chart of Accounts published on 1 January 2021, a reclassification was performed for the collateral amounts given over the derivative transactions made with foreign banks between cash and cash equivalents and other assets lines as of 31 December 2020 amounting to TL1,332,737. The effects of this classification on the cash flow statement have also been updated. Collaterals in foreign non-bank institutions are continued to be recorded under other assets line. These mentioned classifications did not have any impact on the asset size and performance of the Bank's statement of financial position.

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders' Equity

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

In the calculation of the amount subject to credit risk; while calculating the valued amounts in foreign currency, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the reporting date is used.

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

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

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

The Bank's current period equity amount calculated as of 31 December 2021 is TL21,405,622 (31 December 2020: TL16,429,056) and Capital Adequacy Ratio is 18.05% (31 December 2020: 18.51%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk "standard approach" for banking accounts, market risk "standard method" for trading accounts, counterparty credit risk "fair value valuation method" for derivatives and repo transactions, credit valuation adjustment capital load "standard method" for over-the-counter derivative transactions method and operational risk were calculated using the "basic indicator method".

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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:

	Current Period 31.12.2021	Prior Period 31.12.2020
Common Equity Tier 1 Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	2,404,652
Share Premium	2,565	2,565
Reserves	9,277,740	8,293,298
Gains Recognized in Equity as per TAS	4,611	63,530
Profit	1,912,898	1,186,811
Current Period Profit	1,912,898	1,177,314
Prior Period Profit	-	9,497
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	527
Common Equity Tier 1 Capital Before Deductions	13,602,466	11,951,383
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses Not Covered by Reserves, and Losses Accounted under Equity according to TAS	-	23,436
Leasehold Improvements on Operational Leases	35,683	38,025
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	166,241	131,757
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 th 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 (2 nd article temporary second paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	623,048	614,342
Total Common Equity Tier 1 Capital	12,979,418	11,337,041

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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 31.12.2021	Prior Period 31.12.2020
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier 1 Capital before deductions	-	-
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial		
Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued		
Share Capital	-	-
Other Items Determined by BRSA	-	-
Items to be deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	-	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity + Additional Tier 1 Capital)	12,979,418	11,337,041
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	7,140,542	4,137,063
Bank's borrowing instruments and related issuance premium (in the scope of temporary Article 4)	-	-
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	1,313,195	959,538
Tier 2 Capital Before Deductions	8,453,737	5,096,601
Deductions from Tier 2 Capital		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial		
Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions from Tier 2 Capital	-	-
Total Tier 2 Capital	8,453,737	5,096,601
Total Capital (The sum of Tier 1 and Tier 2 Capital)	21,433,155	16,433,642

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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 31.12.2021	Prior Period 31.12.2020
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	3,823	1,046
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 (-)	23,710	3,540
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1 st 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 1 st 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 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital	21,405,622	16,429,056
Total Risk Weighted Assets	118,566,659	88,762,236
Capital Adequacy Ratios		
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.95	12.77
Tier 1 Capital Adequacy Ratio (%)	10.95	12.77
Capital Adequacy Ratio (%)	18.05	18.51
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c) (%)	2.50	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	2.44	4.27
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	301,971	182,843
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)	133,323	632,912
Limits related to provisions considered in Tier 2 Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2,117,698	1,996,558
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used (**)	1,313,195	959,538
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-
The positive difference between the expected credit loss provision amount in accordance with TFRS 9 and the total provision amount before the application of TFRS 9	88,574	177,147

(**) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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)

	T	T-1	T-2	T-3	T-4
CAPITAL ITEMS					
Common Equity Tier 1 Capital	12,979,418	12,142,151	11,656,238	11,131,604	11,337,041
Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)	12,890,844	12,053,577	11,567,664	11,043,030	11,159,894
Tier 1 Capital	12,979,418	12,142,151	11,656,238	11,131,604	11,337,041
Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)	12,890,844	12,053,577	11,567,664	11,043,030	11,159,894
Capital	21,405,622	18,058,545	17,430,245	16,602,890	16,429,056
Capital where the transition impact of TFRS 9 has not been applied (c)	21,317,048	17,969,971	17,341,671	16,514,316	16,251,909
TOTAL RISK WEIGHTED ASSETS					
Total Risk Weighted Assets	118,566,659	106,164,148	96,152,637	92,314,341	88,762,236
CAPITAL ADEQUACY RATIOS					
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.95	11.44	12.12	12.06	12.77
Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	10.87	11.35	12.03	11.96	12.57
Tier 1 Capital Adequacy Ratio (%)	10.95	11.44	12.12	12.06	12.77
Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	10.87	11.35	12.03	11.96	12.57
Capital Adequacy Ratio (%)	18.05	17.01	18.13	17.99	18.51
Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	17.98	16.93	18.04	17.89	18.31
LEVERAGE RATIO					
Leverage Ratio Total Risk Amount	263,108,120	204,766,755	190,468,375	183,350,920	183,587,494
Leverage Ratio	4.86%	5.93%	6.12%	5.97%	6.11%
FTA not Applied Leverage Ratio (e)	4.82%	5.89%	6.07%	5.92%	6.01%

Basic information for the TFRS 9 transition process

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

Explanations on Reconciliation of Capital Items to Balance Sheet:

Total Capital per Balance Sheet	13,617,819
Hedging Funds (effective portion)	(292,798)
Deductions Made Under Regulation	(633,813)
Transition Impact of TFRS 9 (Temporary 5 th Article)	88,574
Accumulated revaluation and/or classification on gains/losses of financial assets with fair value through comprehensive income	199,636
Common Equity Tier 1 Capital	12,979,418
Additional Tier 1 Capital	-
Tier 1 Capital	12,979,418
General Provisions (Stage 1 and 2)	1,313,195
Bank's Borrowing Instruments	7,140,542
Deductions Made Under Regulation	(27,533)
Total Equity	21,405,622

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

Information related to debt instruments included in equity calculation

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

Issuer	TEB	TEB	TEB	TEB
Unique identifier of the debt instrument (e.g., CUSIP, ISIN)	XS0700889081	XS0808626013	XS0780562665	XS0947781315
Governing law(s) of the debt instrument	Turkey	Turkey	Turkey	Turkey
Regulatory treatment				
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)	2,812.0	1,518.8	911.2	1,898.5
Par value of debt instrument (TL Currency in mil)	2,812.0	1,518.8	911.2	1,898.5
Accounting classification of the debt instrument	34701100	34701100	34701100	34701100
Original date of issuance	5.11.2018	22.07.2019	14.05.2019	27.06.2018
Perpetual or dated (Demand/Time)	Time	Time	Time	Time
Original maturity date	5.11.2028	22.07.2029	14.05.2029	27.06.2028
Issuer call subject to prior supervisory approval	Available	Available	Available	Available
Optional call date, contingent call dates and redemption amount	5.11.2023	22.07.2024	14.05.2024	27.06.2023
Subsequent call dates, if applicable	-	-	-	-
Coupons/dividends				
Fixed or floating dividend/coupon	Fixed	Floating	Floating	Floating
Coupon rate and any related index	10.40%	6mEuribor+7.10%	6mEuribor+7.10%	6mEuribor+5.10%
Existence of a dividend stopper	None	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
Convertible or non-convertible				
If convertible, conversion trigger(s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature				
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	deposit and other receivables	deposit and other receivables	deposit and other receivables	deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess	Possess	Possess	Possess
According to Article 7 and 8 of Banks' shareholders equity law that are not possessed ^(*)	-	-	-	-

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations Related to Credit Risk

Credit risk is the risk and financial loss that the 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 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, amended by the regulation published in the Official Gazette dated 14 December 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 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".

With the BRSA's decision numbered 9996 dated 21 December 2021, the simple arithmetic average of the Central Bank's foreign exchange buying rates of the last 252 business days before the reporting date was used while calculating the valued amounts in foreign currency.

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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:

Risk Classifications	Current Period Risk Amount ^(*)	Average Risk Amount ^(*,**)
Conditional and unconditional receivables from central governments or central banks	46,876,062	39,581,926
Conditional and unconditional receivables from regional or local governments	1,178,539	1,191,209
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	14,471,250	10,270,503
Conditional and unconditional corporate receivables	51,862,921	47,127,882
Conditional and unconditional retail receivables	49,621,157	42,126,863
Conditional and unconditional secured mortgage receivables	10,889,337	11,339,276
Past due receivables	1,092,582	1,128,684
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	6,859,222	5,446,550
Investments in equities	233,551	206,377

(*) 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.

Risk Classifications	Current Period Risk Amount ^(*)	Average Risk Amount ^(*,**)
Conditional and unconditional receivables from central governments or central banks	35,611,406	30,378,860
Conditional and unconditional receivables from regional or local governments	1,198,712	1,191,770
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	9,619,818	8,412,497
Conditional and unconditional corporate receivables	42,602,286	41,606,407
Conditional and unconditional retail receivables	35,852,357	35,305,146
Conditional and unconditional secured mortgage receivables	10,955,985	11,567,659
Past due receivables	1,277,011	1,611,860
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	3,543,873	4,011,263
Investments in equities	167,257	144,178

(*) 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 FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 loans and other receivables, which are restructured from loans and rescheduled, are 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 2021, the receivables of the Bank from its top 100 and top 200 cash loan share in total cash loans are respectively 26.19% and 34.60% (31 December 2020: 25.96% and 33.84%).

As of 31 December 2021, the receivables of the Bank from its top 100 and top 200 non-cash loan share are 76.05% and 85.98% respectively in the total non-cash loans (31 December 2020: 72.30% and 83.41%).

As of 31 December 2021, 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 9.43% and 12.27%, respectively (31 December 2020: 10.49% and 14.01%).

As of 31 December 2021, the general loan loss provision related with the credit risk taken by the Bank is TL2,117,698 (31 December 2020: TL1,996,558).

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 2021, Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Bank and these loans constitute 27.12% of the total cash and non-cash loan portfolio (31 December 2020: 29.70%). Application and behavioral scorecards are used for the Individual and Business segments, however behavioral scorecard is used 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 % 31.12.2021	Share in the Total % 31.12.2020
1 st Category	The borrower has a very strong financial structure	53.82	47.06
2 nd Category	The borrower has a good financial structure	21.35	25.30
3 rd Category	The borrower has an intermediate level of financial structure	19.12	20.35
4 th Category	The financial structure of the borrower must be closely monitored in the medium term	5.71	7.29
	Total	100.00	100.00

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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
Current Period								
Domestic	116,446	587,178	-	-	-	2,204,547	36,309,208	40,053,206
European Union (EU) Countries	-	-	-	-	-	392,812	247	9,054
OECD Countries ^(*)	-	-	-	-	-	323,260	-	1,267
Off-Shore Banking Regions	-	-	-	-	-	11	-	43
USA, Canada	-	-	-	-	-	434,765	-	1,527
Other Countries	769,948	-	-	-	-	34,560	168,345	114,487
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ^(**)	-	2,095	-	-	-	964,871	13,304,896	3,316,185
Total	886,394	589,273	-	-	-	4,354,826	49,782,696	43,495,769

^(*) 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.

Exposure Categories ^(***)										
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	
5,646,401	858,578	-	-	-	-	-	1,432,310	233,551	87,441,425	
1,983	1,197	-	-	-	-	-	145	-	405,438	
80	5	-	-	-	-	-	418	-	325,030	
-	-	-	-	-	-	-	-	-	54	
128	61	-	-	-	-	-	-	-	436,481	
51,819	16,722	-	-	-	-	-	12,281	-	1,168,162	
-	-	-	-	-	-	-	116,041	-	116,041	
331,646	72,500	-	-	-	-	-	2,902	-	17,995,095	
6,032,057	949,063	-	-	-	-	-	1,564,097	233,551	107,887,726	

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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
Prior Period								
Domestic	70,174	598,426	-	-	-	1,690,830	30,670,286	24,561,633
European Union (EU) Countries	-	-	-	-	-	376,546	32	7,411
OECD Countries ^(*)	-	-	-	-	-	29,410	-	769
Off-Shore Banking Regions	-	-	-	-	-	8	-	53
USA, Canada	-	-	-	-	-	195,970	-	803
Other Countries	389,970	-	-	-	-	15,929	217,627	107,410
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ^(**)	-	935	-	-	-	561,081	10,616,055	2,208,847
Total	460,144	599,361	-	-	-	2,869,774	41,504,000	26,886,926

^(*) 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.

Exposure Categories ^(***)

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
5,455,931	1,075,347	-	-	-	-	-	1,408,316	167,257	65,698,200
2,445	1,202	-	-	-	-	-	-	-	387,636
278	-	-	-	-	-	-	397	-	30,854
-	-	-	-	-	-	-	-	-	61
311	27	-	-	-	-	-	-	-	197,111
23,187	7,766	-	-	-	-	-	432	-	762,321
-	-	-	-	-	-	-	116,041	-	116,041
424,647	90,173	-	-	-	-	-	2,889	-	13,904,627
5,906,799	1,174,515	-	-	-	-	-	1,528,075	167,257	81,096,851

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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:

Current Period	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
Agriculture	-	-	-	-	-	-	360,600	534,288
Farming and Stockbreeding	-	-	-	-	-	-	354,485	526,440
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	6,115	7,848
Manufacturing	-	-	-	-	-	-	32,549,138	7,192,204
Mining and Quarrying	-	-	-	-	-	-	1,717,910	299,214
Production	-	-	-	-	-	-	29,051,517	6,859,174
Electricity, Gas and Water	-	-	-	-	-	-	1,779,711	33,816
Construction	-	-	-	-	-	-	3,038,191	832,160
Services	886,394	589,273	-	-	-	4,354,826	13,495,959	7,557,452
Wholesale and Retail Trade	-	18,864	-	-	-	-	5,060,756	3,866,784
Accommodation and Dining	-	-	-	-	-	-	791,295	488,028
Transportation and Telecom.	-	-	-	-	-	-	2,080,440	1,595,598
Financial Institutions	886,394	-	-	-	-	4,354,826	2,032,812	84,890
Real Estate and Rental Services	-	-	-	-	-	-	2,799,445	1,050,457
Self-Employment Services	-	-	-	-	-	-	692,050	424,839
Educational Services	-	-	-	-	-	-	6,242	42,307
Health and Social Services	-	570,409	-	-	-	-	32,919	4,549
Other	-	-	-	-	-	-	338,808	27,379,665
Total	886,394	589,273	-	-	-	4,354,826	49,782,696	43,495,769

^(*) Foreign Currency indexed credits are shown in TL column.^(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

Exposure Categories ^(*)

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	Securitized 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
204,240	64,865	-	-	-	-	-	-	-	984,356	179,637	1,163,993
203,945	64,408	-	-	-	-	-	-	-	971,858	177,420	1,149,278
-	-	-	-	-	-	-	-	-	-	-	-
295	457	-	-	-	-	-	-	-	12,498	2,217	14,715
2,096,117	240,097	-	-	-	-	-	-	-	23,265,887	18,811,669	42,077,556
65,757	9,890	-	-	-	-	-	-	-	1,335,640	757,131	2,092,771
1,761,171	225,924	-	-	-	-	-	-	-	20,750,995	17,146,791	37,897,786
269,189	4,283	-	-	-	-	-	-	-	1,179,252	907,747	2,086,999
173,420	201,763	-	-	-	-	-	1	-	1,983,404	2,262,131	4,245,535
2,516,744	366,622	-	-	-	-	-	1,563,853	233,551	19,737,422	11,827,252	31,564,674
915,604	148,828	-	-	-	-	-	15	-	8,024,839	1,986,012	10,010,851
694,662	52,424	-	-	-	-	-	2	-	900,791	1,125,620	2,026,411
349,400	52,086	-	-	-	-	-	20	-	2,819,707	1,257,837	4,077,544
94,748	5,120	-	-	-	-	-	1,563,577	233,551	4,648,845	4,607,073	9,255,918
352,517	88,026	-	-	-	-	-	155	-	1,967,799	2,322,801	4,290,600
107,831	12,280	-	-	-	-	-	-	-	709,360	527,640	1,237,000
1,699	7,842	-	-	-	-	-	45	-	57,938	197	58,135
283	16	-	-	-	-	-	39	-	608,143	72	608,215
1,041,536	75,716	-	-	-	-	-	243	-	28,532,210	303,758	28,835,968
6,032,057	949,063	-	-	-	-	-	1,564,097	233,551	74,503,279	33,384,447	107,887,726

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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 ^(*)							
	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
Agriculture	-	-	-	-	-	-	447,234	438,967
Farming and Stockbreeding	-	-	-	-	-	-	443,548	431,691
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	3,686	7,276
Manufacturing	-	-	-	-	-	-	24,855,202	4,902,058
Mining and Quarrying	-	-	-	-	-	-	1,572,126	202,080
Production	-	-	-	-	-	-	21,870,372	4,671,776
Electricity, Gas and Water	-	-	-	-	-	-	1,412,704	28,202
Construction	-	-	-	-	-	-	2,477,189	577,174
Services	460,144	599,361	-	-	-	2,869,774	13,549,136	5,097,399
Wholesale and Retail Trade	-	-	-	-	-	-	5,745,415	2,529,212
Accommodation and Dining	-	-	-	-	-	-	457,286	389,829
Transportation and Telecom.	-	-	-	-	-	-	1,784,563	1,020,382
Financial Institutions	460,144	-	-	-	-	2,869,774	1,947,044	52,674
Real Estate and Rental Services	-	-	-	-	-	-	3,004,184	759,125
Self-Employment Services	-	-	-	-	-	-	411,191	305,939
Educational Services	-	-	-	-	-	-	27,088	33,188
Health and Social Services	-	599,361	-	-	-	-	172,365	7,050
Other	-	-	-	-	-	-	175,239	15,871,328
Total	460,144	599,361	-	-	-	2,869,774	41,504,000	26,886,926

^(*) Foreign Currency indexed credits are shown in TL column.^(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

Exposure Categories ^(*)

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	Securitized 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
158,476	112,583	-	-	-	-	-	-	-	1,089,467	67,793	1,157,260
157,781	111,728	-	-	-	-	-	-	-	1,078,011	66,737	1,144,748
-	-	-	-	-	-	-	-	-	-	-	-
695	855	-	-	-	-	-	-	-	11,456	1,056	12,512
1,764,334	330,290	-	-	-	-	-	6	-	22,480,233	9,371,657	31,851,890
81,468	21,774	-	-	-	-	-	3	-	1,631,846	245,605	1,877,451
1,504,491	291,654	-	-	-	-	-	3	-	19,767,297	8,570,999	28,338,296
178,375	16,862	-	-	-	-	-	-	-	1,081,090	555,053	1,636,143
262,209	184,251	-	-	-	-	-	-	-	1,914,318	1,586,505	3,500,823
2,431,352	481,209	-	-	-	-	-	1,527,426	166,544	19,101,076	8,081,269	27,182,345
767,050	210,204	-	-	-	-	-	86	-	7,539,410	1,712,557	9,251,967
827,844	56,062	-	-	-	-	-	-	-	939,128	791,893	1,731,021
345,067	70,347	-	-	-	-	-	98	-	2,585,391	635,066	3,220,457
100,912	5,769	-	-	-	-	-	1,526,985	166,544	3,902,825	3,227,021	7,129,846
308,164	101,740	-	-	-	-	-	246	-	2,646,475	1,526,984	4,173,459
79,234	24,662	-	-	-	-	-	3	-	633,765	187,264	821,029
2,825	12,394	-	-	-	-	-	4	-	75,373	126	75,499
256	31	-	-	-	-	-	4	-	778,709	358	779,067
1,290,428	66,182	-	-	-	-	-	643	713	17,299,890	104,643	17,404,533
5,906,799	1,174,515	-	-	-	-	-	1,528,075	167,257	61,884,984	19,211,867	81,096,851

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 a Year
Exposure classifications					
Conditional and unconditional exposures to central governments or central banks	886,394	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	688	5,527	8,645	44,394	527,873
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	2,100,781	110,798	526,541	74,515	25,368
Conditional and unconditional exposures to corporates	3,734,787	5,849,527	6,184,435	12,119,485	8,582,615
Conditional and unconditional retail exposures	7,615,661	1,566,326	2,507,550	5,258,143	23,225,464
Conditional and unconditional exposures secured by real estate property	321,453	286,254	456,215	896,743	3,739,373
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	14,967	-	-	-	-
Investment in equities	225,155	-	-	8,396	-
Total	14,899,886	7,818,432	9,683,386	18,401,676	36,100,693

Prior Period	Term to Maturity				
	1 Month	Exposure classifications	1 Month	Exposure classifications	1 Month
Exposure classifications					
Conditional and unconditional exposures to central governments or central banks	460,144	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	2,896	1,917	2,504	73,817	517,264
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	1,556,176	82,212	102,568	50,379	99,750
Conditional and unconditional exposures to corporates	4,446,913	4,286,397	7,166,570	6,269,661	8,707,685
Conditional and unconditional retail exposures	4,743,410	932,170	2,272,421	2,793,708	13,924,631
Conditional and unconditional exposures secured by real estate property	321,818	215,569	504,560	624,601	3,813,992
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	12,972	-	-	-	-
Investment in equities	158,861	-	-	8,396	-
Total	11,703,190	5,518,265	10,048,623	9,820,562	27,063,322

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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 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													Deductions from Equity
Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	1250%		
Exposures before Credit Risk Mitigation	48,790,618	-	10,199,894	-	4,193,761	12,931,818	40,188,210	55,314,066	7,999,452	-	-	-	650,581
Exposures after Credit Risk Mitigation	49,087,191	-	9,572,980	-	4,193,761	12,267,078	38,873,248	53,080,397	7,991,594	-	-	-	650,581
Prior Period													Deductions from Equity
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%		
Exposures before Credit Risk Mitigation	37,120,331	-	6,848,950	4,781,153	10,296,262	35,844,332	45,768,483	169,194	-	-	-	-	595,492
Exposures after Credit Risk Mitigation	39,207,308	-	7,127,526	4,781,153	9,805,690	33,271,187	43,175,855	111,039	-	-	-	-	595,492

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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)		
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors/Counterparties			
Agriculture	90,568	166,200	105,551
Farming and Stockbreeding	90,246	159,100	100,949
Forestry	-	2,800	1,500
Fishery	322	4,300	3,102
Manufacturing	1,685,727	530,600	698,868
Mining and Quarrying	44,245	14,800	15,091
Production	1,634,558	504,100	675,587
Electricity, Gas and Water	6,924	11,700	8,190
Services	2,269,449	1,834,000	1,833,109
Wholesale and Retail Trade	489,456	995,300	746,028
Accommodation and Dining	843,615	122,000	277,874
Transportation and Telecom.	293,586	77,400	93,599
Financial Institutions	209,805	9,600	173,371
Real Estate and Rental Services	357,297	406,100	375,933
Professional Services	40,199	113,000	81,815
Educational Services	3,444	24,500	13,689
Health and Social Services	32,047	86,100	70,800
Other	5,638,195	794,582	973,741
Total	9,683,939	3,325,382	3,611,269

Prior Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors/Counterparties			
Agriculture	196,804	237,067	162,529
Farming and Stockbreeding	195,532	228,842	157,398
Forestry	-	3,634	2,088
Fishery	1,272	4,591	3,043
Manufacturing	1,284,188	674,352	757,529
Mining and Quarrying	74,706	14,968	24,701
Production	1,190,441	635,292	721,547
Electricity, Gas and Water	19,041	24,092	11,281
Services	2,456,032	2,132,357	1,980,183
Wholesale and Retail Trade	570,063	1,273,123	975,736
Accommodation and Dining	760,568	131,641	219,409
Transportation and Telecom.	400,761	98,481	143,146
Financial Institutions	213,907	9,653	132,613
Real Estate and Rental Services	405,892	384,202	347,700
Professional Services	53,591	137,755	100,165
Educational Services	8,226	32,194	19,557
Health and Social Services	43,024	65,308	41,857
Other	4,015,321	458,106	754,084
Total	7,952,345	3,501,882	3,654,325

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations Related to Credit Risk (continued)

Information about Value Adjustment and Change in Provisions

	31.12.2020 Balance	Provision for the Period	Provision Reversal	Written off from Asset	Other Adjustments ^(*)	31.12.2021 Balance
Default (Stage III)	2,381,897	554,833	(314,824)	(349,374)	31,274	2,303,806
Expected Loss Provisions (Stage I-II)	1,996,558	533,222	(804,640)	-	392,558	2,117,698

^(*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	31.12.2019 Balance	Provision for the Period	Provision Reversal	Written off from Asset	Other Adjustments ^(*)	31.12.2020 Balance
Default (Stage III)	2,394,656	680,625	(207,531)	(485,853)	-	2,381,897
Expected Loss Provisions (Stage I-II)	1,503,984	980,025	(648,931)	-	161,480	1,996,558

^(*) 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 loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	97,009,182	1,263,046	98,272,228
England	347,812	-	347,812
TRNC	346,827	-	346,827
Germany	4,213	-	4,213
France	1,567	-	1,567
Israel	1,320	-	1,320
USA	1,249	-	1,249
Other	10,568	-	10,568
	97,722,738	1,263,046	98,985,784

Prior Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	71,192,511	1,031,487	72,223,998
TRNC	323,446	-	323,446
England	283,621	-	283,621
Egypt	6,098	-	6,098
Germany	4,714	-	4,714
Netherlands	993	-	993
France	954	-	954
Other	9,554	-	9,554
	71,821,891	1,031,487	72,853,378

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 2021, the Bank's balance sheet short position is TL 24,020,137 (31 December 2020: TL 21,615,848 short position) off-balance sheet long position is TL 23,747,791 (31 December 2020: TL 21,041,159 long position) and as a result net foreign currency short position is TL 272,346 (31 December 2020: net TL 574,689 short position).

The announced current foreign exchange buying rates of the Bank at 31 December 2020 and the previous five working days in full TL are as follows:

	24.12.2021	27.12.2021	28.12.2021	29.12.2021	30.12.2021	31.12.2021
USD	11.7652	11.2555	11.7878	12.5635	12.9629	13.3907
EURO	13.3159	12.7323	13.3415	14.2169	14.6610	15.1877

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 December 2021 are as follows:

	Monthly Average Foreign Buying Rate
USD	13.7112
EURO	15.4974

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

IV. Explanations Related to Currency Risk (continued)

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	Effect on Equity ^(*)
		31 December 2021	31 December 2021
USD	10 increase	46,648	(11,283)
USD	10 decrease	(46,648)	11,283
EURO	10 increase	7,278	(6,317)
EURO	10 decrease	(7,278)	6,317

Change in FX Rate %		Effect on Profit/Loss	Effect on Equity ^(*)
		31 December 2020	31 December 2020
USD	10 increase	(21,533)	2,403
USD	10 decrease	21,533	(2,403)
EURO	10 increase	2,810	2,496
EURO	10 decrease	(2,810)	(2,496)

^(*) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 2021, the Bank has net USD long position TL 681,543 and net EUR long position TL 70,989.

Current Period	EURO	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽¹⁾	11,599,533	15,438,096	3,030,189	30,067,818
Banks ⁽²⁾	1,429,491	4,816,677	3,693,993	9,940,161
Financial Assets at Fair Value Through Profit or Loss	57,224	734,916	-	792,140
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,360,271	2,773,823	39,261	4,173,355
Loans ⁽³⁾	19,844,296	7,469,325	1,496,939	28,810,560
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortized Cost ⁽⁴⁾	2,829,825	5,340,163	-	8,169,988
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	5,873	-	-	5,873
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	732,968	35,764	6,917	775,649
Total Assets	37,859,481	36,608,764	8,267,299	82,735,544
Liabilities				
Bank Deposits	309	-	22	331
Foreign Currency Deposits ⁽⁷⁾	25,019,990	40,039,221	11,334,288	76,393,499
Money Market Borrowings	5,001,962	-	-	5,001,962
Funds Provided from Other Financial Institutions	14,090,058	8,144,581	-	22,234,639
Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	4,201	-	-	4,201
Other Liabilities ⁽⁸⁾	1,828,625	1,217,626	74,798	3,121,049
Total Liabilities	45,945,145	49,401,428	11,409,108	106,755,681
Net Balance Sheet Position	(8,085,664)	(12,792,664)	(3,141,809)	(24,020,137)
Net Off-Balance Sheet Position	7,665,448	13,045,910	3,036,433	23,747,791
Financial Derivative Assets ⁽⁹⁾	30,271,685	44,317,120	4,830,894	79,419,699
Financial Derivative Liabilities ⁽⁹⁾	22,606,237	31,271,210	1,794,461	55,671,908
Non-Cash Loans ⁽¹⁰⁾	13,567,563	13,803,567	2,691,051	30,062,181
Prior Period				
Total Assets	21,277,098	13,617,682	4,458,681	39,353,461
Total Liabilities	24,717,839	28,642,995	7,608,475	60,969,309
Net Balance Sheet Position	(3,440,741)	(15,025,313)	(3,149,794)	(21,615,848)
Net Off-Balance Sheet Position	3,506,359	14,570,186	2,964,614	21,041,159
Financial Derivative Assets ⁽⁹⁾	15,993,374	25,685,642	4,743,380	46,422,396
Financial Derivative Liabilities ⁽⁹⁾	12,487,015	11,115,456	1,778,766	25,381,237
Non-Cash Loans ⁽¹⁰⁾	8,000,422	7,226,322	1,537,854	16,764,598

⁽¹⁾ Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey TL 4,982 (31 December 2020: TL 2,561) includes the balances of expected credit losses.

⁽²⁾ The banks include TL 22,153 (31 December 2020: TL 9,579) of expected credit loss provisions.

⁽³⁾ Foreign currency indexed loans amounting to TL 173,195 (31 December 2020: TL 233,707) are included in the loan portfolio. Also, it includes TL 814,077 (31 December 2020: TL 476,466) amounting to expected credit loss.

⁽⁴⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 1,839 (31 December 2020: TL 523).

⁽⁵⁾ There are no income accruals from derivative financial instruments are deducted from derivative financial assets held for risk management (31 December 2020: TL 31,137).

⁽⁶⁾ TL 312,610 (31 December 2020: TL 213,071) income accruals from derivative financial instruments are deducted from other assets.

⁽⁷⁾ Precious metal accounts amounting to TL 7,954,654 (31 December 2020: TL 6,002,054) are included in the foreign currency deposits.

⁽⁸⁾ TL 155,500 (31 December 2020: TL 175,503) expense accruals from derivative financial instruments are deducted from other liabilities.

⁽⁹⁾ Forward asset and marketable securities purchase-sale commitments of TL 3,118,150 (31 December 2020: TL 951,630) are added to derivative financial assets and TL 4,589,261 (31 December 2020: TL 1,071,704) has been added to derivative financial assets.

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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.

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

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

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

⁽¹⁾ Expected loss provisions are shown in the "No Interest" column.

⁽²⁾ Includes Cash (Safety, Effective Deposit, Money on the Way, Checks Purchased) and the Central Bank of the Republic of Turkey TL6,160 of expected loss provisions.

⁽³⁾ Banks includes the balance of expected loss provisions amounting to TL23,547.

⁽⁴⁾ Revolving loans amounting to TL13,983,435 are shown in the "Up to 1 Month" maturity bracket. Includes expected loss provisions balance amounting to TL4,039,995.

⁽⁵⁾ Financial Assets Valued at Amortized Cost Includes expected loss provisions balance amounting to TL4,399.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL915,504 intangible assets amounting to TL601,609, subsidiaries amounting to TL116,036 and entities under common control joint venture amounting to TL5, assets held for sale amounting to TL65,933 while other liabilities line includes the shareholders' equity of TL13,617,819.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

V. Explanations Related to Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽²⁾	11,452,134	-	-	-	-	5,495,853	16,947,987
Banks ⁽³⁾	4,732,084	-	-	-	-	3,113,416	7,845,500
Financial Assets at Fair Value Through Profit or Loss	297,525	91,886	760,926	201,958	95,521	183,075	1,630,891
Money Market Placements ⁽⁴⁾	6,180,886	-	-	-	-	(439)	6,180,447
Financial Assets at Fair Value Through Other Comprehensive Income	805,587	113,055	2,319,571	4,656,078	746,205	10,881	8,651,377
Loans ⁽⁵⁾	11,310,285	6,681,908	25,261,054	32,741,342	3,435,619	(545,889)	78,884,319
Financial Assets Measured at Amortized Cost ⁽⁶⁾	1,012,657	825,220	9,171,693	1,472,121	41,250	(2,818)	12,520,123
Other Assets	338,380	535,384	266,647	672,721	299,267	5,274,999	7,387,398
Total Assets	36,129,538	8,247,453	37,779,891	39,744,220	4,617,862	13,529,078	140,048,042
Liabilities							
Bank Deposits	7,424,601	-	-	-	-	43,796	7,468,397
Other Deposits	47,493,350	5,865,710	235,318	367	-	32,710,336	86,305,081
Money Market Borrowings	6,548,253	-	-	-	-	-	6,548,253
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	2,160,640	-	2,649,997	-	-	-	4,810,637
Funds from Other Financial Institutions	758,398	594,518	8,303,532	91,158	4,194,951	-	13,942,557
Other Liabilities	227,987	28,532	383,341	1,309,066	244,413	18,779,778	20,973,117
Total Liabilities	64,613,229	6,488,760	11,572,188	1,400,591	4,439,364	51,533,910	140,048,042
Balance Sheet Long Position	-	1,758,693	26,207,703	38,343,629	178,498	-	66,488,523
Balance Sheet Short Position	(28,483,691)	-	-	-	-	(38,004,832)	(66,488,523)
Off-Balance Sheet Long Position	3,031,120	3,816,103	-	-	-	-	6,847,223
Off-Balance Sheet Short Position	-	-	(796,816)	(5,154,568)	(487,360)	-	(6,438,744)
Total Position	(25,452,571)	5,574,796	25,410,887	33,189,061	(308,862)	(38,004,832)	408,479

⁽¹⁾ The expected loss provisions are presented under the "Non-Interest Bearing" column.⁽²⁾ 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 3,316.⁽³⁾ The banks include TL 10,656 of expected loss provisions.⁽⁴⁾ Receivables from money markets includes the expected losses provisions amounting to TL 439.⁽⁵⁾ The revolving loans amounting to TL 6,201,511 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 4,047,771.⁽⁶⁾ Financial assets at amortized cost include losses amounting to TL 2,818.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 836,192 intangible assets amounting to TL 564,803, subsidiaries amounting to TL 116,036 and entities under common control joint venture amounting to TL 5, assets held for sale amounting to TL 112,859 while other liabilities line includes the shareholders' equity of TL 11,409,851.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
End of Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	8.50
Banks	(0.70)	0.05	-	14.06
Financial Assets at Fair Value Through Profit or Loss	3.36	5.24	-	20.14
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.70	3.84	-	17.48
Loans	2.82	3.36	5.45	20.00
Financial Assets Measured at Amortized Cost	3.16	5.46	-	27.53
Liabilities				
Bank Deposits	-	-	-	10.37
Other Deposits	0.11	0.32	-	17.41
Money Market Borrowings	1.04	-	-	14.00
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	16.59
Funds Provided from Other Financial Institutions	1.98	4.89	-	15.82
	EURO %	USD %	YEN %	TL %
End of Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks	(0.29)	0.21	(0.26)	17.88
Financial Assets at Fair Value Through Profit or Loss	2.60	2.65	-	10.12
Money Market Placements	-	-	-	17.98
Financial Assets at Fair Value Through Other Comprehensive Income	2.91	3.86	-	12.91
Loans	2.79	3.81	5.37	14.33
Financial Assets Measured at Amortized Cost	2.04	3.51	-	8.26
Liabilities				
Bank Deposits	-	-	-	10.65
Other Deposits	0.04	1.25	-	15.12
Money Market Borrowings	0.88	-	-	17.02
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	9.54
Funds Provided from Other Financial Institutions	2.09	4.91	-	10.69

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

V. Explanations Related to Interest Rate Risk (continued)

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 analysing 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.

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":

Currency	Applied shock (+/- x base point)	Gains/(Losses)	Gains/Equity- (Losses)/Equity
TL	(400)	853,204	4.02%
TL	500	(969,928)	(4.57)%
EURO	(200)	(98,543)	(0.46)%
EURO	200	102,182	0.48%
USD	(200)	(103,865)	(0.49)%
USD	200	104,482	0.49%
Total (For negative shocks)	(800)	650,796	3.07%
Total (For positive shocks)	900	(763,264)	(3.60)%

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 cannot 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

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

In the short term, liquidity risk is minimized with FX swaps, interbank borrowings and repurchase agreements, while cross currency swap 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 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

VII. Explanations Related to Liquidity Risk Management 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 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 2021		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High Quality Liquid Assets			47,286,292	29,716,957
Cash Outflows					
2	Real Person and Retail Deposits	81,720,904	42,598,230	7,319,602	4,259,823
3	Stable Deposits	17,049,779	-	852,489	-
4	Less Stable Deposits	64,671,125	42,598,230	6,467,113	4,259,823
5	Unsecured Debts Other than Real Person and Retail Deposits	44,581,451	22,525,874	25,823,594	12,484,715
6	Operational Deposits	217,442	-	54,360	-
7	Non-Operational Deposits	35,096,625	16,813,316	16,547,063	6,772,318
8	Other Unsecured Funding	9,267,384	5,712,558	9,222,171	5,712,397
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	1,286,330	4,867,615	1,286,330	4,867,615
11	Outflows Related to Derivative Exposures and Other Collateral Requirements	1,286,330	4,867,615	1,286,330	4,867,615
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	44,271,920	17,702,242	3,521,975	1,773,047
16	Total Cash Outflows			37,951,501	23,385,200
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	16,559,885	9,715,410	12,819,913	8,976,337
19	Other cash Inflows	561,220	12,279,927	561,220	12,279,927
20	Total Cash Inflows	17,121,105	21,995,337	13,381,133	21,256,264
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets			47,286,292	29,716,957
22	Total Net Cash Outflows			24,570,368	5,846,300
23	Liquidity Coverage Ratio (%)			192.45	508.30

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 2020		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High Quality Liquid Assets			36,582,088	15,499,469
Cash Outflows					
2	Real Person and Retail Deposits	61,582,931	31,915,012	5,475,939	3,191,501
3	Stable Deposits	13,647,077	-	682,354	-
4	Less Stable Deposits	47,935,854	31,915,012	4,793,585	3,191,501
5	Unsecured Debts Other than Real Person and Retail Deposits	32,361,702	14,472,515	17,661,127	7,275,184
6	Operational Deposits	117,835	-	29,459	-
7	Non-Operational Deposits	28,298,303	12,070,133	13,713,430	4,872,802
8	Other Unsecured Funding	3,945,564	2,402,382	3,918,238	2,402,382
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	1,665,525	2,927,065	1,665,525	2,927,065
11	Outflows Related to Derivative Exposures and Other Collateral Requirements	1,665,525	2,927,065	1,665,525	2,927,065
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	34,747,936	12,938,807	2,767,596	1,288,863
16	Total Cash Outflows			27,570,187	14,682,613
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	11,815,328	5,566,219	9,247,037	5,177,146
19	Other cash Inflows	966,659	9,003,399	966,659	9,003,399
20	Total Cash Inflows	12,781,987	14,569,618	10,213,696	14,180,545
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets			36,582,088	15,499,469
22	Total Net Cash Outflows			17,356,491	3,670,653
23	Liquidity Coverage Ratio (%)			210.77	422.25

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

Liquidity Coverage Ratio: (continued)

The amount of high-quality liquid assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting Liquidity Coverage Ratio.

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

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

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

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

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
Lowest	153.36%	400.72%	170.05%	274.27%
Week	15.10.2021	15.10.2021	23.10.2020	16.10.2020
Highest	236.00%	564.43%	267.71%	491.66%
Week	17.12.2021	01.10.2021	18.12.2020	11.12.2020

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed ⁽¹⁾	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽²⁾	12,832,190	22,959,105	-	-	-	-	(6,160)	35,785,135
Banks ⁽³⁾	6,244,651	5,335,688	-	-	-	-	(23,547)	11,556,792
Financial Assets at Fair Value Through Profit and Loss	-	205,178	184,115	523,936	1,482,063	96,136	302,359	2,793,787
Money Market Placements ⁽⁴⁾	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	13,250	39,232	269,447	948,781	5,396,422	507,952	-	7,175,084
Loans ⁽⁴⁾	-	28,689,687	12,019,328	36,200,101	26,294,525	1,293,973	(714,613)	103,783,001
Financial Assets Measured at Amortized Cost ⁽⁵⁾	-	-	532,334	2,094,569	16,781,216	143,581	(4,399)	19,547,301
Other Assets	-	2,624,675	1,993,941	2,342,489	1,766,793	311,449	4,376,575	13,415,922
Total Assets	19,090,091	59,853,565	14,999,165	42,109,876	51,721,019	2,353,091	3,930,215	194,057,022
Liabilities								
Bank Deposits	37,570	1,962,166	-	-	-	-	-	1,999,736
Other Deposits	58,480,268	60,696,336	10,374,268	287,263	1,378	-	-	129,839,513
Funds Provided from Other Financial Institutions	-	1,138,079	6,459,142	7,863,727	136,817	7,239,036	-	22,836,801
Money Market Placements	-	4,679,049	2,575,838	1,586,822	-	-	-	8,841,709
Securities Issued	-	1,049,232	145,293	-	-	-	-	1,194,525
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	-	10,024,597	1,497,034	994,854	1,704,502	281,164	14,842,587	29,344,738
Total Liabilities	58,517,838	79,549,459	21,051,575	10,732,666	1,842,697	7,520,200	14,842,587	194,057,022
Liquidity Gap	(39,427,747)	(19,695,894)	(6,052,410)	31,377,210	49,878,322	(5,167,109)	(10,912,372)	-
Net Off-Balance Sheet Position	-	1,157,348	180,560	1,768,166	231,463	180,567	-	3,518,104
Financial Derivative Assets	-	29,886,074	29,745,541	26,100,385	18,145,761	2,968,553	-	106,846,314
Financial Derivative Liabilities	-	28,728,726	29,564,981	24,332,219	17,914,298	2,787,986	-	103,328,210
Non-Cash Loans	10,182,618	2,203,512	5,450,781	13,364,312	7,332,490	-	-	38,533,713
Prior Period								
Total Assets	7,857,641	35,679,610	8,052,628	29,840,791	49,906,032	5,235,185	3,476,155	140,048,042
Total Liabilities	32,754,132	69,399,201	6,706,629	12,332,810	1,759,911	4,712,459	12,382,900	140,048,042
Liquidity Gap	(24,896,491)	(33,719,591)	1,345,999	17,507,981	48,146,121	522,726	(8,906,745)	-
Net Off-Balance Sheet Position	-	223,288	(240,996)	117,535	126,240	(3,144)	-	222,923
Financial Derivative Assets	-	18,691,080	19,520,863	9,383,245	11,983,043	4,199,690	-	63,777,921
Financial Derivative Liabilities	-	18,467,792	19,761,859	9,265,710	11,856,803	4,202,834	-	63,554,998
Non-Cash Loans	6,918,016	1,354,463	2,719,244	6,823,344	6,430,957	-	-	24,246,024

⁽¹⁾ Among the active accounts that make up the balance sheet, active accounts such as fixed assets, subsidiaries and affiliates, stocks, prepaid expenses and non-performing loans, which are required for the continuation of banking activities and which do not have the opportunity to turn into cash in a short time, are recorded here. Expected loss provisions are also shown here.

⁽²⁾ Includes Cash (Safety, Effective Deposit, Money on the Way, Checks Purchased) and the Central Bank of the Republic of Turkey TL 6,160 of expected loss provisions.

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

⁽⁴⁾ Revolving loans amounting to TL 13,983,435 are shown in the "Up to 1 Month" maturity bracket. Includes expected loss provisions balance amounting to TL 4,039,995.

⁽⁵⁾ Financial Assets Valued at Amortized Cost Includes expected loss provisions balance amounting to TL 4,399.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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
31 December 2021								
Money Market								
Borrowings	-	4,680,792	2,598,569	1,593,351	-	-	(31,003)	8,841,709
Other Deposits	58,480,268	60,828,467	10,562,978	303,238	1,427	-	(336,865)	129,839,513
Banks Deposits	37,570	1,963,832	-	-	-	-	(1,666)	1,999,736
Funds from Other Financial Institutions	-	1,397,492	6,509,638	9,590,927	1,968,338	8,991,685	(5,621,279)	22,836,801
Issued Securities	-	1,078,661	150,058	-	-	-	(34,194)	1,194,525
Total	58,517,838	69,949,244	19,821,243	11,487,516	1,969,765	8,991,685	(6,025,007)	164,712,284
31 December 2020								
Money Market								
Borrowings	-	6,568,394	-	-	-	-	(20,141)	6,548,253
Other Deposits	32,710,336	47,611,550	5,941,850	241,975	367	-	(200,997)	86,305,081
Banks Deposits	43,796	7,433,248	-	-	-	-	(8,647)	7,468,397
Funds from Other Financial Institutions	-	835,551	71,744	9,569,324	1,129,862	5,581,278	(3,245,202)	13,942,557
Issued Securities	-	-	4,413,557	739,050	-	-	(341,970)	4,810,637
Total	32,754,132	62,448,743	10,427,151	10,550,349	1,130,229	5,581,278	(3,816,957)	119,074,925

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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
31 December 2021						
Derivative financial instruments for hedging purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	-	35,186	3,887,312	636,913	-	4,559,411
Trading Transactions						
Forward foreign exchange agreement	4,716,764	3,435,743	5,101,585	217,898	-	13,471,990
Swap money selling agreement	19,240,938	25,863,945	4,280,649	9,392,381	217,139	58,995,052
Swap interest agreement	-	-	-	-	-	-
Futures monetary agreement	-	321,698	42,622	-	-	364,320
Money exchange options contract	1,471,166	693,877	1,465,943	-	-	3,630,986
Total	25,428,868	30,350,449	14,778,111	10,247,192	217,139	81,021,759
31 December 2020						
Derivative financial instruments for hedging purposes						
Fair Value Hedge	1,047,907	4,338,325	-	-	863,835	6,250,067
Cash Flow Hedge	710,591	34,994	1,708,688	3,238,883	-	5,693,156
Trading Transactions						
Forward foreign exchange agreement	3,000,033	2,271,615	2,318,963	553,143	-	8,143,754
Swap money selling agreement	10,028,698	13,815,112	2,175,927	3,527,930	3,329,046	32,876,713
Swap interest agreement	-	-	-	-	-	-
Futures monetary agreement	-	209,828	380,096	-	-	589,924
Money exchange options contract	981,308	566,084	288,360	185,653	-	2,021,405
Total	15,768,537	21,235,958	6,872,034	7,505,609	4,192,881	55,575,019

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

VIII. Explanations Related to Leverage Ratio

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

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

b) Leverage ratio:

	Current Period ^(*)	Prior Period ^(*)
Assets on the Balance Sheet		
1 Assets on the Balance Sheet (Excluding Derivative Financial Instruments and Loan Derivatives, Including Collaterals)	175,665,512	134,762,915
2 (Assets Deducted from Core Capital)	(598,378)	(675,833)
3 Total Risk Amount for Assets on the Balance Sheet	175,067,134	134,087,082
Derivative Financial Instruments and Credit Derivatives		
4 Renewal Cost of Derivative Financial Instruments and Loan Derivatives	2,456,964	1,777,668
5 Potential Credit Risk Amount of Derivative Financial Instruments and Loan Derivatives	612,168	492,002
6 Total Risk Amount of Derivative Financial Instruments and Loan Derivatives	3,069,132	2,269,670
Financing Transactions with Securities or Goods Warranties		
7 Risk Amount of Financial Transactions with Securities or Goods Warranties (Excluding Those in the Balance Sheet)	854,257	900,450
8 Risk Amount Arising from Intermediated Transactions	-	-
9 Total Risk Amount of Financing Transactions with Securities or Goods Warranties	854,257	900,450
Off-the-Balance Sheet Transactions		
10 Gross Nominal Amount of the Off-Balance Sheet Transactions	66,385,645	46,024,212
11 (Adjustment Amount Arising from Multiplying by the Credit Conversion Rate)	-	-
12 Total Risk Amount for Off-Balance Sheet Transactions	66,385,645	46,024,212
Capital and Total Risk		
13 Tier 1 Capital	12,506,263	11,154,878
14 Total Risk Amount	245,376,168	183,281,414
Leverage Ratio		
15 Leverage Ratio	5.10%	6.09%

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	142,062,178	114,081,766	141,503,491	113,779,809
Receivables from Money Markets	-	6,180,447	-	6,180,447
Banks	11,556,792	7,845,500	11,556,792	7,845,500
Financial Assets at Fair Value Through Other Comprehensive Income	7,175,084	8,651,377	7,175,084	8,651,377
Financial Assets Valued Over Amortized Cost	19,547,301	12,520,123	20,080,824	12,544,293
Loans	103,783,001	78,884,319	102,690,791	78,558,192
Financial Liabilities	173,919,747	123,401,600	174,339,515	123,653,326
Banks Deposits	1,999,736	7,468,397	1,999,736	7,468,397
Other Deposits	129,839,513	86,305,081	130,080,520	86,455,274
Funds Received from Other Financial Institutions (*)	31,678,510	20,490,810	31,857,271	20,592,343
Securities Issued	1,194,525	4,810,637	1,194,525	4,810,637
Other Liabilities	9,207,463	4,326,675	9,207,463	4,326,675

(*) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (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 2021	Level 1	Level 2	Level 3	Total
Financial Assets	9,721,647	8,308,644	73,025	18,103,316
Financial Assets at Fair Value Through Profit or Loss	2,599,074	6,466,914	59,775	9,125,763
Government Debt Securities	2,491,428	-	-	2,491,428
Derivative Financial Assets at Fair Value Through Profit or Loss	-	6,331,976	-	6,331,976
Financial Assets at Fair Value Through Other Comprehensive Income	107,646	134,938	59,775	302,359
Derivative Financial Assets for Hedging Purposes	-	1,802,469	-	1,802,469
Financial Assets at Fair Value Through Other Comprehensive Income	7,122,573	39,261	13,250	7,175,084
Government Debt Securities	7,122,573	39,261	-	7,161,834
Other Fair Value Differences Financial Assets Reflected to Other Comprehensive Income	-	-	13,250	13,250
Financial Liabilities	-	4,489,788	-	4,489,788
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	4,159,177	-	4,159,177
Derivative Financial Liabilities for Hedging Purposes	-	330,611	-	330,611
31 December 2020	Level 1	Level 2	Level 3	Total
Financial Assets	10,125,304	2,948,440	58,651	13,132,395
Financial Assets at Fair Value Through Profit or Loss	1,507,974	2,275,132	47,770	3,830,876
Government Debt Securities	1,447,816	-	-	1,447,816
Derivative Financial Assets at Fair Value Through Profit or Loss	-	2,199,985	-	2,199,985
Financial Assets at Fair Value Through Other Comprehensive Income	60,158	75,147	47,770	183,075
Derivative Financial Assets for Hedging Purposes	-	650,142	-	650,142
Financial Assets at Fair Value Through Other Comprehensive Income	8,617,330	23,166	10,881	8,651,377
Government Debt Securities	8,617,330	23,166	-	8,640,496
Other Fair Value Differences Financial Assets Reflected to Other Comprehensive Income	-	-	10,881	10,881
Financial Liabilities	-	3,343,179	-	3,343,179
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	2,344,441	-	2,344,441
Derivative Financial Liabilities for Hedging Purposes	-	998,738	-	998,738

There is no transition between levels in the current year.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (continued)

The table below shows the movement table of financial assets at Level 3:

	Current Period	Prior Period
Balance at the Beginning of the Period	58,651	48,833
Purchases	-	-
Redemption or Sale	-	-
Valuation Difference	14,374	9,818
Transfers	-	-
Balance at the End of the Period	73,025	58,651

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 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 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 Risk Committee and 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,

- Identify the main risks to which bank is exposed and identified risks are within the controlled range,
- 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,
- 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

1. Risk management approach and Risk Weighted Amounts (continued)

1.1. Bank's risk management approach (continued)

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 Risk Committee and Audit Committee.

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)	102,173,138	74,646,643	8,173,851
2	Of which Standardized Approach (SA)	102,173,138	74,646,643	8,173,851
3	Of which Internal Rating-Based (IRB) Approach	-	-	-
4	Counterparty Credit risk	2,882,445	2,116,406	230,596
5	Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	2,882,445	2,116,406	230,596
6	Of which Internal Model Method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity Investment in Funds - Look-Through Approach	-	-	-
9	Equity Investment in Funds - Mandate-Based Approach	-	-	-
10	Equity Investment in Funds - 1250% Weighted Risk Approach	-	-	-
11	Settlement Risk	-	-	-
12	Securitization Positions in banking accounts	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	3,002,158	2,451,650	240,173
17	Of which Standardized approach (SA)	3,002,158	2,451,650	240,173
18	Of which Internal model approaches (IMM)	-	-	-
19	Operational Risk	10,508,918	9,547,537	840,713
20	Of which Basic Indicator Approach	10,508,918	9,547,537	840,713
21	Of which Standard Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts Below the Thresholds for Deduction (Subject to a 250% Risk Weight)	-	-	-
24	Floor Adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	118,566,659	88,762,236	9,485,333

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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	Valued amount of items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
	Amount valued in accordance with TAS within the scope of legal consolidation ^(*)	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework	
Assets					
Cash Values and Central Bank	35,791,295	35,791,295	-	-	-
Banks	11,580,339	11,581,986	-	-	-
Receivables from Money Markets	-	-	-	-	-
Financial Assets at Fair Value through Profit Loss	2,793,787	302,359	-	2,491,428	-
Financial Assets at Fair Value Through Other Comprehensive Income	7,175,084	7,176,752	-	-	-
Financial Assets Measured by Amortized Cost	19,551,700	19,551,700	-	-	-
Part of Derivative Financial Assets at Fair Value Through Profit Loss	6,331,976	-	6,331,976	6,331,976	-
The Fair Value Differences of Derivative Financial Assets Reflected to Other Comprehensive Income	1,802,469	-	1,802,469	1,802,469	-
Frozen Financial Assets	-	-	-	-	-
Expected Loss Reserves (-)	4,074,101	2,259,372	-	-	-
Credits	107,822,996	107,822,996	-	-	-
Factoring Receivables	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	65,933	65,933	-	-	-
Affiliates (Net)	-	-	-	-	-
Subsidiaries (Net)	116,036	116,036	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-
Property, Plant and Equipment (Net)	915,504	879,821	-	-	35,683
Intangible Assets (Net)	601,609	-	-	-	601,609
Investment Properties (Net)	-	-	-	-	-
Current Tax Asset	133,380	133,380	-	-	-
Deferred Tax Asset	133,323	133,323	-	-	-
Other Assets ^(*)	3,315,687	3,037,998	277,689	-	-
Total assets	194,057,022	184,334,212	8,412,134	10,625,873	637,292
Liabilities					
Deposit	131,839,249	-	-	-	-
Loans received	15,597,765	-	-	-	-
Debts to money markets	8,841,709	-	8,841,709	-	-
Issued securities	1,194,525	-	-	-	-
Financial Liabilities with Fair Value Differences Reflected to Profit Loss	-	-	-	-	-
Derivative Financial Liabilities	4,489,788	-	2,065,014	-	-
Factoring Obligations	-	-	-	-	-
Lease Liabilities	564,489	-	-	-	-
Provisions	1,224,768	-	-	-	-
Current Tax Liability	240,411	-	-	-	-
Deferred Tax Liability	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-
Subordinated loans	7,239,036	-	-	-	-
Other Liabilities	9,207,463	-	1,700,528	-	-
Equity	13,617,819	-	-	-	-
Total liabilities	194,057,022	-	12,607,251	-	-

^(*) Refers to the Bank's unconsolidated financial statement.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

2. Linkages Between Financial Statements and Regulatory Exposures (continued)

2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (continued)

Prior Period	Valued amount of items in accordance with TAS				
	Amount valued in accordance with TAS within the scope of legal 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
Assets					
Cash Values and Central Bank	16,951,303	16,951,303	-	-	-
Banks	6,523,419	6,526,154	-	-	-
Receivables from Money Markets	6,180,886	2,501,076	3,679,810	-	-
Financial Assets at Fair Value through Profit Loss	1,630,891	183,074	-	1,447,817	-
Financial Assets at Fair Value Through Other Comprehensive Income	8,651,377	8,653,347	-	-	-
Financial Assets Measured by Amortized Cost	12,522,941	12,522,941	-	-	-
Part of Derivative Financial Assets at Fair Value Through Profit Loss	1,752,609	-	1,752,609	1,752,609	-
The Fair Value Differences of Derivative Financial Assets Reflected to Other Comprehensive Income	1,097,518	-	1,097,518	1,097,518	-
Frozen Financial Assets	-	-	-	-	-
Expected Loss Reserves (-)	4,065,000	2,294,073	-	-	-
Credits ^(*)	82,932,090	82,932,090	-	-	-
Factoring Receivables	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	112,859	112,859	-	-	-
Affiliates (Net)	-	-	-	-	-
Subsidiaries (Net)	116,036	116,036	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-
Property, Plant and Equipment (Net)	836,192	798,168	-	-	38,025
Intangible Assets (Net)	564,803	-	-	-	564,803
Investment Properties (Net)	-	-	-	-	-
Current Tax Asset	19,678	19,678	-	-	-
Deferred Tax Asset	632,912	632,912	-	-	-
Other Assets ^(*)	3,587,523	2,119,306	1,468,216	-	-
Total assets	140,048,042	131,774,876	7,998,153	4,297,944	602,828
Liabilities					
Deposit	93,773,478	-	-	-	-
Loans received	9,747,606	-	-	-	-
Debts to money markets	6,548,253	-	6,548,253	-	-
Issued securities	4,810,637	-	-	-	-
Financial Liabilities with Fair Value Differences Reflected to Profit Loss	-	-	-	-	-
Derivative Financial Liabilities	3,343,179	-	1,604,879	-	-
Factoring Obligations	-	-	-	-	-
Lease Liabilities	598,957	-	-	-	-
Provisions	973,049	-	-	-	-
Current Tax Liability	321,406	-	-	-	-
Deferred Tax Liability	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-
Subordinated loans	4,194,951	-	-	-	-
Other Liabilities	4,326,675	-	2,462	-	-
Equity	11,409,851	-	-	-	-
Total liabilities	140,048,042	-	8,155,594	-	-

^(*) Refers to the Bank's unconsolidated financial statements.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

2. Linkages Between Financial Statements and Regulatory Exposures (continued)

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	194,057,022	184,334,212	8,412,134	10,625,873
2 Liabilities carrying value amount under regulatory scope of consolidation	12,607,251	-	12,607,251	-
3 Total net amount under regulatory scope of consolidation	181,449,771	184,334,212	(4,195,117)	10,625,873
4 Off-balance sheet amounts	75,923,377	26,462,490	1,112,202	-
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	257,373,148	210,796,702	(3,082,915)	10,625,873

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	140,048,042	131,774,876	7,998,154	4,297,944
2 Liabilities carrying value amount under regulatory scope of consolidation	8,155,593	-	8,155,595	-
3 Total net amount under regulatory scope of consolidation	131,892,449	131,774,876	(157,441)	4,297,944
4 Off-balance sheet amounts	48,120,392	18,120,887	678,183	-
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	180,012,841	149,895,763	520,742	4,297,944

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 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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 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, Risk Committee 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, Risk 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, Risk 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/ depreciation/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
Loans	3,325,382	104,497,614	4,039,995	103,783,001
Debt Securities	-	26,713,534	4,399	26,709,135
Off-balance sheet exposures	-	72,032,389	345,560	71,686,829
Total	3,325,382	203,243,537	4,389,954	202,178,965

Prior Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/ depreciation/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
Loans	3,501,882	79,430,208	4,047,771	78,884,319
Debt Securities	-	21,163,437	2,818	21,160,619
Off-balance sheet exposures	-	44,266,962	311,330	43,955,632
Total	3,501,882	144,860,607	4,361,919	144,000,570

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

1	Defaulted loans and debt securities at end of the 31 December 2020	3,501,882
2	Loans and debt securities that have defaulted since the last reporting period	1,272,553
3	Returned to non-defaulted status	-
4	Amounts written off ^(*)	(392,947)
5	Other changes ^(**)	(1,056,106)
6.	Defaulted loans and debt securities at end of 31 December 2021 (1+2-3-4-5)	3,325,382

^(*) The Bank wrote off TL57,671 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL335,276 for which a provision of TL328,704 was provided, was sold in 2020 with a price of TL43,096 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

^(**) Includes collections during the period.

1	Defaulted loans and debt securities at end of the 31 December 2019	4,146,906
2	Loans and debt securities that have defaulted since the last reporting period	1,451,572
3	Returned to non-defaulted status	-
4	Amounts written off ^(*)	(521,965)
5	Other changes ^(**)	(1,574,631)
6.	Defaulted loans and debt securities at end of 31 December 2020 (1+2-3-4-5)	3,501,882

^(*) The Bank wrote off TL97,496 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL424,469 for which a provision of TL410,516 was provided, was sold in 2020 with a price of TL35,759 and after following 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 impaired 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 which are overdue for 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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	1,088,620	1.45	259,236	0.88
Farming and Stockbreeding	1,076,105	1.43	255,888	0.87
Forestry	-	-	-	-
Fishery	12,515	0.02	3,348	0.01
Manufacturing	22,605,119	30.09	19,130,113	65.15
Mining and Quarrying	1,347,357	1.79	826,110	2.81
Production	20,134,133	26.80	17,001,541	57.90
Electricity, Gas and Water	1,123,629	1.50	1,302,462	4.44
Construction	1,395,766	1.86	452,767	1.54
Services	17,935,715	23.87	8,627,042	29.38
Wholesale and Retail Trade	7,449,061	9.92	1,279,168	4.36
Accommodation and Dining	898,003	1.20	1,762,358	6.00
Transportation and Telecom.	2,776,789	3.70	1,192,698	4.06
Financial Institutions	3,078,844	4.10	2,389,845	8.14
Real Estate and Rental Services	1,830,712	2.44	1,729,265	5.89
Self-Employment Services	682,252	0.91	273,708	0.93
Educational Services	46,740	0.06	-	-
Health and Social Services	1,173,314	1.56	-	-
Other	32,107,044	42.73	896,192	3.05
Total	75,132,264	100.00	29,365,350	100.00

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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)

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	1,166,380	1.77	83,973	0.63
Farming and Stockbreeding	1,155,657	1.75	82,658	0.62
Forestry	-	-	-	-
Fishery	10,723	0.02	1,315	0.01
Manufacturing	21,970,858	33.26	7,246,892	54.22
Mining and Quarrying	1,649,778	2.50	138,227	1.03
Production	19,289,208	29.20	6,423,204	48.06
Electricity, Gas and Water	1,031,872	1.56	685,461	5.13
Construction	1,257,918	1.90	239,811	1.79
Services	16,487,504	24.96	5,755,707	43.07
Wholesale and Retail Trade	6,959,599	10.53	855,619	6.40
Accommodation and Dining	977,101	1.48	1,412,019	10.57
Transportation and Telecom.	2,499,255	3.78	455,512	3.41
Financial Institutions	2,011,618	3.05	2,017,699	15.10
Real Estate and Rental Services	1,956,891	2.96	871,639	6.52
Self-Employment Services	647,196	0.98	143,219	1.07
Educational Services	60,718	0.09	-	-
Health and Social Services	1,375,126	2.08	-	-
Other	25,182,513	38.11	38,652	0.29
Total	66,065,173	100.00%	13,365,035	100.00

Breakdown of loans and receivables according to remaining maturities is provided in the note VII. of section four under the "Presentation of assets and liabilities according to their remaining maturities".

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".

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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)

g) Ageing analysis of accounting past-due exposures

31 December 2021	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	107,880	146,438	365,250	619,568
Consumer Loans	724,640	271,266	356,435	1,352,341
Credit Cards	157,470	94,918	63,437	315,825
Total	989,990	512,622	785,122	2,287,734
31 December 2020 ^(*)	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	265,565	155,830	438,085	859,480
Consumer Loans	520,416	180,156	256,865	957,437
Credit Cards	77,892	77,145	56,408	211,445
Total	863,873	413,131	751,358	2,028,362

(*) According to the BRSA's decisions, dated 17 March 2020 and numbered 8948 and, dated 8 December 2020 and numbered 9312, to be effective from 17 March 2020 until 30 June 2021, total amount of loans with delays of 91 to 180 days which are continued to be classified as Stage 2 is TL 626,606 as of 31 December 2020.

h) Breakdown of restructured exposures between impaired and not impaired exposures

No impaired loans:

Current Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	1,643,640	721,330	922,310
Consumer Loans	171,148	14,821	156,327
Credit Cards	17,629	1,142	16,487
Total	1,832,417	737,293	1,095,124
Prior Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	1,585,123	621,022	964,101
Consumer Loans	154,605	32,183	122,422
Credit Cards	22,188	1,735	20,453
Total	1,761,916	654,940	1,106,976

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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)

Impaired loans:

Current Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	50,907	25,962	24,945
Consumer Loans	65,156	41,393	23,763
Credit Cards	12,712	9,707	3,005
Total	128,775	77,062	51,713
Prior Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	65,682	37,989	27,693
Consumer Loans	27,484	18,913	8,571
Credit Cards	5,953	4,519	1,434
Total	99,119	61,421	37,698

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.

The Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk concentration risk.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.2 Credit risk mitigation (continued)

3.2.2 Credit risk mitigation techniques - Overview

Current Period	Exposures unsecured: carrying amount in accordance with TAS	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 ^(*)	82,571,176	9,173,629	8,178,323	4,396,706	3,193,947	-	-
2 Debt securities ^(*)	22,654,571	-	-	-	-	-	-
3 Total	105,225,747	9,173,629	8,178,323	4,396,706	3,193,947	-	-
4 Of which defaulted ^(*)	3,118,326	25,138	16,168	53,540	101	-	-

^(*) With the BRSA decision dated 21 December 2021 and numbered 9996, the average of the Central Bank's buying rates of the last 252 working days has been used in credit risk calculations.

Prior Period	Exposures unsecured: carrying amount in accordance with TAS	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 ^(*)	62,123,854	9,340,977	8,438,686	5,746,115	4,549,485	-	-
2 Debt securities ^(*)	19,865,015	-	-	-	-	-	-
3 Total	81,988,869	9,340,977	8,438,686	5,746,115	4,549,485	-	-
4 Of which defaulted ^(*)	3,290,277	123,545	87,776	65,615	297	-	-

^(*) According to BRSA communiqué dated 23/03/2020 and numbered 24049440-045, 31/12/2019 exchange rates are used for credit risk calculations.

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

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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

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%

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

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	44,390,447	-	44,687,019	-	886,394	2%
2	Exposures to regional governments or local authorities	1,174,357	8,474	1,103,988	3,078	553,537	50%
3	Exposures to public sector entities	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage firms	10,904,211	3,780,085	10,235,313	2,215,643	3,564,014	29%
7	Exposures to corporates	37,246,347	22,963,054	35,482,638	12,234,059	46,132,367	97%
8	Retail exposures	45,139,642	22,387,583	43,973,871	4,281,706	42,471,916	88%
9	Exposures secured by residential property	4,086,174	297,344	4,086,174	107,587	1,467,816	35%
10	Exposures secured by commercial real estate	6,308,592	974,668	6,115,491	377,729	4,361,885	67%
11	Past-due loans	1,036,930	193,065	1,036,831	53,813	937,561	86%
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 Receivables	6,856,320	8,791,478	6,856,317	2,902	1,564,097	23%
17	Investments in equities	233,551	-	233,551	-	233,551	100%
18	Total	157,376,571	59,395,751	153,811,193	19,276,517	102,173,138	59%

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (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	35,081,966	-	37,168,942	-	460,144	1%
2 Exposures to regional governments or local authorities	1,196,851	3,910	1,195,676	1,851	598,768	50%
3 Exposures to public sector entities	-	-	-	-	-	-
4 Exposures to multilateral development Banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	7,131,564	2,113,171	7,016,925	1,689,485	2,364,609	27%
7 Exposures to corporates	30,929,793	17,725,095	29,078,801	9,418,754	37,816,140	98%
8 Retail exposures	32,868,189	15,383,637	30,423,707	2,836,385	24,942,728	75%
9 Exposures secured by residential Property	4,654,019	334,268	4,654,019	127,135	1,673,404	35%
10 Exposures secured by commercial real Estate	5,703,402	1,117,896	5,450,919	462,159	3,971,642	67%
11 Past-due loans	1,207,798	226,565	1,207,503	65,240	1,123,886	88%
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 Receivables	3,540,984	2,723,762	3,540,976	2,889	1,528,065	43%
17 Investments in equities	167,257	-	167,257	-	167,257	100%
18 Total	122,481,823	39,628,304	119,904,725	14,603,898	74,646,643	55%

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (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	50% secured by real estate ^(*)												Total credit risk exposure amount (after CCF and CRM)
	0%	10%	20%	25%	35%	75%	100%	150%	250%	Others			
1 Exposures to regional governments or local authorities	43,800,625	-	-	-	-	-	886,394	-	-	-	-	-	44,687,019
2 Exposures to regional governments or local authorities	-	-	-	-	-	1,107,058	8	-	-	-	-	-	1,107,066
3 Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to banks and financial intermediaries	-	-	8,932,935	-	-	3,481,957	35,297	767	-	-	-	-	12,450,956
7 Exposures to corporates	-	-	586,701	-	-	2,229,939	44,900,057	-	-	-	-	-	47,716,697
8 Retail exposures	-	-	487	-	-	33,863	38,823,247	1,519,036	7,878,944	-	-	-	48,255,577
9 Exposures secured by residential property	-	-	-	-	4,193,761	-	-	-	-	-	-	-	4,193,761
10 Exposures secured by commercial real estate	-	-	-	-	-	4,262,668	2,230,552	-	-	-	-	-	6,493,220
11 Past-due loans	-	-	-	-	-	418,050	560,711	111,883	-	-	-	-	1,090,644
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	-	-	-	-	-	-	233,551	-	-	-	-	-	233,551
17 Other Receivables	5,263,210	-	39,890	-	-	-	1,556,119	-	-	-	-	-	6,859,219
18 Total	49,063,835	-	9,560,013	-	4,193,761	11,533,535	38,823,247	51,921,725	7,991,594	-	-	-	173,087,710

(*) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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	36,708,798	-	-	-	-	-	460,144	-	-	-	37,168,942
2	Exposures to regional governments or local authorities	-	-	-	-	1,197,519	-	8	-	-	-	1,197,527
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	6,679,841	-	1,995,853	-	30,715	1	-	-	8,706,410
7	Exposures to corporates	-	-	127,443	-	1,158,920	-	37,211,192	-	-	-	38,497,555
8	Retail exposures	-	-	1,125	-	6,904	33,252,063	-	-	-	-	33,260,092
9	Exposures secured by residential property	-	-	-	4,781,154	-	-	-	-	-	-	4,781,154
10	Exposures secured by commercial real estate	-	-	-	-	3,882,873	-	2,030,205	-	-	-	5,913,078
11	Past-due loans	-	-	-	-	408,750	-	752,955	111,038	-	-	1,272,743
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	-	-	-	-	-	-	167,257	-	-	-	167,257
17	Other Receivables	1,969,069	-	58,413	-	-	-	1,516,383	-	-	-	3,543,865
18	Total	38,677,867	-	6,866,822	4,781,154	8,650,819	33,252,063	42,168,859	111,039	-	-	134,508,623

(*) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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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, VM 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to 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 EAD	EAD post CRM	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	3,523,661	839,905		1.4	4,357,589	1,571,129
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					1,087,752	454,032
Total						2,025,161

(*) Effective Expected Positive Exposure

Prior Period	Risk Weighted Amounts	Replacement Cost	Potential future exposure	EEPE ^(*)	Alpha used for computing regulatory EAD	EAD post CRM
Standardized Approach - CCR (For Derivatives)	1,229,934	1,452,674	498,722		1.4	1,923,504
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	420,982					1,047,632
Total	1,650,916					

(*) Effective Expected Positive Exposure

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.3 Credit valuation adjustment (CVA) capital charge

Current Period	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
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	4,357,589	857,284
Total subject to the CVA capital charge	4,357,589	857,284

Prior Period	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
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	1,923,504	465,490
Total subject to the CVA capital charge	1,923,504	465,490

4.4. Counterparty credit risk by risk classes and risk weights

Current Period										Total credit exposure (*)
Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Others		
Claims from central governments and central banks	2,485,616	-	-	-	-	-	-	-	-	2,485,616
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	-	-	142,519	1,467,226	-	-	-	-	-	1,609,745
Corporates	-	-	12,010	128,680	-	1,158,672	-	-	-	1,299,362
Retail receivables	-	-	599	18	50,001	-	-	-	-	50,618
Other assets (**)	-	-	-	-	-	-	-	-	-	-
Total	2,485,616	-	155,128	1,595,924	50,001	1,158,672	-	-	-	5,445,341

(*) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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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)

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	529,441	-	-	-	-	-	-	-	-	529,441
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	-	-	254,344	-	1,137,118	-	-	-	-	1,391,462
Corporates	-	-	6,360	-	17,753	-	1,006,996	-	-	1,031,109
Retail portfolios	-	-	-	-	-	19,124	-	-	-	19,124
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 ^(**)	-	-	-	-	-	-	-	-	-	-
Total	529,441	-	260,704	-	1,154,871	19,124	1,006,996	-	-	2,971,136

^(*) 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.5. Composition of collateral for CCR exposure

Current Period	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		
Cash - domestic currency	-	603	-	-	-	-
Cash - other currencies	-	4,823	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	551	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	5,977	-	-	-	-

Prior Period	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of posted collateral	Fair value of collateral received
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	1,220	-	-	-	-
Cash - other currencies	-	3,711	-	-	-	-
Domestic sovereign debt	-	1,055	-	-	-	-
Other sovereign debt	-	21,906	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	27,892	-	-	-	-

4.6. Credit derivatives exposures

None.

4.7. Exposures to central counterparties

None.

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 are presented in this note.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

6. Market Risk Disclosures (continued)

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 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 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. Both historical and hypothetical scenario analyzes are performed.

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 Risk Policies Committee, Risk Committee and to The Board of Directors.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

6. Market Risk Disclosures (continued)

6.2. Standardized Approach

Current Period	Risk Weighted Amounts
Outright products	
1 Interest rate risk (general and specific)	1,377,017
2 Equity risk (general and specific)	-
3 Foreign exchange risk	538,925
4 Commodity risk	945,141
Options	
5 Simplified approach	-
6 Delta-plus method	141,075
7 Scenario approach	-
8 Securitization	-
9 Total	3,002,158
Prior Period	Risk Weighted Amounts
Outright products	
1 Interest rate risk (general and specific)	1,561,156
2 Equity risk (general and specific)	-
3 Foreign exchange risk	248,933
4 Commodity risk	588,523
Options	
5 Simplified approach	-
6 Delta-plus method	53,038
7 Scenario approach	-
8 Securitization	-
9 Total	2,451,650

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:

	31.12.2018	31.12.2019	31.12.2020	Total/Number of positive gross income years	Rate (%)	Total
Gross income	5,159,211	5,982,919	5,672,140	5,604,757	15	840,713
Operational Risk Capital Requirement (Total*12,5)						10,508,918
	31.12.2017	31.12.2018	31.12.2019	Total/Number of positive gross income years	Rate (%)	Total
Gross income	4,133,929	5,159,211	5,982,919	5,092,020	15	763,803
Operational Risk Capital Requirement (Total*12,5)						9,547,537

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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Risk Management (continued)

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.

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 Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	480,825	6,992,493	382,963	1,948,389
Balances with the Central Bank of Turkey	5,237,670	22,851,875	3,048,958	11,382,722
Other	-	228,432	-	188,271
Total	5,718,495	30,072,800	3,431,921	13,519,382

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	5,130,440	-	2,979,546	-
Unrestricted Time Deposit	-	7,072,426	-	4,626,036
Restricted Time Deposit	107,230	15,779,449	69,412	6,756,686
Total	5,237,670	22,851,875	3,048,958	11,382,722

The FC unrestricted amount is TL 7,072,426 (31 December 2020: TL 4,626,036), the FC restricted amount is TL 15,779,449 (31 December 2020: TL 6,756,686), the TL unrestricted amount is TL 5,130,440 (31 December 2020: TL 2,979,546), the FC restricted amount is TL 107,230 (31 December 2020: TL 69,412).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

a.1) Information on financial assets at fair value through profit or loss given as collateral or blocked: None (31 December 2020: None).

a.2) Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2020: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 2,491,428 (31 December 2020: TL 1,447,816).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	1,942,260	549,168	463,550	984,266
Securities Representing Share in Capital	59,387	135,326	47,539	75,378
Other Financial Assets	-	107,646	-	60,158
Total	2,001,647	792,140	511,089	1,119,802

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	739,292	23,542	392,758	56,660
Swap Transactions	5,160,990	258,119	1,091,529	165,479
Futures Transactions	-	-	-	-
Options	106,295	43,738	36,244	9,939
Other	-	-	-	-
Total	6,006,577	325,399	1,520,531	232,078

4. Information on banks:

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1,531,570	1,248,381	1,851,274	801,236
Foreign	86,455	8,713,933	56,939	5,146,707
Foreign Head Offices and Branches	-	-	-	-
Total	1,618,025	9,962,314	1,908,213	5,947,943

An expected loss provision of TL 23,547 (31 December 2020: TL 10,656) has been set aside for receivables from banks.

b) Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	1,640,507	2,970,430	380,464	-
USA, Canada	3,192,869	1,518,644	-	-
OECD Countries (*)	2,332,760	135,873	-	-
Off-Shore Banking Regions	16	10	-	-
Other	1,096,610	578,689	157,162	-
Total	8,262,762	5,203,646	537,626	-

(*) OECD countries other than EU countries, USA and Canada.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	1,448,659	1,739,641	876,626	272,329
Other	-	-	-	-
Total	1,448,659	1,739,641	876,626	272,329

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	1,045,152	1,658,916	869,642	2,567,087
Treasury Bills	-	-	-	-
Other Government Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,045,152	1,658,916	869,642	2,567,087

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 1,282,716 (31 December 2020: TL 4,065,693).

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

	Current Period	Prior Period
Debt Securities	7,161,834	8,640,496
Quoted at Stock Exchange	7,122,573	8,617,330
Unquoted at Stock Exchange	39,261	23,166
Equity Securities	13,250	10,881
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	13,250	10,881
Impairment Provision (-)	-	-
Total	7,175,084	8,651,377

An expected loss provision of TL 1,668 (31 December 2020: TL 1,969) has been reserved for financial assets at fair value through other comprehensive income.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Explanations and Disclosures Related to 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	-	389,230	-	438,193
Corporate Shareholders	-	389,230	-	438,193
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	116,057	-	153,482	-
Total	116,057	389,230	153,482	438,193

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:

Current Period:

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Explanations and Disclosures Informations on loans: (continued)

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:
(continued)

Prior Period:

Cash Loans	Standard Loans	Not Under the Scope of Restructuring	Loans under Close Monitoring	
			Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
Non-specialized Loans	71,477,863	6,190,429	92,352	1,669,564
Working Capital Loans	5,389,404	835,979	54,422	796,995
Export Loans	9,300,529	62,917	-	89,456
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,655,503	-	-	-
Consumer Loans	16,922,139	2,915,680	3,912	150,693
Credit Cards	4,540,033	655,741	22,188	-
Other	32,670,255	1,720,112	11,830	632,420
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	71,477,863	6,190,429	92,352	1,669,564

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	428,726	-	393,446	-
Significant increase in Credit Risk	-	1,351,897	-	1,360,252
Total	428,726	1,351,897	393,446	1,360,252

c) Distribution of cash loans by maturity structure:

	Loans under Close Monitoring		
	Standard Loans	Not under the Scope of Restructuring	Restructured
Short Term Loans	49,217,439	2,130,065	57,948
Medium- and Long-Term Loans	45,596,236	5,721,457	1,774,469
Total	94,813,675	7,851,522	1,832,417

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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:

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

(*) Overdraft accounts include personnel loans amounting to TL4,832.

(**) Loans granted via branches abroad.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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: (continued)

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	450,376	18,715,717	19,166,093
Housing Loans	663	4,502,862	4,503,525
Vehicle Loans	6,877	451,829	458,706
General Purpose Loans	442,836	13,761,026	14,203,862
Other	-	-	-
Consumer Loans -Indexed to FC	-	15,510	15,510
Housing Loans	-	15,510	15,510
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC ^(*)	-	19,914	19,914
Housing Loans	-	5,349	5,349
Vehicle Loans	-	1,909	1,909
General Purpose Loans	-	12,656	12,656
Other	-	-	-
Individual Credit Cards-TL	3,497,240	21,003	3,518,243
With Instalments	1,160,176	21,003	1,181,179
Without Instalments	2,337,064	-	2,337,064
Individual Credit Cards-FC	4,898	-	4,898
With Instalments	-	-	-
Without Instalments	4,898	-	4,898
Personnel Loans-TL	10,001	107,618	117,619
Housing Loans	-	356	356
Vehicle Loans	-	-	-
General Purpose Loans	10,001	107,262	117,263
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	32,257	52	32,309
With Instalments	9,979	52	10,031
Without Instalments	22,278	-	22,278
Personnel Credit Cards-FC	32	-	32
With Instalments	-	-	-
Without Instalments	32	-	32
Overdraft Accounts-TL (Real Persons) ^(*)	673,283	-	673,283
Overdraft Accounts-FC (Real Persons)	5	-	5
Total	4,668,092	18,879,814	23,547,906

^(*) Overdraft accounts include personnel loans amounting to TL3,522.^(**) Loans granted via branches abroad.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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:

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

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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: (continued)

Prior Period	Short Term	Medium and Long Term	Total
Commercial loans with instalment - TL	2,173,068	8,946,399	11,119,467
Business Loans	257	163,797	164,054
Vehicle Loans	61,037	1,257,926	1,318,963
General Purpose Loans	2,111,774	7,524,676	9,636,450
Other	-	-	-
Commercial loans with instalment - Indexed to FC	-	148,076	148,076
Business Loans	-	6,192	6,192
Vehicle Loans	-	23,201	23,201
General Purpose Loans	-	118,683	118,683
Other	-	-	-
Commercial loans with instalment - FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	1,660,003	917	1,660,920
With Instalments	601,673	917	602,590
Without Instalments	1,058,330	-	1,058,330
Corporate Credit Cards-FC	1,560	-	1,560
With Instalments	-	-	-
Without Instalments	1,560	-	1,560
Overdraft Accounts-TL (Legal Entities)	741,420	-	741,420
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	4,576,051	9,095,392	13,671,443

f) Distribution of loans by users:

	Current Period	Prior Period
Public	1,974,740	2,048,390
Private	102,522,874	77,381,818
Total	104,497,614	79,430,208

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Information on loans: (continued)

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	103,816,710	78,937,391
Foreign Loans	680,904	492,817
Total	104,497,614	79,430,208

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Given to Subsidiaries and Associates	366,942	345,966
Indirect Loans Given to Subsidiaries and Associates	-	-
Total	366,942	345,966

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

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	275,137	104,606
Loans and Receivables with Doubtful Collectability	250,384	198,193
Uncollectible Loans and Receivables	1,733,851	1,991,274
Total	2,259,372	2,294,073

j) Information on non-performing loan under follow-up (Net):

j.1) Information on loans and other receivables included in loans under follow-up which are restructured or rescheduled:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
Current Period			
Gross Amounts before Provisions	72,529	14,239	42,007
Restructured Loans	72,529	14,239	42,007
Prior Period			
Gross Amounts before Provisions	22,018	24,809	52,292
Restructured Loans	22,018	24,809	52,292

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Information on loans (continued):

j.2) Movement of non-performing loan under follow-up:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
Prior period end balance	168,152	313,729	3,020,001
Additions (+)	1,120,768	21,379	130,406
Transfers from other Categories of Loans under Follow-up (+)	-	734,335	546,402
Transfers to other Categories of Loans under Follow-up (-)	734,335	546,402	-
Collections (-)	170,615	149,952	777,200
Write-Offs (-)	-	-	57,671
Sold Portfolio (-) (*)	66	792	334,418
Corporate and Commercial Loans	21	716	123,404
Retail Loans	-	10	141,370
Credit Cards	45	66	69,644
Other	-	-	-
Other	64,589	18,373	(41,301)
Current Period End Balance	448,493	390,670	2,486,219
Provision (-)	275,137	250,384	1,733,851
Net Balance on Balance Sheet	173,356	140,286	752,368

(*) Past due receivables amounting to TL 335,276 for which TL 328,704 of provision had been allocated, is sold for TL 43,096 during 2021. 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:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
31 December 2021			
Current Period End Balance	90,621	19,011	181,764
Provision (-)	77,359	12,802	131,304
Net Balance on Balance Sheet	13,262	6,209	50,460
31 December 2020			
Prior Period End Balance	13,274	82,483	206,622
Provision (-)	7,729	57,368	158,053
Net Balance on Balance Sheet	5,545	25,115	48,569

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Information on loans (continued):

j) Information on loans under follow-up (Net) (continued):

j.4) Information regarding gross and net amounts of loans under follow-up with respect to user groups:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	448,493	390,670	2,486,219
Provision (-)	275,137	250,384	1,733,851
Loans to Real Persons and Legal Entities (Net)	173,356	140,286	752,368
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	168,152	313,729	3,020,001
Provision (-)	104,606	198,193	1,991,274
Loans to Real Persons and Legal Entities (Net)	63,546	115,536	1,028,727
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net)	1,434	3,340	34,109
Interest Accruals, Discounts and Valuation Differences	45,534	52,087	573,512
Provision (-)	44,100	48,747	539,403
Prior Period (Net)	1,649	2,775	46,489
Interest Accruals, Discounts and Valuation Differences	20,070	39,689	637,348
Provision (-)	18,421	36,914	590,859

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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:

Loans that will be subject to write-off are applied for loans that are classified as 5 Group - Loans classified as Bad Debt and provided with life-long expected credit loss provision due to the debtor's default and there is no reasonable expectation of their recovery within the scope of TFRS 9 standard 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 criteria's. And the following write-off criteria's 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.

The Bank makes an objective and subjective evaluation while determining whether there is a reasonable expectation. Loans above the threshold amount determined in the Special Loan Provisions Implementation Instruction can be evaluated within the scope of the regulation and written off, regardless of portfolio.

For all portfolios below the threshold amount; All of the loans that meet the following conditions are considered by the Bank as having completely lost their ability to collect, and in this context, they can be written off based on the positive opinion of the relevant units.

- Monitored as non-performing loans for at least 2 years,
- No collection has been made in the last 3 months,
- The absence of a qualified guarantee,
- The income to be obtained from the enforcement/bankruptcy process is very low,
- If there is evidence that the entire receivable cannot be repaid, the portion of the receivable that is deemed unpaid is deducted from the record.

In addition, the Bank part conducts an individual file assessment to determine the collection capability of the relevant receivable for write-off. In this context, the possible collection amount is determined and partial write-off is applied to the part that is deemed not to be paid.

The following practices for the loans bank monitors, although the loans have ben written-off by the Bank, 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 TL57,671 (31 December 2020: TL97,496) and its effect on NPL ratio is 0.06% (31 December 2020: 0.12%). The follow-up conversion rate, after deductions, is 3.08% (31 December 2020 4.22%) in the current period frozen loan figures, while the calculated rate including the loans deducted during the year is 3.14% (31 December 2020: 4.34%).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Information on loans: (continued)

m) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	68,148,112	19,586,048	7,079,515	94,813,675
Loans under Close Monitoring	4,206,564	4,389,801	1,087,574	9,683,939
Loans Under Follow-Up	1,274,995	1,808,745	241,642	3,325,382
Total	73,629,671	25,784,594	8,408,731	107,822,996
12 Month Expected Credit Loss (Stage I) (-)	203,624	160,661	64,441	428,726
Significant Increase in Credit Risk (Stage II) (-)	1,091,318	209,746	50,833	1,351,897
Default (Stage III) (-)	849,940	1,221,062	188,370	2,259,372
Total	2,144,882	1,591,469	303,644	4,039,995
Net Credit Balance on the Balance Sheet	71,484,789	24,193,125	8,105,087	103,783,001

Prior Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	50,015,691	16,922,139	4,540,033	71,477,863
Loans under Close Monitoring	4,204,131	3,070,285	677,929	7,952,345
Loans Under Follow-Up	3,096,177	315,522	90,183	3,501,882
Total	57,315,999	20,307,946	5,308,145	82,932,090
12 Month Expected Loss Reserves (Stage I) (-)	176,623	162,525	54,298	393,446
Significant Increase in Credit Risk (Stage II) (-)	1,033,284	263,142	63,826	1,360,252
Default (Stage III) (-)	1,996,399	228,731	68,943	2,294,073
Total	3,206,306	654,398	187,067	4,047,771
Net Credit Balance on the Balance Sheet	54,109,693	19,653,548	5,121,078	78,884,319

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the 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 2020	176,623	1,033,284	1,996,399	3,206,306
Transfers;				
- Stage 1 to Stage 2	(6,296)	17,266	-	10,970
- Stage 1 to Stage 3	(775)	-	24,630	23,855
- Stage 2 to Stage 3	-	(88,038)	90,252	2,214
- Stage 2 to Stage 1	3,960	(20,577)	-	(16,617)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	104,257	211,577	(874,935)	(559,101)
Collections	(101,505)	(326,605)	(239,832)	(667,942)
Sold Portfolio	-	-	(112,757)	(112,757)
Write-off	-	-	(55,520)	(55,520)
Currency differences	27,360	264,411	21,703	313,474
Total expected credit losses - 31 December 2021	203,624	1,091,318	849,940	2,144,882

Prior Period

Commercial	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non- performing loans (Stage 3)	Total
31 December 2019	192,135	686,025	2,009,282	2,887,442
Transfers;				
- Stage 1 to Stage 2	(8,724)	49,433	-	40,709
- Stage 1 to Stage 3	(1,029)	-	34,371	33,342
- Stage 2 to Stage 3	-	(70,704)	259,761	189,057
- Stage 2 to Stage 1	2,529	(19,907)	-	(17,378)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	87,699	574,689	141,749	804,137
Collections	(110,444)	(285,376)	(189,132)	(584,952)
Sold Portfolio	-	-	(163,411)	(163,411)
Write-offs	-	-	(96,221)	(96,221)
Currency differences	14,457	99,124	-	113,581
Total expected credit losses - 31 December 2020	176,623	1,033,284	1,996,399	3,206,306

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the 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 2020	162,525	263,142	228,731	654,398
Transfers;				
- Stage 1 to Stage 2	(11,426)	52,675	-	41,249
- Stage 1 to Stage 3	(2,574)	-	71,107	68,533
- Stage 2 to Stage 3	-	(58,101)	114,361	56,260
- Stage 2 to Stage 1	4,100	(35,657)	-	(31,557)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	39,799	59,480	951,475	1,050,754
Collections	(31,763)	(71,793)	(23,338)	(126,894)
Sold Portfolio	-	-	(119,123)	(119,123)
Write-offs	-	-	(2,151)	(2,151)
Currency differences	-	-	-	-
Total expected credit losses - 31 December 2021	160,661	209,746	1,221,062	1,591,469

Prior Period

Consumer	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non- performing loans (Stage 3)	Total
31 December 2019	144,831	161,159	250,895	556,885
Transfers;				
- Stage 1 to Stage 2	(9,009)	69,594	-	60,585
- Stage 1 to Stage 3	(1,226)	-	27,155	25,929
- Stage 2 to Stage 3	-	(16,472)	65,561	49,089
- Stage 2 to Stage 1	4,209	(30,446)	-	(26,237)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	72,237	122,632	29,704	224,573
Collections	(48,517)	(43,325)	(18,399)	(110,241)
Sold Portfolio	-	-	(124,910)	(124,910)
Write-offs	-	-	(1,275)	(1,275)
Currency differences	-	-	-	-
Total expected credit losses - 31 December 2020	162,525	263,142	228,731	654,398

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the 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 2020	54,298	63,826	68,943	187,067
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(5,019)	26,181	-	21,162
- Stage 1 to Stage 3	(1,490)	-	41,681	40,191
- Stage 2 to Stage 3	-	(19,857)	44,873	25,016
- Stage 2 to Stage 1	6,064	(18,256)	-	(12,192)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	15,726	12,638	92,696	121,060
Collections	(5,138)	(13,699)	-	(18,837)
Sold Portfolio	-	-	(59,823)	(59,823)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total expected credit losses - 31 December 2021	64,441	50,833	188,370	303,644

Prior Period

Credit Cards	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non- performing loans (Stage 3)	Total
31 December 2019	57,228	46,969	92,368	196,565
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(5,373)	35,955	-	30,582
- Stage 1 to Stage 3	(1,144)	-	22,014	20,870
- Stage 2 to Stage 3	-	(5,174)	32,122	26,948
- Stage 2 to Stage 1	6,441	(16,903)	-	(10,462)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	4,183	14,254	22,475	40,912
Collections	(7,037)	(11,275)	-	(18,312)
Sold Portfolio	-	-	(100,036)	(100,036)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total expected credit losses - 31 December 2020	54,298	63,826	68,943	187,067

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

6. Information on loans: (continued)

m) Other explanations and disclosures (continued)

The fair value of collaterals of non-performing loans, capped with the respective outstanding loan balance as of 31 December 2021 is TL 1,453,443 (31 December 2020: TL 1,902,570).

The fair value of the collateral of non-performing loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	1,080,929	1,459,066
Vehicle	129,617	118,677
Cash	440	878
Other (*)	242,457	323,949
Total	1,453,443	1,902,570

(*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 242,457 (31 December 2020: TL 323,949).

As of 31 December 2021, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring is TL 3,742,470 (31 December 2020: TL 3,911,887).

Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	3,171,659	3,263,239
Vehicle	328,721	282,443
Cash, Government Bonds	207,134	230,542
Other	34,956	135,663
Total	3,742,470	3,911,887

As of 31 December 2021 and 31 December 2020, the details of the commodities and real estates that the bank has acquired for disposal of credit receivables are as follows:

31 December 2021	Commercial	Consumer	Total
Residential, commercial or industrial properties	64,440	1,493	65,933
Other	-	-	-
Total	64,440	1,493	65,933
31 December 2020	Commercial	Consumer	Total
Residential, commercial or industrial properties	108,709	4,150	112,859
Other	-	-	-
Total	108,709	4,150	112,859

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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	2,592,783	5,020,254	2,971,137	1,153,219
Total	2,592,783	5,020,254	2,971,137	1,153,219

a.2) Information on held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	3,025,653	2,970,779	6,698,645	1,171,868
Other	-	-	-	-
Total	3,025,653	2,970,779	6,698,645	1,171,868

Financial assets valued over their amortized cost classified as free warehouse TL 5,942,231 (31 December 2020: TL 528,072).

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

	Current Period	Prior Period
Government Bonds	19,551,700	12,522,941
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	19,551,700	12,522,941

a.4) Information government debt securities measured at amortized cost:

	Current Period	Prior Period
Debt securities	19,551,700	12,522,941
Quoted on a Stock Exchange	19,551,700	12,522,941
Unquoted	-	-
Impairment Provision (-)	-	-
Total	19,551,700	12,522,941

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

	Current Period	Prior Period
Beginning Balance	12,522,941	4,906,618
Foreign Currency Differences on Monetary Assets	841,915	377,092
Purchases During the Year ^(*)	8,203,718	8,062,415
Disposals Through Sales and Redemptions	(2,016,874)	(823,184)
Impairment Provision (-)	-	-
Closing Balance	19,551,700	12,522,941

^(*) Includes rediscount amounts.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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 2020: None).
- a.2) Explanations on the unconsolidated associates: None (31 December 2020: None).
- a.3) Information of consolidated associates: None (31 December 2020: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2020: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2020: None).

9. Information on subsidiaries (Net):

- a) Information on shareholders' equity of significant subsidiaries:

Subsidiaries do not use internal capital adequacy assessment approach.

	TEB Faktoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.
Paid-in Capital to be Entitled for Compensation after All Creditors	50,000	28,794	6,860
Reserves	128,429	45,723	6,186
Net income for the period and prior period income	65,359	209,315	27,437
Income/Loss recognized under equity in accordance with TAS	-	-	(233)
Leasehold Improvements on Operational Leases (-)	131	226	1,210
Goodwill and intangible asset and the related deferred tax liability (-)	3,562	5,428	653
Total Common Equity Tier 1 Capital	240,095	278,178	38,387
Provision	5,639	-	-
Total Equity	245,734	278,178	38,387

- 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 2020: None).

- c) Information on the unconsolidated subsidiaries: None (31 December 2020: None).

- d) Information on the consolidated subsidiaries:

- d.1) Information on the consolidated subsidiaries:

Title	Address (City/Country)	The Bank's share percentage-If different voting percentage (%)	Other shareholders' share percentage (%)
1 TEB Faktoring A.Ş.	İstanbul/Turkey	100.00	-
2 TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	96.62	3.38
3 TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	25.60	29.14

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss ^(*)	Fair Value
1	4,761,834	243,788	6,371	432,969	-	54,321	29,417	-
2	734,110	283,832	6,895	90,635	-	105,250	78,931	-
3	56,836	40,250	5,686	6,577	90	18,042	13,590	-

(*) These figures are shown per BRSA financial statements as of 31 December 2020.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	115,986	115,986
Movements during the period	-	-
Purchases	-	-
Bonus shares obtained	-	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
Balance At The End Of The Period	115,986	115,986
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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

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

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2020: None).

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

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

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

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

Entities under common control (joint ventures)	Share of the 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	160,638	70,595	28,577	285,191	(243,408)

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated the Parent 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 2020: None).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	416,239	31,137
Cash Flow Hedge	1,796,596	5,873	650,142	-
Foreign Net Investment Hedge	-	-	-	-
Total	1,796,596	5,873	1,066,381	31,137

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 60,244 (31 December 2020: TL 18,266) is recorded under equity as of 31 December 2021 and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

13. Information on tangible assets:

	31 December 2020	Purchases	Sales	Other	31 December 2021
Cost:					
Real estate	109,437	192	-	8,311	117,940
Right of Use	1,009,226	226,348	(232,081)	-	1,003,493
Furniture, Furnishings, Office Machines and Other Securities	989,434	226,903	(50,268)	-	1,166,069
Total Cost	2,108,097	453,443	(282,349)	8,311	2,287,502
	31 December 2020	Purchases	Sales	Other	31 December 2021
Accumulated Depreciation:					
Real estate	54,997	3,225	-	255	58,477
Right of Use Depreciation	539,288	149,208	(116,515)	-	571,981
Furniture, Furnishings, Office Machines and Other Securities	677,620	111,177	(47,257)	-	741,540
Total Accumulated Depreciation	1,271,905	263,610	(163,772)	255	1,371,998
Net Book Value	836,192				915,504

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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

14. Information on intangible assets:

	31 December 2020	Purchases	Sales	Other	31 December 2021
Cost:					
Other Intangible Assets	553,013	117,925	(1,140)		669,798
Total Cost	553,013	117,925	(1,140)	-	669,798
	31 December 2020	Purchases	Sales	Other	31 December 2021
Accumulated Depreciation:					
Other Intangible Assets	409,334	80,011	(32)	-	489,313
Total Accumulated Depreciation	409,334	80,011	(32)	-	489,313
Net Book Value	143,679				180,485

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) 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 10 February 2011 in the Official Gazette dated 12 February 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 shares. 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 TL1 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. In the merger, Fortis Bank A.Ş. has been identified as an acquired business and the fair value of the equity shares subject to the change as a result of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recognized as goodwill.

j) Beginning and ending balance of the goodwill and movement on goodwill in the current period:

	Current Period	Prior Period
Beginning period	421,124	421,124
Foreign currency differences	-	-
Acquisitions	-	-
Balance at the end of the period	421,124	421,124

15. Information on investment properties: None (31 December 2020: None).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

16. Information on deferred tax assets:

a) As of 31 December 2021, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 133,323 (31 December 2020: TL 632,912). 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.

d) Movement of deferred tax:

	Current Period	Prior Period
As of 1 January	632,912	650,094
TFRS 16 Exchange Difference	(133)	-
Deferred Tax Income/(Expense)	(418,942)	114,450
Deferred Tax Accounted Under Equity	(80,514)	(131,632)
Deferred Tax Asset	133,323	632,912

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 TL 418,942 is stated under the tax provision in the income statement (31 December 2020: TL 114,450 income). 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 fair value through other comprehensive income	29,426	26,926
From hedge accounting	(138,725)	(169,324)
Actuarial gains and losses	28,785	10,766
Total	(80,514)	(131,632)

17. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	112,859	131,362
Accumulated Depreciation at the Beginning of the Period (-)	-	-
Net Book Value	112,859	131,362
Opening Balance	112,859	131,362
Acquired	116,792	137,125
Disposed (-)	166,760	160,897
Impairment (-)	(3,042)	(5,269)
Depreciation Value (-)	-	-
Period End Cost	65,933	112,859
Period End Accumulated Depreciation (-)	-	-
Closing Net Book Value	65,933	112,859

18. Information on other assets:

Other assets of the balance sheet amount to TL 3,315,687 (31 December 2020: TL 2,254,786) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

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

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

a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving Deposits	3,343,473	-	13,247,327	9,248,027	174,061	15,303	31,868	-	26,060,059
Foreign Currency Deposits	18,427,496	-	7,600,065	11,882,963	97,381	92,277	52,616	-	38,152,798
Residents in Turkey	17,203,160	-	7,316,504	11,506,796	67,244	42,090	36,070	-	36,171,864
Residents Abroad	1,224,336	-	283,561	376,167	30,137	50,187	16,546	-	1,980,934
Public Sector Deposits	431,997	-	59,843	136,651	8,020	-	-	-	636,511
Commercial Deposits	4,493,650	-	3,953,410	5,879,776	158,781	1,448	13,824	-	14,500,889
Other Institutions Deposits	206,580	-	145,091	539,426	61,442	63	168	-	952,770
Precious Metals Deposits	5,807,140	-	31,022	94,004	15,788	50,503	3,597	-	6,002,054
Bank Deposits	43,796	-	7,424,601	-	-	-	-	-	7,468,397
Central Bank of Turkey	31	-	-	-	-	-	-	-	31
Domestic Banks	8	-	-	-	-	-	-	-	8
Foreign Banks	43,757	-	7,424,601	-	-	-	-	-	7,468,358
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	32,754,132	-	32,461,359	27,780,847	515,473	159,594	102,073	-	93,773,478

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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	15,675,439	14,783,424	14,553,028	10,931,481
Foreign Currency Saving Deposits	10,609,693	7,067,339	27,744,894	14,081,460
Other Deposits in the Form of Saving Deposits	2,368,105	2,567,019	4,756,372	2,854,708
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	28,653,237	24,417,782	47,054,294	27,867,649

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

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

	Current Period	Prior Period
Foreign Branches' Deposits and Other Accounts	956,353	639,161
Deposits of Controlling Shareholders and Their Close Families	2,749,556	1,130,777
Deposits of Chairman and Members of the Board of Directors and Their Close Families	81,965	66,845
Deposits Obtained Through Illegal Acts Defined in the 282 nd Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Offshore Banking Activities	-	-

2. Information on derivative financial liabilities:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1,360,622	19,529	71,044	6,778
Swap Transactions	2,503,569	104,698	1,977,574	179,821
Futures Transactions	-	124	-	-
Options	131,168	39,467	18,600	6,526
Other	-	-	-	-
Total	3,995,359	163,818	2,067,218	193,125

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

3. Information on derivative financial liabilities:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	602,162	47,194	412,907	34,552
From Foreign Banks, Institutions and Funds	-	14,948,409	-	9,300,147
Total	602,162	14,995,603	412,907	9,334,699

As of 31 December 2021, the Bank has borrowings from its related parties amounting to TL 6,057,725 (31 December 2020: TL 3,915,889).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	427,665	6,718,722	412,907	4,859,037
Medium and long-term	174,497	8,276,881	-	4,475,662
Total	602,162	14,995,603	412,907	9,334,699

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 source.

d) Information on Debt Securities Issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,194,525	-	4,766,623	-
Treasury Bills	-	-	44,014	-
Total	1,194,525	-	4,810,637	-

4. Funds provided through repurchase transactions:

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	3,839,747	-	3,830,785	-
Financial Institutions and Organizations	3,839,747	-	3,830,785	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
From Foreign Transactions	-	5,001,962	-	2,717,468
Financial Institutions and Organizations	-	5,001,962	-	2,717,468
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Total	3,839,747	5,001,962	3,830,785	2,717,468

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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 TL9,207,463 (31 December 2020: TL4,326,675) 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. Bank has as of 31 December 2021 TL564,489 (31 December 2020: TL598,957) Liabilities from Leasing amount.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	84,098	-
Cash Flow Hedge	326,410	4,201	983,837	14,901
Foreign Net Investment Hedge	-	-	-	-
Total	326,410	4,201	1,067,935	14,901

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

As of 31 December 2021, there are accumulated valuation differences of TL60,244 (31 December 2020: TL18,266) under equity as of 31 December 2021. This amount is spread over the remaining terms of the hedged items by the Bank and transferred to the income statement.

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 2020: None).

b) The specific provisions provided for indemnifies non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	67,930	58,241
Stage 2	233,196	165,265
Stage 3	44,434	87,824
Total	345,560	311,330

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

As of 31 December 2021, the Bank received TL15,377 (31 December 2020: TL13,581) allowance, TL483,683 (31 December 2020: TL286,464) and TL249,805 (31 December 2020: TL168,071) related to the premiums to be paid to bank personnel and TL37,100 (31 December 2020: TL37,100) reflected the provision of other personnel expenses to the "Provisions for Employee Rights" account in the financial statements.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.1) Termination Benefits:

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 2021	31 December 2020
Discount rate (%)	20.01	14.50
Estimated inflation rate (%)	16.03	10.03
Salary increase rate over inflation rate (%)	1.00	1.00

Movement of employee termination benefits:

	Current Period	Prior Period
As of 1 January	286,464	192,002
Current service cost	27,651	18,634
Interest cost	40,455	23,390
Reductions and payments	8,134	2,543
Actuarial loss/(gain)	159,604	64,314
Compensations paid	(38,625)	(14,419)
Total	483,683	286,464

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 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 2021 and 31 December 2020. 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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.2) Pension Rights: (continued)

Within the frame of the assumptions determined:

Period Based Pension and Health Obligations:	31 December 2021	31 December 2020
Net Present Value of Transferrable Retirement Liabilities	(1,450,105)	(1,081,794)
Net Present Value of Transferrable Retirement and Health Contributions	397,240	371,589
General Administration Expenses	(14,501)	(10,818)
Present Value of Pension and Medical Benefits Transferable to SSF ⁽¹⁾	(1,067,366)	(721,023)
Fair Value of Plan Assets ⁽²⁾	3,607,657	2,998,581
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	2,540,291	2,277,558
Non-Transferable Benefits ⁽⁴⁾	(960,056)	(624,502)
Asset Surplus over Total Benefits ((3)-(4))	1,580,235	1,653,056

As of 31 December 2021 and 31 December 2020, the distribution of the fair value of the total assets of the Pension Fund is as follows:

	31 December 2021	31 December 2020
Bank placements	3,368,742	2,804,241
Tangible Assets	121,397	119,573
Other	117,518	74,767
Total	3,607,657	2,998,581

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

	31 December 2021	31 December 2020
Discount rates	20.01%	14.50%
Inflation expectations	16.03%	10.03%

As of 31 December 2021, health inflation is assumed to be 20% (31 December 2020: 20%) above inflation. It is assumed that the general wage increase and SSI ceiling increase rates will be 25% and 39.9%, respectively, for the year 2022. The CSO 2001 (31 December 2020: CSO 2001) Female/Male mortality table is used to represent expected death (mortality) rates both before and after retirement.

d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-Cash Loans	345,560	311,330
Provision for Legal Cases	79,842	91,772
Provision for Promotions of Credit Cards and Banking Services	17,562	11,935
Other	32,939	52,796
Total	475,903	467,833

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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;

Current Period	Standard Qualified Loans (Stage I)	Loans in Close Monitoring (Stage II)	Loans Under Follow-Up (Stage III)	Total
31 December 2020	58,241	165,265	87,824	311,330
Transfers;				
- Stage 1 to Stage 2	(1,178)	6,565	-	5,387
- Stage 1 to Stage 3	(67)	-	914	847
- Stage 2 to Stage 3	-	(1,576)	41,347	39,771
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	734	(2,554)	-	(1,820)
Transferred within the period	14,255	84,776	(43,567)	55,464
Collections	(16,332)	(95,551)	(51,654)	(163,537)
Write-offs	-	-	-	-
Exchange differences	12,277	76,271	9,571	98,118
Total Expected Loss Reserve 31 December 2021	67,930	233,196	44,435	345,560
Prior Period	Standard Qualified Loans (Stage I)	Loans in Close Monitoring (Stage II)	Loans Under Follow-Up (Stage III)	Total
31 December 2019	55,551	145,818	42,111	243,480
Transfers;				
- Stage 1 to Stage 2	(3,464)	22,238	-	18,774
- Stage 1 to Stage 3	(78)	-	1,489	1,411
- Stage 2 to Stage 3	-	(12,704)	85,543	72,839
- Stage 2 to Stage 1	3,162	(9,071)	-	(5,909)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	15,206	(213)	(35,539)	(20,546)
Collections	(17,063)	(21,075)	(5,780)	(43,918)
Write-offs	-	-	-	-
Exchange differences	4,927	40,272	-	45,199
Total Expected Loss Reserves 31 December 2020	58,241	165,265	87,824	311,330

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

9. Explanations on taxes payable:

a) Information on tax provision:

The Bank has no corporate tax liability as of 31 December 2021 (31 December 2020: TL 158,727). As of 31 December 2021, the Bank's total tax and premium debt is TL 240,411 (December 31, 2020: TL 321,406).

b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	-	158,727
Taxation on Securities	48,920	45,038
Property Tax	2,875	1,223
Banking Insurance Transaction Tax (BITT)	83,489	50,699
Foreign Exchange Transaction Tax	31,498	4,556
Value Added Tax Payable	16,497	6,365
Other (*)	30,362	28,268
Total	213,641	294,876

(*) Others include income taxes deducted from wages amounting to TL 25,799 (31 December 2020: TL 24,127) and stamp taxes payable amounting to TL 2,061 (31 December 2020: TL 1,761).

c) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	11,566	11,386
Social Security Premiums-Employer	12,598	12,575
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	977	966
Unemployment Insurance-Employer	1,629	1,603
Other	-	-
Total	26,770	26,530

d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability as of 31 December 2021 (31 December 2020: None).

10. Information on fixed assets payables related to activities held and discontinued for sale: None (31 December 2020: 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 was issued Subordinated debt instrument on 5 November 2018, which has two Call Dates: falling on the fifth anniversary notes and the Interest Payment Date falling thereafter amounting USD 210 million with the final maturity of 10 years. The interest rate of the issuance is 10.40% per annum and will be continued at the end of the 5th year with an annual interest rate of 6 months Libor + 7.32% after the first early redemption date. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

The Bank, aligned its Board of Directors' decision dated 8 May 2012, had issued a debt instrument as T2 Capital Subordinated debt instrument with a value of USD 65 million on 14 May 2012 and the debt instrument was redeemed 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 Bank issued a subordinated debt security with amount of 60 million EURO with the final maturity of 10 years, with no call till the 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 (continued):

On 20 July 2012, the Bank had issued a debt instrument of EUR 100 million as T2 capital and the debt instrument was redeemed 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 security with amount of 100 million EURO, with the final maturity of 10 years, with no call till 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling the reafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

The Bank issued subordinated debt instrument, which has early redemption right on 27 June 2023, with the final maturity of 10 years in the amount of EUR 125 million in 27 June 2018. The interest rate of the issuance is 6-month Euribor + 5.10% per annum. The "T2 capital" was provided by BNP Paribas Fortis S.A./N.V.

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
Borrowing Tools to be Included in Additional Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	7,239,036	-	4,194,951
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	7,239,036	-	4,194,951
Total	-	7,239,036	-	4,194,951

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	7,239,036	-	4,194,951
Branches and Head Office Abroad	-	-	-	-
Total	-	7,239,036	-	4,194,951

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	-

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

12. Information on Shareholders' Equity: (continued):

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

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

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

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

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

g) Information on preferred shares: None.

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(21,997)	(177,639)	(149,256)	61,169
Foreign Exchange Difference	-	-	-	-
Total	(21,997)	(177,639)	(149,256)	61,169

13. Information on minority interests: None (31 December 2020: None).

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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Credit Card Expenditure Limits	12,007,806	8,978,512
Asset Purchase and Sale Commitments	11,251,216	3,031,018
Loan Granting Commitments	7,173,859	5,736,570
Payment Commitment for Cheques	2,135,381	1,741,408
Tax and Fund Liabilities from Export Commitments	51,363	47,494
Commitments for Promotions Related with Credit Cards and Banking Activities	5,797	5,767
Time Deposits Purchase and Sale Commitments	-	94,524
Other Irrevocable Commitments	873,254	385,645
Total	33,498,676	20,020,938

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.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

1. Information on off-balance sheet liabilities: (continued)

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

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

	Current Period	Prior Period
Letters of Credit	10,343,834	5,025,525
Bank Acceptances	33,680	16,573
Other Commitments	5,663,908	3,976,672
Other Contingencies	1,396,766	1,043,082
Total	17,438,188	10,061,852

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

	Current Period	Prior Period
Guarantee Letters	13,828,475	9,864,566
Advance Guarantee Letters	3,937,404	2,244,080
Guarantee Letters Given for Customs	662,089	481,964
Temporary Guarantee Letters	616,871	332,396
Other Guarantee Letters	2,050,686	1,261,166
Total	21,095,525	14,184,172

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

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	2,051,917	1,262,302
With Maturity of One Year or Less Than One Year	328,711	94,973
With Maturity of More Than One Year	1,723,206	1,167,329
Other Non-Cash Loans	36,481,796	22,983,722
Total	38,533,713	24,246,024

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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	26,762	0.32	8,145	0.03	20,404	0.27	22,980	0.14
Farming and raising livestock	25,289	0.30	8,145	0.03	18,338	0.25	22,980	0.14
Forestry	-	-	-	-	-	-	-	-
Fishery	1,473	0.02	-	-	2,066	0.03	-	-
Manufacturing	3,015,251	35.59	12,659,113	42.11	2,294,148	30.66	5,969,293	35.61
Mining and Quarry	162,871	1.92	656,530	2.18	106,832	1.43	295,929	1.77
Production	2,730,960	32.24	11,937,958	39.71	2,109,458	28.20	5,560,042	33.17
Electricity, Gas and Water	121,420	1.43	64,625	0.21	77,858	1.04	113,322	0.68
Construction	1,333,966	15.75	5,512,742	18.34	1,322,830	17.68	3,711,776	22.14
Services	3,914,534	46.21	9,281,790	30.88	3,605,121	48.19	5,095,080	30.39
Wholesale and Retail Trade	2,244,993	26.50	3,625,225	12.06	1,585,385	21.19	2,108,405	12.58
Hotel, Tourism, Food and Beverage								
Services	128,509	1.52	451,138	1.50	121,734	1.63	105,933	0.63
Transportation and Communication	507,134	5.99	888,727	2.96	416,936	5.57	511,955	3.05
Financial Institutions	400,544	4.73	1,056,623	3.51	463,495	6.20	713,275	4.25
Real Estate and Renting	412,861	4.87	2,191,885	7.29	929,698	12.43	1,410,419	8.41
Self-employment Services	202,745	2.39	1,067,378	3.55	73,121	0.98	243,457	1.45
Education Services	5,272	0.06	595	-	5,517	0.07	336	-
Health and Social Services	12,476	0.15	219	-	9,235	0.12	1,300	0.01
Other	181,019	2.14	2,600,391	8.65	238,923	3.19	1,965,469	11.72
Total	8,471,532	100.00	30,062,181	100.00	7,481,426	100.00	16,764,598	100.00

c.3) Information on Stage I and Stage II non-cash loans:

Current Period

Non-cash loans	Stage I		Stage II	
	FC	TL	FC	YP
Letters of guarantee	6,576,177	12,912,708	482,202	1,124,438
Bank acceptances	-	33,680	-	-
Letters of credit	-	10,333,813	-	10,021
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1,353,507	5,521,330	59,646	126,191
Total	7,929,684	28,801,531	541,848	1,260,650

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

1. Information on off-balance sheet liabilities: (continued)

Prior Period

	Stage I		Stage II	
	FC	TL	FC	TL
Non-cash loans				
Letters of guarantee	5,499,529	7,423,249	552,798	708,596
Bank acceptances	-	16,573	-	-
Letters of credit	-	4,893,122	-	132,403
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1,393,047	3,439,901	36,052	150,754
Total	6,892,576	15,772,845	588,850	991,753

The Bank provided a reserve for TL 240,978 (31 December 2020: TL 263,951) of non-cash loans not indemnified which equals to net amounting to TL 44,434 (31 December 2020: TL 87,824)

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Trading	
	Current Period	Current Period	Current Period	Current Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	149,362,128	80,856,033	-	-
Forward transactions	26,910,085	16,798,167	-	-
Swap transactions	114,361,290	58,803,224	-	-
Futures transactions	806,991	1,133,911	-	-
Option transactions	7,283,762	4,120,731	-	-
Interest related derivative transactions (II):	29,272,626	19,509,018	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	23,197,546	19,509,018	-	-
Interest option transactions	6,075,080	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	2,084,252	2,960,427	-	-
A. Total trading derivative transactions (I+II+III+IV)	180,719,006	103,325,478	-	-
Types of hedging transactions				
Fair value hedges	-	-	-	6,250,067
Cash flow hedges	-	-	29,455,518	17,757,374
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	-	29,455,518	24,007,441
Total Derivative Transactions (A+B)	180,719,006	103,325,478	29,455,518	24,007,441

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

2. Information related to derivative financial instruments: (continued)

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 2020, 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 2021, the Bank has no derivative instruments for hedging purposes.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	-	-	-	6,250,067	447,376	84,098
Interest Rate Swaps	-	-	-	-	-	-
Total	-	-	-	6,250,067	447,376	84,098

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 29,455,518 (31 December 2020: TL 17,757,374) and 1-90 days of maturity deposit portfolio together with selected borrowing portfolio. Effective portion of TL 374,849 (31 December 2020: TL 283,380 credit) credit accounted for under equity is presented after deducting its deferred tax effect of TL 82,051 (31 December 2020: TL 56,676 debit) debit in the financial statements. In 2021, ineffective portion of TL 60,244 (31 December 2020: TL 18,266) income is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	4,195,454	-	145,122	4,852,334	615,008	471,891
Interest Rate Swaps	25,260,064	1,802,469	185,489	12,905,040	35,134	526,847
Total	29,455,518	1,802,469	330,611	17,757,374	650,142	998,738

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:

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

4. Explanations on contingent liabilities and assets: (continued)

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 2021, there are no contingent assets that need to be explained (31 December 2020: 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 79,842 (31 December 2020: TL 91,772) 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.

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 2021, TEB's ratings were as follows:

Moody's Investor Services:

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Deposits	B2
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	Negative
Turkish Lira	
Long-term	BB-
Short-term	B
Outlook	Negative
National	AA (tur)
Outlook	Stable
Financial Strength	b+
Shareholder Supported Note	b+

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

IV. Explanations and Disclosures Related to the Statement of Income

1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income on loans ^(*)				
Short term loans	5,273,365	307,573	3,370,179	221,584
Medium- and long-term loans	5,813,984	292,761	4,697,498	242,614
Interest on loans under follow-up	162,289	-	142,039	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	11,249,638	600,334	8,209,716	464,198

(*) Includes fees and commissions obtained from cash loans amounting to TL 236,001 (31 December 2020: TL 153,388).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	127,625	299	154,030	475
Foreign banks	7,351	(2,643)	3,470	3,219
Branches and head office abroad	-	-	-	-
Total	134,976	(2,344)	157,500	3,694

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	218,551	39,211	135,137	43,247
Financial Assets at Fair Value Through Other Comprehensive Income	623,466	86,248	708,300	91,874
Financial Assets Measured at Amortized Cost	1,976,013	163,971	1,078,923	90,253
Total	2,818,030	289,430	1,922,360	225,374

d) Interest Income on Subsidiaries and Associates:

	Current Period	Prior Period
Interest received from Subsidiaries and Associates	59,915	18,548

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

2. Explanations on Interest Expense

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

	Current Period		Prior Period	
	TL	FC	TL	YP
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	66,540	1,187	30,758	4,130
Foreign banks	-	578,580	-	450,938
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	66,540	579,767	30,758	455,068

^(*) Includes fees and commission expenses of cash loans amounting to TL 32,784 (31 December 2020: TL 10,870).

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	2,219	1,838

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	451,610	-	454,149	-
Total	451,610	-	454,149	-

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

2. Explanations on Interest Expense (continued)

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	-	530,239	-	-	-	-	-	530,239
Saving Deposits	-	2,441,873	1,930,253	16,305	1,718	4,864	-	4,395,013
Public Sector Deposits	-	7,155	32,401	431	-	-	-	39,987
Commercial Deposits	-	871,809	1,107,802	30,705	1,168	5,673	-	2,017,157
Other Deposits	-	11,728	156,674	34,829	10	36	-	203,277
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	3,862,804	3,227,130	82,270	2,896	10,573	-	7,185,673
FC								
Foreign Currency Deposits	-	6,357	73,489	272	189	994	-	81,301
Bank Deposits	-	22	-	-	-	10	-	32
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	3	1	12	2	-	19
Total	-	6,380	73,492	273	201	1,006	-	81,352
Grand Total	-	3,869,184	3,300,622	82,543	3,097	11,579	-	7,267,025

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	-	178,541	-	-	-	-	-	178,541
Saving Deposits	-	1,219,565	862,589	14,228	4,701	14,788	-	2,115,871
Public Sector Deposits	-	2,002	17,514	768	-	-	-	20,284
Commercial Deposits	-	458,972	599,679	20,442	210	4,987	-	1,084,290
Other Deposits	-	11,147	141,728	4,119	7	36	-	157,037
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	1,870,227	1,621,510	39,557	4,918	19,811	-	3,556,023
FC								
Foreign Currency Deposits	9	19,810	103,064	1,179	510	987	-	125,559
Bank Deposits	-	285	-	-	-	5	-	290
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	238	2,432	470	2,249	1,569	-	6,958
Total	9	20,333	105,496	1,649	2,759	2,561	-	132,807
Grand Total	9	1,890,560	1,727,006	41,206	7,677	22,372	-	3,688,830

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3,503	3,557
Other	2,933	27,777
Total	6,436	31,334

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

4. Information on trading gain/loss:

	Current Period	Prior Period
Gains	120,063,152	61,961,748
Gains on capital market operations	288,642	295,308
Gains on derivative financial instruments ⁽¹⁾	29,594,889	15,988,223
Foreign exchange gains	90,179,621	45,678,217
Losses (-)	122,061,119	63,701,409
Losses on capital market operations	354,989	347,599
Losses on derivative financial instruments ⁽¹⁾	32,356,721	17,047,618
Foreign exchange losses	89,349,409	46,306,192

⁽¹⁾ Includes exchange rate fluctuations of hedging transactions 1,501,025 (31 December 2020: TL 804,120 profit), derivative financial instruments exchange rate changes in profit/loss accounts amounting to TL 134,704 (31 December 2020: TL 235,299 profit) 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:

	Current Period	Prior Period
Expected Credit Losses	(31,409)	752,187
12-Month Expected Credit Losses (Stage 1)	9,689	(15,056)
Significant Increase in Credit Risk (Stage 2)	(281,107)	346,150
Credit-Impaired (Stage 3)	240,009	421,093
Impairment Provisions for Securities	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other ⁽¹⁾	1,572	(22,683)
Total	(29,837)	729,504

⁽¹⁾ Includes provision reversals amounting to TL 17,149 (31 December 2020: TL 53,259).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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:

	Current Period	Prior Period
Reserve for employee termination benefits ⁽¹⁾	37,615	30,148
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	943
Depreciation expenses of fixed assets	263,610	242,619
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	80,011	75,775
Impairment for investments accounted with equity method	-	-
Impairment expenses of assets to be disposed	(3,042)	(5,269)
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	1,351,300	1,107,432
Leasing Expenses on TFRS 16 Exceptions	40,339	32,784
Maintenance expenses	41,680	34,248
Advertisement expenses	85,635	58,856
Other expenses	1,183,646	981,544
Loss on sales of assets	6,878	6,581
Other ⁽²⁾	471,171	438,777
Total	2,207,543	1,897,006

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

⁽²⁾ Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 219,692 (31 December 2020: TL 191,325) and other taxes and fees paid in the amount of TL 208,932 (31 December 2020: TL 179,916).

8. Information on profit loss before continuing and discontinued operations before tax:

a) The portion of the profit before tax amounting to TL 6,852,393 (31 December 2020: TL 6,146,076) consists of net interest income, while TL 1,385,256 (31 December 2020: TL 1,157,227) consists of net fee and commission income; total operating expenses amount to TL 3,998,008 (31 December 2020: TL 3,448,637).

b) Explanations on discontinued operations profit loss: None.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

9. Information on tax provision for continuing and discontinued operations:

a) As of 31 December 2021, current tax expense from continuing operations is TL 166,686 (31 December 2020: TL 486,856) and net deferred tax expense is TL 418,942 (31 December 2020: TL 114,450 income), and current tax income/expense calculated due to discontinued operations in the current period (31 December 2020: None).

b) Deferred tax income on temporary differences resulted from continued operations is TL 418,942 (31 December 2020: TL 114,450).

c) Tax reconciliation:

	Current Period	Prior Period
Profit Before Taxes	2,498,526	1,549,720
Additions	55,825	174,565
Nonallowable Expenses	55,825	50,178
The Effect of Different Tax Rates	-	86,615
Other	-	37,772
Deductions	(211,838)	(31,532)
Dividend Income	(5,083)	(31,532)
Effect of different tax rate	(122,357)	-
Other	(84,398)	-
Taxable Profit/(Loss)	2,342,513	1,692,753
Corporation Tax Rate	25%	22%
Calculated Tax	585,628	372,406
Prior Year Tax Correction	-	-
Tax Charge	585,628	372,406

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 2021, is TL 1,912,898 (31 December 2020: TL 1,177,314) as of 31 December 2021, there is no net profit from discontinued operations (31 December 2020: 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 2020: None).

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2020: None).

c) Profit/loss attributable to minority interest: None (31 December 2020: None).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

IV. Explanations and Disclosures Related to the 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:

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Card Fees and Commissions	1,338,493	798,932
Insurance Commissions	257,476	178,300
Prepayment Commissions	84,292	48,859
General Limit Revision Commissions	82,751	49,332
Transfer Commissions	55,944	47,613
Fund Management Fees	48,655	50,802
Settlement Expense Provision, Eft, Swift, Agency Commissions	24,368	76,263
Periodic Service Commissions	-	28,225
Other	226,506	222,510
Total	2,118,485	1,500,836
<u>Other fees and commissions paid</u>		
Credit Cards Commissions and Fees	824,306	418,324
Commission and Fees Paid to Correspondent Banks	49,243	38,071
Settlement Expense Provision, Eft, Swift Commissions	33,486	26,989
Other	142,451	113,871
Total	1,049,486	597,255

13. Fees for Services Received from Independent Auditor/Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's foreign and domestic subsidiaries and unconsolidated non-financial partnerships.

<i>(Thousand TL amounts excluding VAT)</i>	Current Period	Prior Period
Independent audit fee for the reporting period	5,345	4,060
Fees for tax advisory services	-	-
Fee for other assurance services	119	64
Fees for services other than independent audit	135	120
Total	5,599	4,244

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 decreased by TL 141,097 in 2021 (31 December 2020: TL 132,443 increased) and change effect to deferred tax is TL 29,548 (31 December 2020: TL 26,935).
- 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 2021 increased by TL 658,228 (31 December 2020: TL 829,370 decreased) and the effect of this change to deferred tax is TL 138,725 (31 December 2020: TL 169,324).
- c) Explanations on profit distribution:

It has been resolved in the Ordinary General Assembly dated 26 March 2021 of the Bank, TL 1,177,314 that constitutes the 2020 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 58,866 as Legal Reserves, TL 935 as special reserves, TL 0.96 (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:

"Other items" amounting to 5,275,040 (31 December 2020: TL 2,387,824) 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.

The "net increase in other liabilities" item in the "change in assets and liabilities subject to banking activities" amounting to TL 5,358,059 (31 December 2020: TL 1,014,820 increase) consists of various liabilities, other foreign sources and changes in money markets. "Net increase in other assets" item amounting to TL 9,886,311 (31 December 2020: TL 1,402,056 decrease) consists of changes in blocked reserve requirements, miscellaneous receivables and other assets.

"Other" item amounting to TL 117,925 (31 December 2020: TL 85,089) 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 foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of the period has been realized as TL 2,128,152 for the year 2021 (31 December 2020: TL 1,432,624).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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.

Beginning of the period	Current Period	Prior Period
Cash	10,125,205	6,936,877
Cash in TL/Foreign Currency	2,331,352	2,441,969
Central Bank - Unrestricted amount	7,605,582	4,229,448
Other	188,271	265,460
Cash equivalents	13,949,334	11,249,661
Banks	7,771,334	10,409,661
Money market placements	6,178,000	840,000
Total cash and cash equivalents	24,074,539	18,186,538
End of the period	Current Period	Prior Period
Cash	19,904,616	10,125,205
Cash in TL/Foreign Currency	7,473,318	2,331,352
Central Bank - Unrestricted amount	12,202,866	7,605,582
Other	228,432	188,271
Cash equivalents	11,422,605	13,949,334
Banks	11,422,605	7,771,334
Money market placements	-	6,178,000
Total cash and cash equivalents	31,327,221	24,074,539

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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 2020.

a) Current Period:

Risk Group Involving The Bank	Subsidiaries, associates and entities under common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	345,966	778	71,698	438,193	741,973	89,477
Balance at End of Period	366,942	1,436	188,387	389,230	1,717,546	129,424
Interest and Commission Income	59,915	34	4,838	3,333	54,971	316

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

b) Prior Period:

Risk Group Involving The Bank	Subsidiaries, associates and entities under common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	277,729	716	15,616	182,856	248,301	101,145
Balance at End of Period	345,966	778	71,698	438,193	741,973	89,477
Interest and Commission Income	18,548	48	7,595	2,125	15,808	629

Direct and indirect shareholders of the Bank balance above includes TL 71,698 and other entities included in the risk group balance above includes TL 76,533 placement in "Banks".

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

VII. Explanations and Disclosures Related to Risk Group of the Bank (continued)

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

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

Risk Group Involving The Bank	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at Beginning of Period	31,575	16,476	5,596,710	3,313,150	1,281,302	648,747
Balance at End of Period	256,276	31,575	4,577,873	5,596,710	1,263,224	1,281,302
Interest on Deposits	2,219	1,838	423,573	162,488	110,248	39,047

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

Risk Group Involving The Bank	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other 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	-	-	18,396,561	30,904,435	284,453	109,762
End of Period	-	-	36,494,649	18,396,561	729,855	284,453
Total Profit/loss	-	-	(521,049)	(1,106,802)	(63,701)	(23,948)
Hedging Transactions purposes						
Beginning of Period	-	-	10,139,721	17,648,505	-	-
End of Period	-	-	9,575,676	10,139,721	-	-
Total Profit/Loss	-	-	421,932	949,648	-	-

d) As of 31 December 2021, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 67,901 (31 December 2020: TL 53,515).

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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	451	8,506			
Rep-offices abroad					
				Country	
Branches abroad	4	66	Cyprus	Total Assets	Capital
				2,024,997	20,000
Off-shore branches					

2. Explanation on the Subject in Case the Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

The Bank closed 2 branches in 2021, 2 branches were 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 8 February 2022 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by the Independent Auditors

None.

5. SECTION

CONSOLIDATED FINANCIAL STATEMENTS

PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE YEAR FROM 1 JANUARY TO 31 December 2021 WITH INDEPENDENT AUDITOR'S REPORT

(Convenience translation of publicly announced consolidated financial statements and auditor report originally issued in Turkish)



**WE CONTRIBUTE TO THE
SUSTAINABLE FUTURE
THROUGH OUR OPERATIONS
THAT CREATE VALUE FOR ALL
OF OUR STAKEHOLDERS**

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

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 2021, 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 of 31 December 2021, 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 Accounting Standards (TAS) for the matters not legislated by the aforementioned regulations.

2) Basis for Opinion

We conducted our audit in accordance with, "Regulation on Independent Audit of Banks" published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and Standards of Independent Auditing ("SIA"), which is a part of the Turkish Auditing Standards published by the Public Oversight and Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p><i>Impairment of loans determined within the framework of TFRS 9 Financial Instruments Standard (“TFRS 9”)</i></p> <p>Impairment of loans is an important area of jurisdiction for management. In the consolidated financial statements of the Group as at 31 December 2021, the total of loans and factoring receivables, which have a 57% share in the assets, is TL 112,542,675 thousand, and there is a total provision of TL 4,078,478 thousand allocated accordingly.</p> <p>As of 1 January 2018, the Group has started to recognize provisions for impairment in accordance with TFRS 9 and also “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.</p> <p>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>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. In addition, impairment of loans and receivables consist of significant judgments and assumptions regarding with Covid 19 effects.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Group. 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 and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p>	<p>Our audit procedures in this area include the following:</p> <p>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>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>We have performed loan review procedures on selected samples of loans and receivables considering effects of Covid 19 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>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 regarding with Covid 19 effects, 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>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate segments 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>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 Group management, we evaluated whether the key assumptions and other judgements considering Covid 19 effects underlying the estimations of impairments were reasonable.</p> <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 the Group management considering Covid 19 effects.</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>

INDEPENDENT AUDITOR'S REPORT

Pension fund obligations

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").

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.

As of 31 December 2021, 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.

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.

Our audit work included the following procedures:

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.

It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.

In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Group's actuary.

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.

Information technologies audit

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.

Procedures within the context of our information technology audit work:

- We identified and tested the Group's controls over information systems as part of our audit procedures.
- 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:
 - Security Management
 - Change Management
 - Data Center and Network Operations Management
- 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.
- We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.
- Automated controls and integration controls were tested to underly and detect changes and accesses in the process of financial data generation.
- 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.
- Finally, we understood and tested the controls over database, network, application and operating system layers of applications.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The 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.

5) Auditor's Responsibilities for the Audit of the Consolidated 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.

INDEPENDENT AUDITOR'S REPORT

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 2021 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.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
MEMBER OF DELOITTE TOUCHE TOHMATSU LIMITED

Yaman Polat
Partner

İstanbul, 8 February 2022

CONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş. AS OF FOR THE YEAR ENDED 31 DECEMBER 2021

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
E-mail : yatirimciiliskileri@teb.com.tr

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:

	Subsidiaries	Associates	Jointly Controlled Entities
1	TEB Yatırım Menkul Değerler A.Ş.	-	-
2	TEB Faktoring A.Ş.	-	-
3	TEB Portföy Yönetimi A.Ş.	-	-

The accompanying audited consolidated financial statements for the year-end, related disclosures and footnotes which have been audited and presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance, and incompliance with the financial records of the Parent Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Yavuz Canevi
Chairman of the Board of Directors

Nicolas de Baudinet de Courcelles
Chairman of the Audit Committee

Ayşe Aşardağ
Vice Chairman of the Audit Committee

Ümit Leblebici
Chief Executive Officer

M. Aşkın Dolacı
Assistant General Manager Responsible
of Financial Reporting

Kamer Kızıllı
Director Responsible of
Financial Reporting

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

Name-Surname/Title : Aslıhan Kaya/External Reporting Senior Manager
Tel No: : (0216) 635 24 51
Fax No: : (0216) 636 36 36

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

Türk Ekonomi Bankası Anonim Şirketi ("The Bank" or "TEB"), 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 2021 and 31 December 2020 the shareholders' structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2021		31 December 2020	
	Paid in capital	%	Paid in capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2021, the Parent Bank's paid-in-capital consists of 2,204,390,000 shares of TL1.00 (full TL) nominal each.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

Name	Title	Education
Board of Directors;		
Yavuz Canevi	Chairman of the Board of Directors	Master
Dr. Akin Akbaygil	Deputy Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors	University
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
Yvan L.A. M. De Cock	Member of the Board of Directors	University
Sabri Davaz	Member of the Board of Directors and Audit Committee	Master
Sandrine Ferdane	Member of the Board of Directors	University
Xavier Henri Jean Guilmineau	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
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 Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Mustafa Aşkın Dolacı	Assistant General Manager Responsible from Financial Affairs Group	Master
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit Group	University
Orhan Hatipoğlu	Assistant General Manager of Banking Operations and Support Services Group	University
Gülümser Özgün Henden (**)	Assistant General Manager Responsible from Corporate Banking Group	University
Bade Sipahioğlu Işık	Assistant General Manager Responsible from Human Resources Group	Master
Dr. Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay	Assistant General Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan (****)	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Group Heads ^(*);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit ^(*);		
Hakan Tıraşın	Head of Internal Audit	University

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

(**) Gülümser Özgün Henden, Executive Vice President of the Parent Bank's Corporate Banking Group; resigned from her position at the Bank as of 31 December 2021, due to her appointment as the General Manager of TEB Faktoring A.Ş., effective from 1 January 2022.

(****) Effective from 1 January 2022; The Corporate Banking Group of the Parent Bank and the Corporate Investment Banking Group were merged and the name was determined as "Corporate and Institutional Investment Banking Group". The title of Ömer Abidin Yenidoğan, Deputy General Manager of Corporate Investment Banking Group, has been changed to Assistant General Manager responsible for Corporate and Institutional Investment Banking Group.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The chairman and members of the Board of Directors mentioned above, as well as the general manager and assistants, do not have a share in the Bank's capital.

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 Fortis Yatırımlar Holding A.Ş., 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, respectively. 100% of the shares of BNPP Yatırımlar Holding A.Ş. are controlled by BNP Paribas SA.

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 2021, the Parent Bank has 451 local branches and 4 foreign branches (31 December 2020: 451 local branches, 4 foreign branches). As of 31 December 2021, the number of employees of the Group is 8,869 (31 December 2020: 9,129).

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 for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

The 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.

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

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

None.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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CONSOLIDATED FINANCIAL STATEMENTS

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- VI. Consolidated Statement of Cash Flows
- VII. Statement of Profit Distribution

CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2021 AND 2020

(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 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		20,145,808	45,387,952	65,533,760	20,312,342	23,955,693	44,268,035
1.1 Cash and Cash Equivalents		7,338,386	40,091,185	47,429,571	11,584,929	19,549,690	31,134,619
1.1.1 Cash and Balances with Central Bank	(I-1)	5,718,495	30,072,800	35,791,295	3,431,921	13,519,382	16,951,303
1.1.2 Banks	(I-4)	1,619,218	10,045,520	11,664,738	1,974,393	6,042,448	8,016,841
1.1.3 Money Markets		3,245	-	3,245	6,180,886	-	6,180,886
1.1.4 Expected Loss Provision (-)		2,572	27,135	29,707	2,271	12,140	14,411
1.2 Financial Assets at Fair Value Through Profit or Loss		2,001,648	792,140	2,793,788	511,090	1,119,802	1,630,892
1.2.1 Government Debt Securities	(I-2)	1,942,260	549,168	2,491,428	463,550	984,266	1,447,816
1.2.2 Equity Securities		59,388	135,326	194,714	47,540	75,378	122,918
1.2.3 Other Financial Assets		-	107,646	107,646	-	60,158	60,158
1.3 Financial Assets at Fair Value Through Other Comprehensive Income		3,002,601	4,173,355	7,175,956	5,629,411	3,022,986	8,652,397
1.3.1 Government Debt Securities		2,989,351	4,173,355	7,162,706	5,618,530	3,022,986	8,641,516
1.3.2 Equity Securities		13,250	-	13,250	10,881	-	10,881
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		7,803,173	331,272	8,134,445	2,586,912	263,215	2,850,127
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	6,006,577	325,399	6,331,976	1,936,770	263,215	2,199,985
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	1,796,596	5,873	1,802,469	650,142	-	650,142
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		88,788,499	39,222,999	128,011,498	77,577,144	16,143,819	93,720,963
2.1 Loans	(I-6)	78,529,502	29,376,248	107,905,750	69,418,968	13,342,867	82,761,835
2.2 Lease Receivables	(I-11)	-	-	-	-	-	-
2.3 Factoring Receivables	(I-18)	2,142,281	2,494,644	4,636,925	1,548,931	955,007	2,503,938
2.4 Other Financial Assets Measured at Amortized Cost	(I-7)	11,379,873	8,171,827	19,551,700	10,197,854	2,325,087	12,522,941
2.4.1 Government Debt Securities		11,379,873	8,171,827	19,551,700	10,197,854	2,325,087	12,522,941
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)	(I-6,18)	3,263,157	819,720	4,082,877	3,588,609	479,142	4,067,751
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)		65,933	-	65,933	112,859	-	112,859
3.1 Held for Sale Purpose	(I-17)	65,933	-	65,933	112,859	-	112,859
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		55	-	55	55	-	55
4.1 Investments in Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-9)	50	-	50	50	-	50
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		50	-	50	50	-	50
4.3 Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
V. PROPERTY AND EQUIPMENT (Net)	(I-13)	934,431	25	934,456	845,976	91	846,067
VI. INTANGIBLE ASSETS (Net)	(I-14)	611,252	-	611,252	572,547	-	572,547
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		190,128	-	190,128	151,423	-	151,423
VII. INVESTMENT PROPERTIES (Net)	(I-15)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		138,894	-	138,894	19,678	-	19,678
IX. DEFERRED TAX ASSET	(I-16)	147,376	-	147,376	651,589	-	651,589
X. OTHER ASSETS (Net)	(I-19)	2,636,070	774,824	3,410,894	2,232,039	305,935	2,537,974
TOTAL ASSETS		113,468,318	85,385,800	198,854,118	102,324,229	40,405,538	142,729,767

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

CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2021 AND 2020

(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 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-1)	55,350,689	76,232,284	131,582,973	49,589,731	44,152,172	93,741,903
II. FUNDS BORROWED	(II-3)	2,368,497	17,430,679	19,799,176	1,562,891	10,348,393	11,911,284
III. MONEY MARKET FUNDS	(II-4)	3,923,853	5,001,962	8,925,815	4,016,659	2,717,468	6,734,127
IV. SECURITIES ISSUED (Net)	(II-3)	1,194,525	-	1,194,525	4,810,637	-	4,810,637
4.1 Bills		1,194,525	-	1,194,525	4,766,623	-	4,766,623
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	44,014	-	44,014
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		4,321,769	168,019	4,489,788	3,135,153	208,026	3,343,179
7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	3,995,359	163,818	4,159,177	2,151,316	193,125	2,344,441
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-7)	326,410	4,201	330,611	983,837	14,901	998,738
VIII. FACTORING LIABILITIES	(II-14)	1,809	19,468	21,277	91	8,888	8,979
IX. LEASE LIABILITIES (Net)	(II-6)	539,737	37,923	577,660	552,899	51,975	604,874
X. PROVISIONS	(II-8)	954,915	321,520	1,276,435	778,091	226,726	1,004,817
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		738,641	55,663	794,304	505,168	29,963	535,131
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		216,274	265,857	482,131	272,923	196,763	469,686
XI. CURRENT TAX LIABILITY	(II-9)	272,117	-	272,117	343,527	-	343,527
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II-10)	-	-	-	-	-	-
13.1 Held For Sale		-	-	-	-	-	-
13.2 Held From Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-11)	-	7,239,036	7,239,036	-	4,194,951	4,194,951
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7,239,036	7,239,036	-	4,194,951	4,194,951
XV. OTHER LIABILITIES		6,462,341	2,956,705	9,419,046	4,079,335	262,481	4,341,816
XVI. SHAREHOLDERS' EQUITY	(II-12)	14,232,260	(175,990)	14,056,270	11,640,673	49,000	11,689,673
16.1 Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Capital Reserves		391,226	-	391,226	391,754	-	391,754
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		388,661	-	388,661	389,189	-	389,189
16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss		(59,373)	-	(59,373)	276,629	-	276,629
16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss		269,030	(175,990)	93,040	(363,855)	49,000	(314,855)
16.5 Profit Reserves		9,336,062	-	9,336,062	7,843,996	-	7,843,996
16.5.1 Legal Reserves		550,906	-	550,906	490,587	-	490,587
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		8,478,674	-	8,478,674	7,161,377	-	7,161,377
16.5.4 Other Profit Reserves		306,482	-	306,482	192,032	-	192,032
16.6 Profit or Loss		2,072,708	-	2,072,708	1,272,252	-	1,272,252
16.6.1 Prior Periods' Profit/Loss		-	-	-	9,497	-	9,497
16.6.2 Current Periods' Profit/Loss		2,072,708	-	2,072,708	1,262,755	-	1,262,755
16.7 Minority Shares	(II-13)	18,217	-	18,217	15,507	-	15,507
TOTAL LIABILITIES		89,622,512	109,231,606	198,854,118	80,509,687	62,220,080	142,729,767

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

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS OF 31 DECEMBER 2021 AND 2020

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

	Section 5 Note	Audited Current Period 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	TL	FC	Total
A. Off-Balance Sheet Liabilities (I+II+III)		116,129,741	166,079,544	282,209,285	82,225,686	89,376,868	171,602,554
I. GUARANTEES AND SURETIES	(III-1)	8,470,096	30,062,181	38,532,277	7,480,648	16,764,598	24,245,246
1.1 Letters of Guarantee		7,056,943	14,037,146	21,094,089	6,051,549	8,131,845	14,183,394
1.1.1 Guarantees Subject to State Tender Law		133,980	147,510	281,490	80,715	89,820	170,535
1.1.2 Guarantees Given for Foreign Trade Operations		395,162	612,824	1,007,986	344,482	545,346	889,828
1.1.3 Other Letters of Guarantee		6,527,801	13,276,812	19,804,613	5,626,352	7,496,679	13,123,031
1.2 Bank Acceptances		-	33,680	33,680	-	16,573	16,573
1.2.1 Import Letter of Acceptance		-	33,680	33,680	-	16,573	16,573
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	10,343,834	10,343,834	-	5,025,525	5,025,525
1.3.1 Documentary Letters of Credit		-	4,046,781	4,046,781	-	3,656,589	3,656,589
1.3.2 Other Letters of Credit		-	6,297,053	6,297,053	-	1,368,936	1,368,936
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		1,384,153	4,279,755	5,663,908	1,428,395	2,548,277	3,976,672
1.9 Other Collaterals		29,000	1,367,766	1,396,766	704	1,042,378	1,043,082
II. COMMITMENTS	(III-1)	24,869,317	8,633,167	33,502,484	17,192,418	2,831,971	20,024,389
2.1 Irrevocable Commitments		24,869,317	8,633,167	33,502,484	17,192,418	2,831,971	20,024,389
2.1.1 Asset Purchase Commitments		3,543,805	7,707,411	11,251,216	916,964	2,114,054	3,031,018
2.1.2 Deposit Purchase and Sale Commitments		-	-	-	-	94,524	94,524
2.1.3 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		7,121,357	52,502	7,173,859	5,498,822	237,748	5,736,570
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		2,135,381	-	2,135,381	1,741,408	-	1,741,408
2.1.8 Tax and Fund Liabilities from Export Commitments		51,363	-	51,363	47,494	-	47,494
2.1.9 Commitments for Credit Card Limits		12,007,806	-	12,007,806	8,978,512	-	8,978,512
2.1.10 Commitments for Credit Cards and Banking Services Promotions		5,797	-	5,797	5,767	-	5,767
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		3,808	873,254	877,062	3,451	385,645	389,096
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-2)	82,790,328	127,384,196	210,174,524	57,552,620	69,780,299	127,332,919
3.1 Derivative Financial Instruments for Hedging Purposes		21,649,500	7,806,018	29,455,518	14,112,081	9,895,360	24,007,441
3.1.1 Fair Value Hedge		-	-	-	1,991,418	4,258,649	6,250,067
3.1.2 Cash Flow Hedge		21,649,500	7,806,018	29,455,518	12,120,663	5,636,711	17,757,374
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Held for Trading Transactions		61,140,828	119,578,178	180,719,006	43,440,539	59,884,939	103,325,478

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

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2021 AND 2020

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

	Section 5 Note	Audited Current Period 31.12.2021			Audited Prior Period 31.12.2020		
		TL	FC	Total	TL	FC	Total
3.2.1	Forward Foreign Currency Buy/Sell Transactions	11,386,300	15,523,785	26,910,085	6,698,057	10,100,110	16,798,167
3.2.1.1	Forward Foreign Currency Transactions-Buy	9,169,995	4,268,100	13,438,095	4,420,031	4,234,382	8,654,413
3.2.1.2	Forward Foreign Currency Transactions-Sell	2,216,305	11,255,685	13,471,990	2,278,026	5,865,728	8,143,754
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rates	47,269,862	90,288,974	137,558,836	35,101,585	43,210,657	78,312,242
3.2.2.1	Foreign Currency Swap-Buy	1,451,736	55,792,484	57,244,220	1,723,908	25,735,907	27,459,815
3.2.2.2	Foreign Currency Swap-Sell	30,279,126	26,837,944	57,117,070	20,517,677	10,825,732	31,343,409
3.2.2.3	Interest Rate Swaps-buy	7,769,500	3,829,273	11,598,773	6,430,000	3,324,509	9,754,509
3.2.2.4	Interest Rate Swaps-Sell	7,769,500	3,829,273	11,598,773	6,430,000	3,324,509	9,754,509
3.2.3	Foreign Currency, Interest Rate and Securities Options	2,116,848	11,241,994	13,358,842	1,050,757	3,069,974	4,120,731
3.2.3.1	Foreign Currency Options-Buy	1,630,468	2,022,308	3,652,776	729,259	1,370,067	2,099,326
3.2.3.2	Foreign Currency Options-Sell	486,380	3,144,606	3,630,986	321,498	1,699,907	2,021,405
3.2.3.3	Interest Rate Options-Buy	-	3,037,540	3,037,540	-	-	-
3.2.3.4	Interest Rate Options-Sell	-	3,037,540	3,037,540	-	-	-
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	367,818	439,173	806,991	590,140	543,771	1,133,911
3.2.4.1	Foreign Currency Futures-Buy	329,039	113,632	442,671	2,957	541,030	543,987
3.2.4.2	Foreign Currency Futures-Sell	38,779	325,541	364,320	587,183	2,741	589,924
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	-	2,084,252	2,084,252	-	2,960,427	2,960,427
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)	191,502,856	77,886,471	269,389,327	176,730,851	44,287,540	221,018,391
IV.	ITEMS HELD IN CUSTODY	43,658,517	11,330,004	54,988,521	33,848,445	5,782,810	39,631,255
4.1	Customer Fund and Portfolio Balances	7,112,025	-	7,112,025	4,218,738	-	4,218,738
4.2	Investment Securities Held In Custody	14,741,218	8,458,577	23,199,795	15,992,767	4,231,162	20,223,929
4.3	Cheques Received for Collection	20,823,940	2,178,366	23,002,306	12,745,727	957,162	13,702,889
4.4	Commercial Notes Received for Collection	591,700	132,493	724,193	544,908	81,946	626,854
4.5	Other assets Received for Collection	125	560,568	560,693	125	512,540	512,665
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items under Custody	389,509	-	389,509	346,180	-	346,180
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGES RECEIVED	147,068,982	66,228,730	213,297,712	139,684,038	38,119,680	177,803,718
5.1	Marketable Securities	122,836	673,062	795,898	306,697	459,121	765,818
5.2	Guarantee Notes	54,425,408	45,321,890	99,747,298	50,620,121	25,752,717	76,372,838
5.3	Commodity	226,267	-	226,267	142,587	108,608	251,195
5.4	Warranty	-	-	-	-	-	-
5.5	Immovables	78,588,982	15,290,955	93,879,937	77,966,304	8,026,196	85,992,500
5.6	Other Pledged Items	13,705,489	4,942,823	18,648,312	10,648,329	3,773,038	14,421,367
5.7	Pledged Items-Depository	-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES	775,357	327,737	1,103,094	3,198,368	385,050	3,583,418
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		307,632,597	243,966,015	551,598,612	258,956,537	133,664,408	392,620,945

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020

(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 Notes	Audited Current Period 01.01-31.12.2021	Audited Prior Period 01.01-31.12.2020
I. INTEREST INCOME	(IV-1)	16,156,398	11,447,705
1.1 Interest Income on Loans		11,871,313	8,681,796
1.2 Interest Income on Reserve Requirements		413,671	83,562
1.3 Interest Income on Banks		146,890	169,103
1.4 Interest Income on Money Market Transactions		119,508	146,441
1.5 Interest Income on Securities Portfolio		3,107,550	2,147,832
1.5.1 Financial Assets at Fair Value Through Profit or Loss		257,762	178,384
1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income		709,804	800,272
1.5.3 Financial Assets Measured at Amortized Cost		2,139,984	1,169,176
1.6 Financial Lease Income		-	-
1.7 Other Interest Income	(IV-12)	497,466	218,971
II. INTEREST EXPENSE (-)	(IV-2)	9,090,206	5,194,539
2.1 Interest Expense on Deposits		7,264,806	3,686,992
2.2 Interest Expense on Funds Borrowed		875,246	586,829
2.3 Interest Expense on Money Market Transactions		341,931	244,396
2.4 Interest Expense on Securities Issued		451,610	454,149
2.5 Interest Expense on Leases		106,577	99,463
2.6 Other Interest Expenses		50,036	122,710
III. NET INTEREST INCOME/EXPENSE (I - II)		7,066,192	6,253,166
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		1,590,432	1,331,799
4.1 Fees and Commissions Received		2,685,996	1,957,703
4.1.1 Non-cash Loans		323,536	260,229
4.1.2 Other	(IV-12)	2,362,460	1,697,474
4.2 Fees and Commissions Paid (-)		1,095,564	625,904
4.2.1 Non-cash Loans		8,690	7,186
4.2.2 Other	(IV-12)	1,086,874	618,718
V. DIVIDEND INCOME	(IV-3)	3,503	3,557
VI. TRADING INCOME/LOSS (Net)	(IV-4)	(1,987,003)	(1,736,637)
6.1 Securities Trading Gains/Losses		(66,345)	(52,483)
6.2 Gains/Losses on Derivative Financial Instruments		(2,761,832)	(1,059,395)
6.3 Foreign Exchange Gains/Losses		841,174	(624,759)
VII. OTHER OPERATING INCOME	(IV-5)	214,141	129,357
VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)		6,887,265	5,981,242
IX. EXPECTED CREDIT LOSS (-)	(IV-6)	(8,173)	752,055
X. OTHER PROVISION EXPENSES (-)	(IV-6)	1,572	(22,683)
XI. PERSONNEL EXPENSE (-)		1,936,213	1,664,376
XII. OTHER OPERATING EXPENSES (-)	(IV-7)	2,234,045	1,910,574
XIII. NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		2,723,608	1,676,920
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)	2,723,608	1,676,920
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-9)	642,734	408,014
18.1 Current Tax Provision		218,125	523,814
18.2 Deferred Tax Expense Effect (+)		3,013,505	1,312,557
18.3 Deferred Tax Income Effect (-)		(2,588,896)	(1,428,357)
XIX. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVII±XVIII)	(IV-10)	2,080,874	1,268,906
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from Non-current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Income from Other Discontinued Operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses from Non-current Assets Held for Sale		-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Expenses for Other Discontinued Operations		-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	(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)	2,080,874	1,268,906
25.1 Group's Profit/Loss		2,072,708	1,262,755
25.2 Minority Interest Profit/Loss (-)		8,166	6,151
Earnings per Share		0.9403	0.5728

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020

(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 01.01-31.12.2021	Audited Prior Period 01.01-31.12.2020
I. CURRENT PERIOD INCOME/LOSS	2,080,874	1,268,906
II. OTHER COMPREHENSIVE INCOME	290,906	510,859
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	(116,937)	(43,674)
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	(148,981)	(55,205)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	2,369	500
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	29,675	11,031
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	407,843	554,533
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	(141,239)	(132,449)
2.2.3 Income/(loss) related with Cash Flow Hedges	658,228	829,370
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	(109,146)	(142,388)
III. TOTAL COMPREHENSIVE INCOME (I+II)	2,371,780	1,779,765

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2021 AND 2020

(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		
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3
Prior Period - 01.01-31.12.2020							
I. Prior Period End Balance	2,204,390	2,565	-	389,189	266,122	39,999	4,743
II. Corrections According to TAS 8	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-
2.2 Effects of Changes in Accounting Policy	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	389,189	266,122	39,999	4,743
IV. Total Comprehensive Income	-	-	-	-	-	(44,119)	490
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	-	-	-	-	9,394	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	9,394	-	-
11.3 Other	-	-	-	-	-	-	-
Period-End Balance 31.12.2020 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	389,189	275,516	(4,120)	5,233
Current Period - 01.01-31.12.2021							
I. Prior Period End Balance	2,204,390	2,565	-	389,189	275,516	(4,120)	5,233
II. Corrections According to TAS 8	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
III. New Beginning Balance (I+II)	2,204,390	2,565	-	389,189	275,516	(4,120)	5,233
IV. Total Comprehensive Income	-	-	-	-	-	(118,965)	2,249
V. Capital Increase by Cash	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	(528)	(220,221)	-	-
XI. Profit Distribution	-	-	-	-	935	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	935	-	-
11.3 Other	-	-	-	-	-	-	-
Period-End Balance 31.12.2021 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	388,661	56,230	(123,085)	7,482

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.

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss									
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	
-	17,357	(886,750)	6,728,424	1,134,463	-	9,900,502	9,406	9,909,908	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	17,357	(886,750)	6,728,424	1,134,463	-	9,900,502	9,406	9,909,908	
-	(105,508)	660,046	-	-	1,262,755	1,773,664	6,101	1,779,765	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	1,115,572	(1,124,966)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	1,115,572	(1,124,966)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	(88,151)	(226,704)	7,843,996	9,497	1,262,755	11,674,166	15,507	11,689,673	
-	(88,151)	(226,704)	7,843,996	1,272,252	-	11,674,166	15,507	11,689,673	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	(88,151)	(226,704)	7,843,996	1,272,252	-	11,674,166	15,507	11,689,673	
-	(111,608)	519,503	-	-	2,072,708	2,363,887	7,893	2,371,780	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	230,246	(9,497)	-	-	-	-	-
-	-	-	1,261,820	(1,262,755)	-	-	(5,183)	(5,183)	
-	-	-	-	-	-	-	(5,183)	(5,183)	
-	-	-	1,261,820	(1,262,755)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	(199,759)	292,799	9,336,062	-	2,072,708	14,038,053	18,217	14,056,270	

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2021 AND 2020

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Section 5 Notes	Audited Current Period 01.01-31.12.2021	Audited Prior Period 01.01-31.12.2020
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		13,026,804	4,708,110
1.1.1 Interest received		14,653,420	10,895,148
1.1.2 Interest paid		(8,878,542)	(5,003,656)
1.1.3 Dividend received		3,503	3,557
1.1.4 Fees and commissions received		2,627,891	1,541,980
1.1.5 Other income		1,055,315	129,657
1.1.6 Collections from previously written off loans		1,140,863	1,610,390
1.1.7 Payments to personnel and service suppliers		(1,898,007)	(1,664,376)
1.1.8 Taxes paid		(471,351)	(365,266)
1.1.9 Others	(VI-1)	4,793,712	(2,439,324)
1.2 Changes in operating assets and liabilities		(2,449,827)	7,312,977
1.2.1 Net (increase) in financial asset at fair value through profit or loss		(1,167,412)	(329,359)
1.2.2 Net (increase)/decrease in due from banks and other financial institutions		(72,658)	(1,941,732)
1.2.3 Net (increase) in loans		(17,072,178)	(10,977,082)
1.2.4 Net (increase) in other assets	(VI-1)	(9,690,894)	136,824
1.2.5 Net decrease/(increase) in bank deposits		(3,284,982)	12,138,988
1.2.6 Net increase in other deposits		15,274,720	5,465,653
1.2.7 Net increase in financial asset at fair value through profit or loss		-	-
1.2.8 Net increase in funds borrowed		7,822,570	1,723,403
1.2.9 Net increase in matured payables		-	-
1.2.10 Net increase in other liabilities	(VI-1)	5,741,007	1,096,282
I. Net cash provided from banking operations		10,576,977	12,021,087
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(1,700,120)	(9,615,146)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		-	(50)
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		(231,327)	(208,351)
2.4 Cash obtained from sale of tangible assets		4,272	4,446
2.5 Cash paid for purchase of financial assets at fair value through other comprehensive income		(3,472,651)	(6,174,641)
2.6 Cash obtained from sale of financial assets at fair value through other comprehensive income		6,749,988	3,621,407
2.7 Cash paid for purchase of financial assets measured at amortised cost		(6,645,155)	(7,591,794)
2.8 Cash obtained from sale of financial assets measured at amortised cost		2,016,874	823,184
2.9 Others	(VI-1)	(122,121)	(89,347)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(3,825,468)	2,186,190
3.1 Cash obtained from funds borrowed and securities issued		10,033,681	14,631,331
3.2 Cash used for repayment of funds borrowed and securities issued		(13,594,895)	(12,196,805)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(5,183)	-
3.5 Payments for financial leases		(259,071)	(248,336)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(VI-1)	2,128,252	1,432,624
V. Net increase in cash and cash equivalents		7,179,641	6,024,755
VI. Cash and cash equivalents at beginning of the period		24,235,224	18,210,469
VII. Cash and cash equivalents at end of the period	(VI-2)	31,414,865	24,235,224

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

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020

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

VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION (*)

	Audited Current Period 31.12.2021 (**)	Audited Prior Period 31.12.2020
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	2,498,526	1,549,720
1.2 TAXES AND DUTIES PAYABLE (-)	585,628	372,406
1.2.1 Corporate tax (Income tax)	166,686	486,856
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (***)	418,942	(114,450)
A. NET INCOME FOR THE YEAR (1.1-1.2)	1,912,898	1,177,314
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	58,866
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	1,912,898	1,118,448
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 (pre-emptive 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 (pre-emptive 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	-	1,118,448
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
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 (pre-emptive 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 (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	0.8678	0.5341
3.2 TO OWNERS OF ORDINARY SHARES (%)	86.78	53.41
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
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 profit distribution table has been prepared according to the unconsolidated financial statements of the Parent Bank.

(**) As of 31 December 2021 financial statements are finalized, the General Assembly has not been held yet.

(***) Deferred tax expense shown in other tax and legal liabilities (31 December 2020: Deferred tax income)

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 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 Financial Reporting Standards ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned regulations. The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué on Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation

The 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 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.

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

The effects of this global pandemic on the Group's financial statements are regularly monitored by the Risk Management as well as the Parent Bank's Management. While preparing the consolidated financial statements at 31 December 2021, the Group reflected the possible effects of the COVID-19 outbreak on the estimates and judgements used in the preparation of the financial statements. Bank Management takes the necessary precautions in order to keep the negative effects under control and to be affected at the minimum level. The approach preferred for the period of 31 December 2021, will be revised in the following reporting periods, considering the effect of the pandemic and future expectations.

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

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

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

I. Basis of Presentation (Continued)

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

In addition, Benchmark Rate Reform - Phase 2, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021 was published in December 2020. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The impact of the changes on the Bank's financials has been evaluated and did not have a significant impact. On the other hand, the Benchmark Interest Rate Reform process continues for some indicators and the Bank continues to work within the scope of adaptation to the changes. In this context, a working group was established within the scope of evaluating the impact of the interest rate reform on the financial statements and harmonization with the reform. As a result of the evaluations, it is expected that the effect of the relevant change on the financial statements will be limited.

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, since cumulative change in the general purchasing power according to Consumer Price Index ("CPI") of the last 3 years was 74.41%, it has been stated that entities that apply Turkish Financial Reporting Standards ("TFRS") do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies". In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

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

c. Different accounting policies applied while preparing the consolidated financial statements:

In cases where the accounting policies used by the subsidiaries differ from those of the Parent Bank, the differences are harmonized in the financial statements by 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 available for sale 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 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 8 November 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:

Commercial Name	Head Office
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.

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. Bank has been notified that the liquidation of "Stichting TEB Diversified Payment Rights S.A." was completed on 7 April 2020.

The financial statements of subsidiaries were prepared as of 31 December 2021 and 31 December 2020.

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".

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

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

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

The portion of derivative financial assets at fair value through profit or loss (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. Within the scope of TFRS 13 Fair Value Measurement standard; The bank considers that (i) the fair value of the asset or liability (or similar asset or liability) has significantly decreased in its volume or level of activity relative to normal market volume, (ii) when a transaction price or quoted price does not reflect fair value and/or (iii) when a material adjustment is required so that the price of a similar asset is comparable to the subject asset, or (iv) when the price is no longer valid, it adjusts the transaction price or the quoted price and reflects this adjustment in the fair value measurement. In this context, the Parent Bank determines the point in the range that best reflects the fair value in the current market conditions.

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

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

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

Disclosures on derivatives for hedging purposes

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

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

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

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

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.

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

While the 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

V. Explanations on Interest Income and Expenses

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

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

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

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

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

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

VI. Explanations on Fees and Commission Income and Expenses

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

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

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

For Bank assurance services provided by the 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VII. Explanations on Financial Assets (continued)

The Parent Bank 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 ("settlement date"). 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.

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.

As of 31 December 2021, the Parent Bank has reviewed the valuation of financial assets at fair value through other comprehensive income due to the adverse effects of the COVID-19 outbreak and there is no change that would require any adjustment in the fair value measurement as of the reporting date.

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 investment at fair value other comprehensive income where those investments are held for purposes other than to generate investments returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Dividends continue to be recognized in profit or loss in the financial statements

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

As of 31 December 2021, the Parent Bank has reviewed the valuation of equity instruments at fair value through other comprehensive income due to the adverse effects of the COVID-19 outbreak, and as of the reporting date, there is no change that would require an adjustment in the fair value measurement.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VII. Explanations on Financial Assets (continued)

Financial Assets Measured at Amortised Cost

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

Loans:

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

VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortised 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 "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" 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 are divided into "3 stage categories" depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

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

Stage 2:

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

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

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VIII. Explanations on Impairment of Financial Assets (Continued)

Stage 2: (Continued)

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

Stage 3:

Tier 3 includes financial assets that have objective evidence that they are impaired as of the reporting date. For these assets, lifetime expected credit losses are recorded. For the related financial assets, the probability of default is taken into account as 100%.

Expected Credit Loss Calculation

Expected credit loss calculation refers to the calculation to estimate the loss of the financial instrument in case of default and it is based on 3 stage impairment model based on the change in credit quality. The 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 are mainly 3 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 Parent Bank considers different scenarios in the calculation of expected credit loss by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2021				2022				2023				2024				2025			
Period ^(*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	7.0	21.3	6.4	5.7	4.6	3.8	2.8	2.8	3.4	4.1	4.2	4.2	4.1	4.0	4.1	4.0	3.9	3.9	4.1	4.3

(*) It represents 3-month periods.

The Parent 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

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 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 these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Parent Bank periodically reviews the parameters included in the calculation and updates them when necessary.

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

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

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

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

Qualitative assessments:

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

The 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)

Quantitative assessments:

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

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

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

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when the 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.

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 financial 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 the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2021, the Group has no reverse repo transaction (31 December 2020: TL 3,679,810).

As of 31 December 2021, the Group does not have any marketable securities lending transaction (31 December 2020: None).

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

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

As of 31 December 2021, assets held for sale and discontinued operations of the Group are TL 65,933 (31 December 2020: TL 112,859). As per the appraisals performed for the real estates held for sale included "Assets Held for Sale" in the financial statements, TL 2,288 (31 December 2020: TL 5,330) has been reserved as provision for impairment losses.

As of 31 December 2021, the Group has no discontinued operations.

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XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where

acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statement's 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. The measurement period shall not exceed one year from the acquisition date.

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

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the Parent Bank has measured the identifiable assets acquired and the identifiable liabilities acquired in the date of the merger of Fortis Bank A.Ş. at fair value and presented in the financial statements as related items. The resulting difference of TL48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder's equity section. The amount of TL421,124, which is the difference between TL2,385,482, the fair value of transferred amount and TL1,964,358, the identifiable net asset value is accounted.

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.

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

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 into consideration based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible fixed assets are as follows:

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

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

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

"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 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.

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

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

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 recognized under "Tangible Assets" as an asset (tenure) and under "Lease Payables" as a liability.

XV. Explanations on Provisions and Contingent Liabilities

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

Provisions are determined by using the 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

XVI. Explanations on Contingent Assets

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

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

XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Parent Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over 1 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. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

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

Employees transferred to the 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 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 2021, the Pension Fund has 1,414 employees and 1,238 pensioners (31 December 2020: 1,505 employees and 1,191 pensioners).

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

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

XVII. Explanations on Liabilities Regarding Employee Benefits (Continued)

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2021. Since the 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 by the assets of the Pension Fund, they believe such liabilities will not bring any additional liability to the Parent Bank

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 has been applied as 22% for 3 the years between 2018-2020 regarding to the "Law on Amendment of Certain Tax Laws and Some Other Laws" numbered 7061 and published in the Official Gazette on 5 December 2017. With Article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and Amending Certain Laws, which was published in the Official Gazette dated 22 April 2021 and numbered 31462, and with the Provisional Article 13 added to the Corporate Tax Law No. 5520, the Corporate Tax rate will be applied as 25% for the corporate earnings of the 2021 taxation period and 23% for the corporate earnings of the 2022 taxation period. This change will be valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021.

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

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

Tax returns 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.

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.

As stated in the explanations regarding the Corporate Tax, the rates to be applied to the corporate earnings of the 2021 and 2022 taxation periods are determined as 25% and 23%, respectively. In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 31 December 2021, the Parent Bank evaluated its assets and liabilities according to their maturities, and deferred tax calculations were made according to the rate of 23% or 20% corresponding to the relevant maturities.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

XVIII. Explanations on Taxation (continued)

Deferred Tax Asset/Liability (Continued)

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

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

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

XIX. Additional Explanations on Borrowings

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

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

XX. Explanations on Issued Equity Securities

There is no share issued in the year 2021.

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 regard to investment needs for customers, retail and private banking offers brokerage services for treasury bill transactions, government bonds, Eurobonds, foreign exchange purchases/sales, a wide range of investment funds, private pension funds and equity securities transactions. It also provides practical account, credit deposit account, automatic bill/regular payment options, safe-deposit boxes and insurance services beside credit and debit cards offering advantages in shopping and banking transactions. These products and services are provided to customers through widespread physical branches and ATM network and also via a 24/7 call center, internet and mobile banking.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

XXIII. Explanations on Reporting According to Segmentation (continued)

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 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 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.

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 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

XXIII. Explanations on Reporting According to Segmentation (continued)

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 Banking	SME Banking	Other	Elimination	Total
Dividend Income	-	-	-	9,775	(6,272)	3,503
Profit Before Tax	849,126	807,896	337,316	739,084	(9,814)	2,723,608
Tax Provision (-)	-	-	-	642,911	(177)	642,734
Net Profit for the Period	849,126	807,896	337,316	96,173	(9,637)	2,080,874

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Segment Assets	37,486,577	47,375,661	23,996,403	90,620,966	(625,544)	198,854,063
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	130,194	(130,139)	55
Total Assets	37,486,577	47,375,661	23,996,403	90,751,160	(755,683)	198,854,118
Segment Liabilities	85,251,945	37,099,365	14,272,783	48,800,020	(626,265)	184,797,848
Shareholders' Equity	-	-	-	14,185,688	(129,418)	14,056,270
Total Liabilities	85,251,945	37,099,365	14,272,783	62,985,708	(755,683)	198,854,118

Prior Period (31.12.2020)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Dividend Income	-	-	-	32,308	(28,751)	3,557
Profit before Tax	416,020	394,058	88,170	809,102	(30,430)	1,676,920
Tax Provision (-)	-	-	-	408,098	(84)	408,014
Net Profit for The Period	416,020	394,058	88,170	401,004	(30,346)	1,268,906

Prior Period (31.12.2020)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Segment Assets	29,758,990	33,737,144	17,917,969	61,694,952	(379,343)	142,729,712
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	126,652	(126,597)	55
Total Assets	29,758,990	33,737,144	17,917,969	61,821,604	(505,940)	142,729,767
Segment Liabilities	57,562,522	30,630,337	8,208,073	35,019,049	(379,887)	131,040,094
Shareholders' Equity	-	-	-	11,815,726	(126,053)	11,689,673
Total Liabilities	57,562,522	30,630,337	8,208,073	46,834,775	(505,940)	142,729,767

XXIV. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 26 March 2021 of the Parent Bank, TL 1,177,314 that constitutes the 2020 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 58,866 as Legal Reserves, TL 935 as Special Reserves, TL 0.96 (full TL) as profit distributed to the holders of the founder jouissance certificates.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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XXV. Reclassifications

In order to comply with the financial statement presentation of 31 December 2021, some reclassifications have been made on the income statement and cash flow statement of 31 December 2020 and the balance sheet as of 31 December 2020. The related classification has no effect on the performance of the Parent Bank.

In order to comply with the Parent Bank's financial position as of 31 December 2021 prepared in accordance with the Uniform Chart of Accounts published on 1 January 2021, a reclassification was performed for the collateral amounts given over the derivative transactions made with foreign banks between cash and cash equivalents and other assets lines as of 31 December 2020 amounting to TL 1,332,737. The effects of this classification on the cash flow statement have also been updated. Collaterals in foreign non-bank institutions are continued to be recorded under other assets line. These mentioned classifications did not have any impact on the asset size and performance of the Parent Bank's statement of financial position.

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Consolidated Shareholders' Equity

Equity amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and decision of BRSA's regulations dated 8 December 2020 and 9312 numbered and 16 April 2020 dated and 3984 numbered, 17 June 2021 dated and 9624 numbered and 21 December 2021 dated and 9996 numbered. According to the latest regulation changes.

In calculating the amount subject to credit risk; while calculating the valued amounts in foreign currency, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the reporting date is used.

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

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

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

The Group's current consolidated period equity amount calculated as of 30 December 2021 is TL 18,477,772 (31 December 2020: 16,717,321 TL), and the consolidated capital adequacy standard ratio is 16.73% (31 December 2020: 18.25%). The Group's the consolidated capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk "standard approach" for banking accounts, market risk "standard method" for trading accounts, counterparty credit risk "fair value valuation method" for derivatives and repo transactions, credit valuation adjustment capital load "standard method" for over-the-counter derivative transactions method and operational risk were calculated using the "basic indicator method".

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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I. Explanations Related to Components of Consolidated Shareholders' (Continued)

Information related to the Components of Consolidated Shareholders' Equity:

	Current Period 31.12.2021	Prior Period 31.12.2020
Common Equity Tier 1 Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	2,404,652
Share Premium	2,565	2,565
Reserves	9,538,286	8,472,235
Gains Recognized in Equity as per TAS	4,611	63,530
Profit	2,072,708	1,272,252
Current Period Profit	2,072,708	1,262,755
Prior Period Profit	-	9,497
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	527
Minority interest	750	530
Common Equity Tier 1 Capital Before Deductions	14,023,572	12,216,291
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	122	23,436
Leasehold Improvements on Operational Leases	37,252	38,571
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights	175,884	139,502
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 th 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 (2 nd article temporary second paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from common equity Tier 1 Capital	634,382	622,633
Total Common Equity Tier 1 Capital	13,389,190	11,593,658

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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 31.12.2021	Period 31.12.2020
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third Parties Share in the Additional Tier 1 Capital	161	114
Third Parties Share in the Additional Tier 1 Capital (in the scope of Temporary Article 3)	161	114
Additional Tier 1 Capital before deductions	161	114
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-
Items to be deducted from Tier I Capital during the Transition Period	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	161	114
Total Tier 1 Capital (Tier 1 Capital=Common Equity + Additional Tier 1 Capital)	13,389,351	11,593,772
TIER 2 CAPITAL		
Bank's borrowing instruments and related issuance premium	7,140,542	4,137,063
Bank's borrowing instruments and related issuance premium (in the scope of temporary Article 4)	-	-
Third parties' share in the Tier 2 Capital	214	151
Third parties' share in the Tier 2 Capital (in the scope of Temporary Article 3)	214	151
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	1,363,914	990,921
Tier 2 Capital Before Deductions	8,504,670	5,128,135
Deductions from Tier 2 Capital		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital (-)	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions from Tier 2 Capital	-	-
Total Tier 2 Capital	8,504,670	5,128,135
Total Capital (The sum of Tier 1 and Tier 2 Capital)	21,894,021	16,721,907

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(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 31.12.2021	Prior Period 31.12.2020
The sum of Tier 1 Capital and Tier 2 Capital (Total Equity)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	3,823	1,046
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	23,710	3,540
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period		
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st 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 1 st 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 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital	21,866,488	16,717,321
Total Risk Weighted Assets	123,079,834	91,603,777
Capital Adequacy Ratios		
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.88	12.66
Tier 1 Capital Adequacy Ratio (%)	10.88	12.66
Capital Adequacy Ratio (%)	17.77	18.25
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c) (%)	2.50	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	2.34	4.15
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	301,971	182,843
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)	147,376	651,589
Limits related to provisions considered in Tier II Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2,123,337	2,000,390
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used ^(*)	1,363,914	990,921
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier 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	88,574	177,147

^(*) 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
CAPITAL ITEMS					
Common Equity Tier 1 Capital	13,389,190	12,513,356	11,974,869	11,425,440	11,593,658
Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)	13,300,616	12,424,782	11,886,295	11,336,866	11,416,511
Tier 1 Capital	13,389,351	12,513,449	11,974,954	11,425,536	11,593,772
Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)	13,300,777	12,424,875	11,886,380	11,336,962	11,416,625
Capital	21,866,488	18,477,772	17,785,748	16,926,550	16,717,321
Capital where the transition impact of TFRS 9 has not been applied (c)	21,777,914	18,389,198	17,697,174	16,837,976	16,540,174
TOTAL RISK WEIGHTED ASSETS					
Total Risk Weighted Assets	123,079,834	110,426,564	99,515,070	95,123,030	91,603,777
CAPITAL ADEQUACY RATIOS					
Common Equity Tier 1 Capital Adequacy Ratio (%)	10.88	11.33	12.03	12.01	12.66
Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	10.81	11.25	11.94	11.92	12.46
Tier 1 Capital Adequacy Ratio (%)	10.88	11.33	12.03	12.01	12.66
Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	10.81	11.25	11.94	11.92	12.46
Capital Adequacy Ratio (%)	17.77	16.73	17.87	17.79	18.25
Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)	17.69	16.65	17.78	17.70	18.06
LEVERAGE RATIO					
Leverage Ratio Total Risk Amount	267,761,081	208,552,980	193,379,229	185,131,548	186,259,132
Leverage Ratio	5.00%	6.00%	6.19%	6.07%	6.16%
FTA not Applied Leverage Ratio (e)	4.97%	5.96%	6.15%	6.02%	6.06%

Basic information for the TFRS 9 transition process

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

Explanations on Reconciliation of Capital Items to Balance Sheet:

Total Capital per Balance Sheet	14,056,270
Hedging Funds (effective portion)	(292,799)
Deductions Made Under Regulation	(662,491)
Transition Impact of TFRS 9 (Temporary 5 th Article)	88,574
Accumulated revaluation and/or classification on gains/losses of financial assets with fair value through comprehensive income	199,636
Common Equity Tier 1 Capital	13,389,190
Additional Tier 1 Capital	161
Tier 1 Capital	13,389,351
General Provisions (Stage 1 and 2)	1,363,914
Bank's Borrowing Instruments	7,140,542
Deductions Made Under Regulation	(27,533)
Share of Third Parties in Capital	214
Total Equity	21,866,488

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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 of the debt instrument (e.g. CUSIP, ISIN)	XS0700889081	XS0808626013	XS0780562665	XS0947781315
Governing law(s) of the debt	Turkey	Turkey	Turkey	Turkey
Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible at consolidated/unconsolidated/consolidated and unconsolidated	Available Borrowing Instrument	Available Borrowing Instrument	Available Borrowing Instrument	Available Borrowing Instrument
Type of the debt instrument				
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	2,812.0	1,518.8	911.2	1,898.5
Par value of instrument (TL Currency in mil)	2,812.0	1,518.8	911.2	1,898.5
Accounting classification of the debt instrument	34701100	34701100	34701100	34701100
Original date of issuance	5.11.2018	22.07.2019	14.05.2019	27.06.2018
Perpetual or dated (Demand/Time)	Time	Time	Time	Time
Original maturity date	5.11.2028	22.07.2029	14.05.2029	27.06.2028
Issuer call subject to prior supervisory approval	Available	Available	Available	Available
Optional call date, contingent call dates and redemption amount	5.11.2023	22.07.2024	14.05.2024	27.06.2023
Subsequent call dates, if applicable	-	-	-	-
Coupons/dividends				
Fixed or floating dividend/coupon	Fixed	Floating	Floating	Floating
Coupon rate and any related index	10.40%	6mEuribor+7.10%	6mEuribor+7.10%	6mEuribor+5.10%
Existence of a dividend stopper	None	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
Convertible or non-convertible				
If convertible, conversion trigger(s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature				
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess	Possess	Possess	Possess
According to Article 7 and 8 of Banks' shareholders equity law that are not possessed ^(*)	-	-	-	-

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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 partially or on time 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 14 December 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".

With the BRSA's decision dated 21 December 2021 and numbered 9996, the simple arithmetic average of the Central Bank's foreign exchange buying rates of the last 252 business days before the reporting date was used while calculating the valued amounts in foreign currency.

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations Related to the Consolidated Credit Risk (Continued)

Regardless of the effects of credit risk mitigation, the total amount of risks exposed after deduction and the average amount of risks disaggregated according to different risk classes 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	46,896,501	40,089,208
Conditional and unconditional receivables from regional or local governments	1,178,539	1,202,647
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	14,189,838	10,313,198
Conditional and unconditional corporate receivables	55,460,314	49,033,601
Conditional and unconditional retail receivables	50,289,894	42,545,486
Conditional and unconditional secured mortgage receivables	10,889,337	11,277,846
Past due receivables	1,093,672	1,143,881
Receivables in high-risk category defined by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	6,855,827	5,337,089
Investments in equities	233,551	204,228

(*) 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	35,631,103	29,775,440
Conditional and unconditional receivables from regional or local governments	1,198,712	1,205,215
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	9,417,384	9,460,631
Conditional and unconditional corporate receivables	44,684,444	41,969,955
Conditional and unconditional retail receivables	36,184,067	35,242,205
Conditional and unconditional secured mortgage receivables	10,955,985	11,894,801
Past due receivables	1,281,949	1,620,673
Receivables in high-risk category defined by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	3,720,404	4,028,443
Investments in equities	167,257	145,104

(*) 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 amount of loans and other receivables that are renewed and rescheduled from loans are not large enough to significantly affect the Parent Bank's financial statements, 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.

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 2021, the receivables of the Group from its top 100 and top 200 cash loan customers share in total cash loans respectively 24.94% and 34.28% (31 December 2020: 25.70% and 33.52%).

As of 31 December 2021, the receivables of the Group from its top 100 and top 200 non-cash loan customers share of 76.05% and 85.99% respectively in the total non-cash loans (31 December 2020: 72.30% and 83.41%).

As of 31 December 2021, 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 9.3% and 12.09% respectively (2020: 10.33% and 13.80%).

As of 31 December 2021, the general loan loss provision related with the credit risk taken by the Group is TL 2,123,337 (2020: TL 2,000,390).

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 2021, Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Parent Bank and these loans constitute 27,12% of the total cash and non-cash loan portfolio (31 December 2020: 29.70%). Application and behavioral scorecards are used for the Individual and Business segments, however behavioral scorecard is used 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 % 31.12.2021	Share in the Total % 31.12.2020
1 st Category	The borrower has a very strong financial structure	53.82	47.06
2 nd Category	The borrower has a good financial structure	21.35	25.30
3 rd Category	The borrower has an intermediate level of financial structure	19.12	20.35
4 th Category	The financial structure of the borrower must be closely monitored in the medium term	5.71	7.29
Total		100.00	100.00

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
Current Period								
Domestic	116,445	587,180	-	-	-	2,158,112	38,375,084	40,484,844
European Union	-	-	-	-	-	400,142	589,195	47,352
OECD Countries ^(*)	-	-	-	-	-	323,260	940,117	4,920
Off-Shore Banking Regions	-	-	-	-	-	11	-	43
USA, Canada	-	-	-	-	-	434,765	1,663	1,527
Other Countries	769,949	-	-	-	-	34,560	169,135	142,450
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ^(**)	-	2,095	-	-	-	964,871	13,304,896	3,316,185
Total	886,394	589,275	-	-	-	4,315,721	53,380,090	43,997,321

^(*) 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.

Exposure Categories ^(***)

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
5,646,402	859,670	-	-	-	-	-	1,544,904	233,551	90,006,192
1,983	1,197	-	-	-	-	-	145	-	1,040,014
80	5	-	-	-	-	-	418	-	1,268,800
-	-	-	-	-	-	-	-	-	54
128	61	-	-	-	-	-	-	-	438,144
51,819	16,721	-	-	-	-	-	12,281	-	1,196,915
-	-	-	-	-	-	-	55	-	55
331,646	72,500	-	-	-	-	-	2,902	-	17,995,095
6,032,058	950,154	-	-	-	-	-	1,560,705	233,551	111,945,269

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
Prior Period								
Domestic	70,174	598,426	-	-	-	1,687,114	32,089,110	24,799,232
European Union (EU) Countries	-	-	-	-	-	378,459	297,664	18,590
OECD Countries ^(*)	-	-	-	-	-	29,410	355,299	770
Off-Shore Banking Regions	-	-	-	-	-	8	-	53
USA, Canada	-	-	-	-	-	195,970	380	803
Other Countries	389,970	-	-	-	-	15,929	227,650	107,413
Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ^(**)	-	935	-	-	-	561,081	10,616,055	2,208,847
Total	460,144	599,361	-	-	-	2,867,971	43,586,158	27,135,708

^(*) 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.

Exposure Categories ^(***)

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
5,455,931	1,080,285	-	-	-	-	-	1,700,830	167,257	67,648,359
2,445	1,202	-	-	-	-	-	-	-	698,360
278	-	-	-	-	-	-	397	-	386,154
-	-	-	-	-	-	-	-	-	61
311	27	-	-	-	-	-	-	-	197,491
23,186	7,766	-	-	-	-	-	433	-	772,347
-	-	-	-	-	-	-	55	-	55
424,648	90,173	-	-	-	-	-	2,889	-	13,904,628
5,906,799	1,179,453	-	-	-	-	-	1,704,604	167,257	83,607,455

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
Current Period								
Agriculture	-	-	-	-	-	-	452,478	541,916
Farming and Stockbreeding	-	-	-	-	-	-	424,702	531,156
Forestry	-	-	-	-	-	-	19,872	2,912
Fishery	-	-	-	-	-	-	7,904	7,848
Manufacturing	-	-	-	-	-	-	34,541,979	7,311,984
Mining and Quarrying	-	-	-	-	-	-	1,743,117	309,753
Production	-	-	-	-	-	-	30,830,649	6,967,296
Electricity, Gas and Water	-	-	-	-	-	-	1,968,213	34,935
Construction	-	-	-	-	-	-	3,268,184	847,888
Services	886,394	589,275	-	-	-	4,315,721	14,467,161	7,727,825
Wholesale and Retail Trade	-	18,864	-	-	-	-	5,531,762	4,017,518
Accommodation and Dining	-	-	-	-	-	-	803,907	489,428
Transportation and Telecom.	-	-	-	-	-	-	2,149,975	1,604,179
Financial Institutions	886,394	-	-	-	-	4,315,721	2,355,073	84,890
Real Estate and Rental Services	-	-	-	-	-	-	2,799,445	1,050,458
Self-Employment Services	-	-	-	-	-	-	756,830	431,851
Educational Services	-	-	-	-	-	-	6,735	42,307
Health and Social Services	-	570,411	-	-	-	-	63,434	7,194
Other	-	-	-	-	-	-	650,288	27,567,708
Total	886,394	589,275	-	-	-	4,315,721	53,380,090	43,997,321

^(*) Foreign Currency indexed credits are shown in TL column^(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

Exposure Categories ^(*)

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
204,240	64,919	-	-	-	-	-	-	-	1,077,072	186,481	1,263,553
203,945	64,408	-	-	-	-	-	-	-	1,040,204	184,007	1,224,211
-	54	-	-	-	-	-	-	-	22,581	257	22,838
295	457	-	-	-	-	-	-	-	14,287	2,217	16,504
2,096,117	240,156	-	-	-	-	-	-	-	23,952,561	20,237,675	44,190,236
65,757	9,890	-	-	-	-	-	-	-	1,371,370	757,147	2,128,517
1,761,171	225,983	-	-	-	-	-	-	-	21,316,500	18,468,599	39,785,099
269,189	4,283	-	-	-	-	-	-	-	1,264,691	1,011,929	2,276,620
173,420	202,305	-	-	-	-	-	-	-	2,229,666	2,262,131	4,491,797
2,516,745	366,981	-	-	-	-	-	1,482,098	233,551	20,745,971	11,839,780	32,585,751
915,604	149,186	-	-	-	-	-	15	-	8,454,816	2,178,133	10,632,949
694,662	52,424	-	-	-	-	-	2	-	914,803	1,125,620	2,040,423
349,400	52,086	-	-	-	-	-	20	-	2,897,823	1,257,837	4,155,660
94,748	5,120	-	-	-	-	-	1,481,822	233,551	5,083,432	4,373,887	9,457,319
352,517	88,026	-	-	-	-	-	155	-	1,967,800	2,322,801	4,290,601
107,831	12,280	-	-	-	-	-	-	-	727,559	581,233	1,308,792
1,699	7,842	-	-	-	-	-	45	-	58,431	197	58,628
284	17	-	-	-	-	-	39	-	641,307	72	641,379
1,041,536	75,793	-	-	-	-	-	78,607	-	29,107,788	306,144	29,413,932
6,032,058	950,154	-	-	-	-	-	1,560,705	233,551	77,113,058	34,832,211	111,945,269

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

Prior Period	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
Agriculture	-	-	-	-	-	-	497,239	444,468
Farming and Stockbreeding	-	-	-	-	-	-	468,762	435,107
Forestry	-	-	-	-	-	-	10,728	1,134
Fishery	-	-	-	-	-	-	17,749	8,227
Manufacturing	-	-	-	-	-	-	26,159,429	4,969,726
Mining and Quarrying	-	-	-	-	-	-	1,617,044	202,706
Production	-	-	-	-	-	-	23,048,009	4,738,652
Electricity, Gas and Water	-	-	-	-	-	-	1,494,376	28,368
Construction	-	-	-	-	-	-	2,584,007	588,306
Services	460,144	599,361	-	-	-	2,867,971	14,055,115	5,157,305
Wholesale and Retail Trade	-	-	-	-	-	-	5,932,918	2,574,752
Accommodation and Dining	-	-	-	-	-	-	461,759	390,331
Transportation and Telecom.	-	-	-	-	-	-	1,843,637	1,030,270
Financial Institutions	460,144	-	-	-	-	2,867,971	2,175,190	52,674
Real Estate and Rental Services	-	-	-	-	-	-	3,004,183	759,126
Self-Employment Services	-	-	-	-	-	-	417,367	308,107
Educational Services	-	-	-	-	-	-	27,262	33,188
Health and Social Services	-	599,361	-	-	-	-	192,799	8,857
Other	-	-	-	-	-	-	290,368	15,975,903
Total	460,144	599,361	-	-	-	2,867,971	43,586,158	27,135,708

^(*) Foreign Currency indexed credits are shown in TL column.^(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

Exposure Categories ^(*)

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	Securitized 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
158,475	112,604	-	-	-	-	-	-	-	1,139,886	72,900	1,212,786
157,781	111,728	-	-	-	-	-	-	-	1,103,087	70,291	1,173,378
-	21	-	-	-	-	-	-	-	10,330	1,553	11,883
694	855	-	-	-	-	-	-	-	26,469	1,056	27,525
1,764,334	334,923	-	-	-	-	-	5	-	23,207,924	10,020,493	33,228,417
81,468	21,774	-	-	-	-	-	2	-	1,677,373	245,621	1,922,994
1,504,491	296,287	-	-	-	-	-	3	-	20,367,623	9,219,819	29,587,442
178,375	16,862	-	-	-	-	-	-	-	1,162,928	555,053	1,717,981
262,209	184,284	-	-	-	-	-	-	-	2,032,301	1,586,505	3,618,806
2,431,353	481,460	-	-	-	-	-	1,655,242	166,544	19,738,285	8,136,210	27,874,495
767,050	210,394	-	-	-	-	-	86	-	7,728,307	1,756,893	9,485,200
827,844	56,062	-	-	-	-	-	-	-	944,103	791,893	1,735,996
345,067	70,356	-	-	-	-	-	98	-	2,654,362	635,066	3,289,428
100,912	5,769	-	-	-	-	-	1,654,801	166,544	4,246,379	3,237,626	7,484,005
308,164	101,740	-	-	-	-	-	246	-	2,646,475	1,526,984	4,173,459
79,234	24,713	-	-	-	-	-	3	-	642,160	187,264	829,424
2,825	12,394	-	-	-	-	-	4	-	75,547	126	75,673
257	32	-	-	-	-	-	4	-	800,952	358	801,310
1,290,428	66,182	-	-	-	-	-	49,357	713	17,566,582	106,369	17,672,951
5,906,799	1,179,453	-	-	-	-	-	1,704,604	167,257	63,684,978	19,922,477	83,607,455

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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				
Risk Categories	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	886,394	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	688	5,527	8,645	44,394	527,873
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	2,061,714	110,798	526,541	74,515	25,368
Conditional and unconditional exposures to corporates	5,257,693	7,365,977	6,586,609	12,272,302	8,585,661
Conditional and unconditional retail exposures	7,881,508	1,724,464	2,563,495	5,279,392	23,225,838
Conditional and unconditional exposures secured by real estate property	321,453	286,254	456,215	896,743	3,739,373
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 corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Others	85,588	1,354	8,337	-	117
Investments in equities	225,155	-	-	8,396	-
Total	16,720,193	9,494,374	10,149,842	18,575,742	36,104,230

Prior Period	Terms to Maturity				
Risk Categories	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	460,144	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	2,896	1,917	2,504	73,817	517,264
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	1,554,373	82,212	102,568	50,379	99,750
Conditional and unconditional exposures to corporates	5,296,566	5,136,347	7,447,256	6,371,529	8,707,685
Conditional and unconditional retail exposures	4,876,390	1,006,538	2,305,036	2,802,528	13,924,631
Conditional and unconditional exposures secured by real estate property	321,818	215,569	504,560	624,601	3,813,992
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 corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Others	283,140	1,014	2,222	-	3
Investments in equities	158,861	-	-	8,396	-
Total	12,954,188	6,443,597	10,364,146	9,931,250	27,063,325

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 Organization 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	50%	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	51,273,317	-	10,003,258	4,193,761	13,851,583	40,856,947	58,909,155	7,999,452	-	-	-	-	661,793
Exposures after Credit Risk Mitigation	51,569,889	-	9,376,347	4,193,761	13,186,838	39,541,985	56,675,490	7,991,594	-	-	-	-	661,793
Prior Period													Deductions from Equity
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%		
Exposures before Credit Risk Mitigation	37,140,028	-	6,517,571	4,781,153	10,425,207	36,176,042	48,032,110	169,194	-	-	-	-	603,783
Exposures after Credit Risk Mitigation	39,227,005	-	6,796,136	4,781,153	9,934,635	33,602,902	45,439,479	111,039	-	-	-	-	603,783

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors/Counterparties			
Agriculture	90,568	166,200	105,551
Farming and Stockbreeding	90,246	159,100	100,949
Forestry	-	2,800	1,500
Fishery	322	4,300	3,102
Manufacturing	1,685,727	530,600	698,868
Mining and Quarrying	6,924	11,700	8,190
Production	1,634,558	504,100	675,587
Electricity, Gas and Water	44,245	14,800	15,091
Services	2,269,449	1,834,000	1,833,109
Wholesale and Retail Trade	489,456	995,300	746,028
Accommodation and Dining	843,615	122,000	277,874
Transportation and Telecom.	40,199	113,000	81,815
Financial Institutions	3,444	24,500	13,689
Real Estate and Rental Services	293,586	77,400	93,599
Professional Services	209,805	9,600	173,371
Educational Services	357,297	406,100	375,933
Health and Social Services	32,047	86,100	70,800
Other	5,638,195	800,465	979,624
Total	9,683,939	3,331,265	3,617,152
Prior Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors/Counterparties			
Agriculture	589,157	237,067	178,448
Farming and Stockbreeding	576,288	228,842	172,294
Forestry	-	3,634	2,088
Fishery	12,869	4,591	4,066
Manufacturing	1,731,493	674,352	851,836
Mining and Quarrying	189,483	14,968	75,194
Production	1,499,539	635,292	752,434
Electricity, Gas and Water	42,471	24,092	24,208
Services	4,248,425	2,132,357	2,003,325
Wholesale and Retail Trade	3,107,940	1,273,123	1,203,942
Accommodation and Dining	121,449	131,641	133,499
Transportation and Telecom.	293,137	98,481	176,684
Financial Institutions	40,969	9,653	10,883
Real Estate and Rental Services	344,119	384,202	268,913
Professional Services	303,989	137,755	141,206
Educational Services	24,358	32,194	24,886
Health and Social Services	12,464	65,308	43,312
Other	1,383,270	458,106	620,716
Total	7,952,345	3,501,882	3,654,325

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

	31.12.2020 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments ^(*)	31.12.2021 Balance
Default (Stage III) Expected Credit Loss	2,381,897	560,717	(314,824)	(349,374)	31,273	2,309,689
(Stage I - II)	2,000,390	538,860	(808,471)	-	392,558	2,123,337

(*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company.

	31.12.2019 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments ^(*)	31.12.2020 Balance
Default (Stage III) Expected Credit Loss	2,394,656	700,392	(207,531)	(505,620)	-	2,381,897
(Stage I - II)	1,507,423	983,725	(652,238)	-	161,480	2,000,390

(*) 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 accounts	Risk weighted amount calculated in trading accounts	Total
Turkey	99,525,750	1,263,046	100,788,796
Switzerland	942,117	-	942,117
England	458,683	-	458,683
TRNC	346,827	-	346,827
Denmark	170,726	-	170,726
Italy	116,529	-	116,529
Sweden	75,602	-	75,602
Poland	60,102	-	60,102
Germany	41,801	-	41,801
Romania	28,527	-	28,527
Spain	12,588	-	12,588
Other	40,108	-	40,108
	101,819,360	1,263,046	103,082,406

Prior Period

Countries where the risk ultimately taken	Private sector loan in banking accounts	Risk weighted amount calculated in trading accounts	Total
Turkey	72,282,903	1,031,487	73,314,390
Switzerland	945,166	-	945,166
TRNC	332,306	-	332,306
England	323,446	-	323,446
Italy	321,166	-	321,166
Israel	50,318	-	50,318
Portugal	37,782	-	37,782
Spain	19,492	-	19,492
The Ivory Coast	6,098	-	6,098
Other	15,624	-	15,624
	74,334,301	1,031,487	75,365,788

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 2021, the Group's balance sheet short position is TL 24,005,711 (31 December 2020: TL 21,600,540 short position) off-balance sheet long position is TL 23,747,791 (31 December 2020: TL 21,041,159 long position) and as a result net foreign currency short position is TL 257,920 (31 December 2020: net TL 559,381 short position).

The announced current foreign exchange buying rates of the Parent Bank at 31 December 2021 and the previous five working days in full TL are as follows:

	24.12.2021	27.12.2021	28.12.2021	29.12.2021	30.12.2021	31.12.2021
USD	11.7652	11.2555	11.7878	12.5635	12.9629	13.3907
EURO	13.3159	12.7323	13.3415	14.2169	14.6610	15.1877

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before 31 December 2021 are as follows:

	Monthly Average Foreign Buying Rate
USD	13.7112
EURO	15.4974

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

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 Parent Bank, 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 exchange rate (%)		Effect on Profit/Loss	Effect on Equity ^(*)
		31 December 2021	31 December 2021
USD	10 increase	46,648	(11,283)
USD	10 decrease	(46,648)	11,283
EURO	10 increase	7,278	(6,317)
EURO	10 decrease	(7,278)	6,317

Change in exchange rate (%)		Effect on Profit/Loss	Effect on Equity ^(*)
		31 December 2020	31 December 2020
USD	10 increase	(21,533)	2,403
USD	10 decrease	21,533	(2,403)
EURO	10 increase	2,810	2,496
EURO	10 decrease	(2,810)	(2,496)

^(*) The effect on the equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Parent Bank to 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.

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 2021, there is a net long position of TL 681,543 in USD and a net long position of TL 70,989 in EURO.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

Current Period	EURO	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽¹⁾	11,599,533	15,438,096	3,030,189	30,067,818
Banks ⁽²⁾	1,447,988	4,861,989	3,713,390	10,023,367
Financial Assets at Fair Value Through Profit or Loss	57,224	734,916	-	792,140
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,360,271	2,773,823	39,261	4,173,355
Loans ⁽³⁾	19,810,473	7,427,954	1,496,939	28,735,366
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Held-to-Maturity Investments ⁽⁴⁾	2,829,825	5,340,163	-	8,169,988
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	5,873	-	-	5,873
Tangible Assets	25	-	-	25
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	2,798,294	325,148	155,011	3,278,453
Total Assets	39,909,506	36,902,089	8,434,790	85,246,385
Liabilities				
Bank Deposits	309	-	22	331
Foreign Currency Deposits ⁽⁷⁾	25,019,221	39,878,471	11,334,261	76,231,953
Money Market Borrowings	5,001,962	-	-	5,001,962
Funds Provided from Other Financial Institutions	16,109,946	8,394,439	165,330	24,669,715
Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	4,201	-	-	4,201
Other Liabilities ⁽⁸⁾	1,853,288	1,413,875	76,771	3,343,934
Total Liabilities	47,988,927	49,686,785	11,576,384	109,252,096
Net Balance Sheet Position	(8,079,421)	(12,784,696)	(3,141,594)	(24,005,711)
Net Off-Balance Sheet Position	7,665,448	13,045,910	3,036,433	23,747,791
Financial Derivative Assets ⁽⁹⁾	30,271,685	44,317,120	4,830,894	79,419,699
Financial Derivative Liabilities ⁽⁹⁾	22,606,237	31,271,210	1,794,461	55,671,908
Non-Cash Loans ⁽¹⁰⁾	13,567,563	13,803,567	2,691,051	30,062,181
Prior Period				
Total Assets	22,191,983	13,680,795	4,522,259	40,395,037
Total Liabilities	25,621,853	28,701,864	7,671,860	61,995,577
Net Balance Sheet Position	(3,429,870)	(15,021,069)	(3,149,601)	(21,600,540)
Net Off-Balance Sheet Position	3,506,359	14,570,186	2,964,614	21,041,159
Financial Derivative Assets ⁽⁹⁾	15,993,374	25,685,642	4,743,380	46,422,396
Financial Derivative Liabilities ⁽⁹⁾	12,487,015	11,115,456	1,778,766	25,381,237
Non-Cash Loans ⁽¹⁰⁾	8,000,422	7,226,322	1,537,854	16,764,598

⁽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 4,982 (31 December 2020: TL 2,561).

⁽²⁾ The banks include TL 22,153 of expected credit loss provisions. (31 December 2020: TL 9,579)

⁽³⁾ Foreign currency indexed loans amounting to TL 173,195 TL (31 December 2020: TL 233,707) are included in the loan portfolio. As of 31 December 2021, there is no (31 December 2020: TL None) foreign currency indexed factoring receivables. Also, it includes TL 814,077 (31 December 2020: TL 476,466) amounting to expected credit loss.

⁽⁴⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 1,839 (31 December 2020: TL 523)

⁽⁵⁾ There is no derivative financial transaction rediscount income deducted from the derivative financial assets line for hedging purposes. (31 December 2020: TL 31,137)

⁽⁶⁾ Rediscount income from derivative financial transactions amounting to TL 312,610 (31 December 2020: TL 213,071) is deducted from other assets. In the Other Assets line, TL 2,494,644 factoring receivables and TL 3,804 factoring receivables include expected loss provision.

⁽⁷⁾ Precious metal accounts amounting to TL 7,954,654 (31 December 2020: TL 6,002,054) are included in the foreign currency deposits.

⁽⁸⁾ TL 155,500 (31 December 2020: TL 175,503) expense accruals from derivative financial instruments are deducted from other liabilities.

⁽⁹⁾ Forward asset and marketable securities purchase-sale commitments of TL 3,118,150 (31 December 2020: TL 951,630) are added to derivative financial assets and TL 4,589,261 (31 December 2020: TL 1,071,704) has been added to derivative financial assets.

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽²⁾	22,959,105	-	-	-	-	12,826,030	35,785,135
Banks ⁽³⁾	6,570,849	-	-	-	-	5,070,342	11,641,191
Financial Assets at Fair Value Through Profit or Loss	252,946	718,169	619,019	805,159	96,136	302,359	2,793,788
Receivables from Money Markets	3,245	-	-	-	-	-	3,245
Financial Assets at Fair Value Through Other Comprehensive Income	502,497	476,140	1,672,179	4,511,890	-	13,250	7,175,956
Credits Granted ⁽⁴⁾	30,670,723	11,835,077	35,018,104	25,756,608	1,293,973	(714,613)	103,859,872
Financial Assets Valued at Amortized Cost ⁽⁵⁾	663,358	576,192	10,699,178	7,571,596	41,376	(4,399)	19,547,301
Other Assets ⁽⁶⁾	1,984,619	1,978,611	2,356,779	1,702,037	285,616	9,739,968	18,047,630
Total Assets	63,607,342	15,584,189	50,365,259	40,347,290	1,717,101	27,232,937	198,854,118
Liabilities							
Banks Deposit	1,962,166	-	-	-	-	37,570	1,999,736
Other Deposits	60,627,208	10,374,268	272,254	1,378	-	58,308,129	129,583,237
Payables to Money Markets	4,763,155	2,575,838	1,586,822	0	-	-	8,925,815
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	1,049,232	145,293	-	-	-	-	1,194,525
Funds Provided from Other Financial Institutions	5,336,362	13,262,496	5,581,808	-	2,857,546	-	27,038,212
Other Liabilities	147,226	538,774	177,900	1,318,413	51,968	27,878,312	30,112,593
Total Liabilities	73,885,349	26,896,669	7,618,784	1,319,791	2,909,514	86,224,011	198,854,118
Balance Sheet Long Position	-	-	42,746,475	39,027,499	-	-	81,773,974
Balance Sheet Short Position	(10,278,007)	(11,312,480)	-	-	(1,192,413)	(58,991,074)	(81,773,974)
Off-Balance Sheet Long Position	5,039,168	11,003,202	-	-	-	-	16,042,370
Off-Balance Sheet Short Position	-	-	(12,243,494)	(2,104,686)	(233,696)	-	(14,581,876)
Total Position	(5,238,839)	(309,278)	30,502,981	36,922,813	(1,426,109)	(58,991,074)	1,460,494

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

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

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

⁽⁴⁾ The revolving loans amounting to TL 13,983,435 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 4,045,878.

⁽⁵⁾ Financial assets at amortized cost include balance of expected loss provisions of TL 4,399.

⁽⁶⁾ Includes factoring receivables amounting to TL 4,636,925 and factoring receivables expected loss provisions amounting to TL 35,600.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 934,456, intangible assets amounting to TL 611,252, assets held for resale amounting to TL 65,933, subsidiaries amounting to TL 50 and non-financial jointly controlled entities under common control joint venture amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 14,056,270.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

V. Explanations Related to Consolidated Interest Rate Risk (Continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽²⁾	11,452,134	-	-	-	-	5,495,853	16,947,987
Banks ⁽³⁾	4,796,899	-	-	-	-	3,209,286	8,006,185
Financial Assets at Fair Value Through Profit or Loss	297,525	91,886	760,926	201,959	95,521	183,075	1,630,892
Money Market Placements ⁽⁴⁾	6,180,886	-	-	-	-	(439)	6,180,447
Financial Assets at Fair Value Through Other Comprehensive Income	805,587	113,055	2,319,571	4,657,098	746,205	10,881	8,652,397
Loans ⁽⁵⁾	11,140,029	6,681,908	25,261,054	32,741,342	3,435,619	(545,888)	78,714,064
Financial Assets Measured at Amortized Cost ⁽⁶⁾	1,012,657	825,220	9,171,693	1,472,121	41,250	(2,818)	12,520,123
Other Assets ⁽⁷⁾	1,678,659	1,506,874	696,926	672,721	299,267	5,223,225	10,077,672
Total Assets	37,364,376	9,218,943	38,210,170	39,745,241	4,617,862	13,573,175	142,729,767
Liabilities							
Bank Deposits	7,424,601	-	-	-	-	43,796	7,468,397
Other Deposits	47,468,264	5,865,710	235,318	367	-	32,703,847	86,273,506
Money Market Borrowings	6,734,127	-	-	-	-	-	6,734,127
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	2,160,640	-	2,649,997	-	-	-	4,810,637
Funds Provided from Other Financial Institutions	1,827,122	1,289,465	8,703,539	91,158	4,194,951	-	16,106,235
Other Liabilities	227,987	28,532	383,341	1,309,066	244,413	19,143,526	21,336,865
Total Liabilities	65,842,741	7,183,707	11,972,195	1,400,591	4,439,364	51,891,169	142,729,767
Balance Sheet Long Position	-	2,035,236	26,237,975	38,344,650	178,498	-	66,796,359
Balance Sheet Short Position	(28,478,365)	-	-	-	-	(38,317,994)	(66,796,359)
Off-Balance Sheet Long Position	3,031,120	3,816,103	-	-	-	-	6,847,223
Off-Balance Sheet Short Position	-	-	(796,816)	(5,154,568)	(487,360)	-	(6,438,744)
Total Position	(25,447,245)	5,851,339	25,441,159	33,190,082	(308,862)	(38,317,994)	408,479

⁽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 TL3,316.⁽³⁾ Banks include balance of expected loss provisions amounting to TL10,656.⁽⁴⁾ Money market placements include balance of expected loss provisions amounting to TL439.⁽⁵⁾ The revolving loans amounting to TL6,201,511 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL4,047,711.⁽⁶⁾ Financial assets at amortized cost include balance of expected loss provisions of TL2,818.⁽⁷⁾ Includes factoring receivables amounting to TL2,503,938 and factoring receivables expected loss provisions amounting to TL17,162.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL846,067, intangible assets amounting to TL572,547, assets held for resale amounting to TL112,859, subsidiaries amounting to TL50 and non-financial jointly controlled entities under common control joint venture amounting to TL5 and the other liabilities line includes the shareholders' equity of TL11,689,673.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

	EURO %	USD %	YEN %	TL %
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	8.50
Banks	(0.70)	0.05	-	14.13
Financial Assets at Fair Value Through Profit or Loss	3.36	5.24	-	20.14
Money Market Placements	-	-	-	16.85
Financial Assets at Fair Value Through Other Comprehensive Income	2.70	3.84	-	17.48
Loans (*)	1.86	3.37	5.45	20.09
Financial Assets Measured at Amortized Cost	3.16	5.46	-	27.53
Liabilities				
Bank Deposits	-	-	-	10.37
Other Deposits	0.11	0.32	-	17.41
Money Market Borrowings	1.04	-	-	14.08
Miscellaneous Payables	-	-	-	-
Securities Issued	1.98	-	-	16.59
Funds Provided from Other Financial Institutions	1.73	4.84	-	18.18

(*) Includes factoring receivables.

	EURO %	USD %	YEN %	TL %
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks	(0.25)	0.21	(0.26)	17.79
Financial Assets at Fair Value Through Profit or Loss	2.60	2.65	-	10.12
Money Market Placements	-	-	-	17.98
Financial Assets at Fair Value Through Other Comprehensive Income	2.91	3.86	-	12.91
Loans (*)	2.65	3.79	5.37	14.43
Financial Assets Measured at Amortized Cost	2.04	3.51	-	8.26
Liabilities				
Bank Deposits	-	-	-	10.65
Other Deposits	0.04	1.25	-	15.12
Money Market Borrowings	0.88	-	-	17.06
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	9.54
Funds Provided from Other Financial Institutions	1.93	4.88	-	11.62

(*) Includes factoring receivables.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

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.

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.

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
TL	(400)	853,204	4.02%
TL	500	(969,928)	(4.57) %
EURO	(200)	(98,543)	(0.46) %
EURO	200	102,182	0.48%
USD	(200)	(103,865)	(0.49) %
USD	200	104,482	0.49%
Total (of negative shocks)	(800)	650,796	3.07%
Total (of positive shocks)	900	(763,264)	(3.60) %

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 Management 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio (Continued)

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee, Audit Committee and Board of Directors, in addition to providing daily reports to senior management. Information about the 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 Market and Liquidity Risk Committee meeting which is held monthly.

b) Information on the centralization degree of liquidity management and funding strategy, and on operations between 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 Total and Foreign Currency. The Asset-Liability Management and Treasury Group is responsible for taking the necessary steps to keep ratios within the limits determined by the Board of Directors. Trend of these ratios are monitored on a monthly basis by the Market and Liquidity Risk Committee which includes the General Manager, Assistant General Manager responsible from Financial Affairs Group, Group Risk Chief Officer, and the Assistant General Manager in charge of the Asset-Liability Management and Treasury Group. Furthermore, senior management is periodically informed about the relevant ratios.

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 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

Current Period - 31 December 2021		Rate of Percentage to Be Taken into Account not Implemented Total Value ^(*)		Rate of Percentage to Be Taken into Account Implemented Total Value ^(*)	
		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High Quality Liquid Assets			46,888,056	29,282,626
Cash Outflows					
2	Real Person and Retail Deposits	81,720,904	42,598,230	7,319,601	4,259,823
3	Stable Deposits	17,049,779	-	852,489	-
4	Less Stable Deposits	64,671,125	42,598,230	6,467,112	4,259,823
5	Unsecured Debts Other than Real Person and Retail Deposits	44,985,951	23,081,623	25,444,605	12,624,562
6	Operational Deposits	1,256,434	554,315	314,109	138,579
7	Non-operational Deposits	34,324,870	16,803,402	15,771,063	6,762,239
8	Other Unsecured Funding	9,404,647	5,723,906	9,359,433	5,723,744
9	Secured Funding	-	-	70,908	-
10	Other Cash Outflows	1,286,330	4,867,615	1,286,330	4,867,615
11	Outflows Related to Derivative Exposures and	1,286,330	4,867,615	1,286,330	4,867,615
12	Other Collateral Requirements	-	-	-	-
13	Outflows Related to Restructured Financial Instruments	-	-	-	-
14	Payment Commitments and Other Off-Balance Sheet Commitments Granted for Debts to Financial Market	-	-	-	-
15	Other Revocable Off-Balance Sheet	44,459,083	17,681,444	3,597,807	1,766,808
16	Total Cash Outflows	-	-	37,719,251	23,518,808
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	17,210,930	9,936,422	13,214,393	9,147,184
19	Other Cash Inflows	561,220	12,279,927	561,220	12,279,927
20	Total Cash Inflows	17,772,150	22,216,349	13,775,613	21,427,111
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets			46,888,056	29,282,626
22	Total Net Cash Outflows			23,943,638	5,879,702
23	Liquidity Coverage Ratio (%)			195.83	498.03

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

Prior Period - 31 December 2020	Rate of Percentage to Be Taken into Account not Implemented Total Value ^(*)		Rate of Percentage to Be Taken into Account Implemented Total Value ^(*)	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
1 High Quality Liquid Assets			36,616,220	15,499,469
Cash Outflows				
2 Real Person and Retail Deposits	61,582,931	31,915,012	5,475,939	3,191,501
3 Stable Deposits	13,647,077	-	682,354	-
4 Less Stable Deposits	47,935,854	31,915,012	4,793,585	3,191,501
5 Unsecured Debts Other than Real Person and Retail Deposits	33,093,749	14,777,629	17,888,232	7,359,701
6 Operational Deposits	787,661	293,937	196,915	73,484
7 Non-operational Deposits	28,302,592	12,070,372	13,715,146	4,872,897
8 Other Unsecured Funding	4,003,496	2,413,320	3,976,171	2,413,320
9 Secured Funding			120,457	-
10 Other Cash Outflows	1,665,525	2,927,065	1,665,525	2,927,065
11 Outflows Related to Derivative Exposures and	1,665,525	2,927,065	1,665,525	2,927,065
12 Other Collateral Requirements	-	-	-	-
13 Outflows Related to Restructured Financial Instruments	-	-	-	-
14 Payment Commitments and Other Off-Balance Sheet Commitments Granted for Debts to Financial Market	-	-	-	-
15 Other Revocable Off-Balance Sheet	34,907,829	12,938,807	2,830,475	1,288,863
16 Total Cash Outflows			27,980,628	14,767,130
Cash Inflows				
17 Secured Receivables	-	-	-	-
18 Unsecured Receivables	12,262,838	5,715,266	9,531,260	5,304,699
19 Other Cash Inflows	966,659	9,003,399	966,659	9,003,399
20 Total Cash Inflows	13,229,497	14,718,665	10,497,919	14,308,098
			Upper Limit is Applied Values	
21 Total High Quality Liquid Assets			36,616,220	15,499,469
22 Total Net Cash Outflows			17,482,709	3,691,783
23 Liquidity Coverage Ratio (%)			209.44	419.84

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

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

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

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

Consolidated Liquidity Coverage Ratio for the last three months are presented below:

	Current Period	
	TL+FC	FC
October 2021	162.98%	418.13%
November 2021	192.56%	558.19%
December 2021	214.51%	465.71%
	Prior Period	
	TL+FC	FC
October 2020	191.54%	351.74%
November 2020	219.37%	487.73%
December 2020	256.32%	519.02%

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VII. Explanations Related to Consolidated Liquidity Risk and Liquidity Coverage Ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Indistributed ⁽¹⁾	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey ⁽²⁾	12,832,190	22,959,105	-	-	-	-	(6,160)	35,785,135
Banks ⁽³⁾	6,328,503	5,336,235	-	-	-	-	(23,547)	11,641,191
Financial Assets at Fair Value Through Profit and Loss	-	205,178	184,115	523,936	1,482,063	96,136	302,360	2,793,788
Money Market Placements	-	3,245	-	-	-	-	-	3,245
Financial Assets at Fair Value Through Other Comprehensive Income	13,250	39,232	269,447	948,876	5,397,199	507,952	-	7,175,956
Loans ⁽⁴⁾	-	29,089,822	11,835,077	36,061,088	26,294,525	1,293,973	(714,613)	103,859,872
Financial Assets Measured at Amortized Cost ⁽⁵⁾	-	-	532,334	2,094,569	16,781,216	143,581	(4,399)	19,547,301
Other Assets ⁽⁶⁾	-	4,673,863	3,928,406	3,044,476	1,770,456	311,449	4,318,980	18,047,630
Total Assets	19,173,943	62,306,680	16,749,379	42,672,945	51,725,459	2,353,091	3,872,621	198,854,118
Liabilities								
Bank Deposits	37,570	1,962,166	-	-	-	-	-	1,999,736
Other Deposits	58,308,129	60,627,208	10,359,259	287,263	1,378	-	-	129,583,237
Funds Provided from Other Financial Institutions	-	2,928,294	8,176,860	8,557,205	136,817	7,239,036	-	27,038,212
Money Market Borrowings	-	4,763,155	2,575,838	1,586,822	-	-	-	8,925,815
Securities Issued	-	1,049,232	145,293	-	-	-	-	1,194,525
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	203,885	10,055,103	1,517,028	1,031,655	1,715,462	281,164	15,308,296	30,112,593
Total Liabilities	58,549,584	81,385,158	22,774,278	11,462,945	1,853,657	7,520,200	15,308,296	198,854,118
Liquidity Gap	(39,375,641)	(19,078,478)	(6,024,899)	31,210,000	49,871,802	(5,167,109)	(11,435,675)	-
Net Off-Balance Sheet Position	-	1,157,348	180,560	1,768,166	231,463	180,567	-	3,518,104
Financial Derivative Assets	-	29,886,074	29,745,541	26,100,385	18,145,761	2,968,553	-	106,846,314
Financial Derivative Liabilities	-	28,728,726	29,564,981	24,332,219	17,914,298	2,787,986	-	103,328,210
Non-Cash Loans	10,181,182	2,203,512	5,450,781	13,364,312	7,332,490	-	-	38,532,277
Prior Period								
Total Assets	7,953,511	36,928,240	9,025,132	30,273,292	49,907,055	5,235,185	3,407,352	142,729,767
Total Liabilities	32,759,066	70,645,813	7,408,453	12,761,821	1,761,900	4,712,459	12,680,255	142,729,767
Liquidity Gap	(24,805,555)	(33,717,573)	1,616,679	17,511,471	48,145,155	522,726	(9,272,903)	-
Net Off-Balance Sheet Position	-	223,288	(240,996)	117,535	126,240	(3,144)	-	222,923
Financial Derivative Assets	-	18,691,080	19,520,863	9,383,245	11,983,043	4,199,690	-	63,777,921
Financial Derivative Liabilities	-	18,467,792	19,761,859	9,265,710	11,856,803	4,202,834	-	63,554,998
Non-Cash Loans	6,917,238	1,354,463	2,719,244	6,823,344	6,430,957	-	-	24,245,246

⁽¹⁾ 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.

⁽²⁾ 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 TL6,160.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL23,547.

⁽⁴⁾ The revolving loans amounting to TL13,983,435 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL4,045,878.

⁽⁵⁾ Financial assets at amortized cost include balance of expected loss provisions of TL4,399.

⁽⁶⁾ Includes factoring receivables amounting to TL4,636,925 and factoring receivables expected loss provisions amounting to TL32,600.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
31 December 2021								
Money Market								
Borrowings	-	4,764,898	2,598,569	1,593,351	-	-	(31,003)	8,925,815
Other Deposit	58,308,129	60,759,151	10,547,680	303,238	1,427	-	(336,388)	129,583,237
Bank Deposit	37,570	1,963,832	-	-	-	-	(1,666)	1,999,736
Funds Provided from Other Financial Institutions	-	3,187,707	8,227,356	10,284,405	1,968,338	8,991,685	(5,621,279)	27,038,212
Issued Securities	-	1,078,661	150,058	-	-	-	(34,194)	1,194,525
Total	58,345,699	71,754,249	21,523,663	12,180,994	1,969,765	8,991,685	(6,024,530)	168,741,525
31 December 2020								
Money Market								
Borrowings	-	6,754,268	-	-	-	-	(20,141)	6,734,127
Other Deposit	32,703,847	47,586,464	5,941,850	241,975	367	-	(200,997)	86,273,506
Bank Deposit	43,796	7,433,248	-	-	-	-	(8,647)	7,468,397
Funds Provided from Other Financial Institutions	-	1,904,275	766,691	9,969,331	1,129,862	5,581,278	(3,245,202)	16,106,235
Issued Securities	-	-	4,413,557	739,050	-	-	(341,970)	4,810,637
Total	32,747,643	63,678,255	11,122,098	10,950,356	1,130,229	5,581,278	(3,816,957)	121,392,902

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 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
31 December 2021						
Derivative Financial Instruments for Hedging Purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	-	35,186	3,887,312	636,913	-	4,559,411
Trading Transactions						
Foreign Exchange Forward Contracts-Sell	4,716,764	3,435,743	5,101,585	217,898	-	13,471,990
Currency Swaps-Sell	19,240,938	25,863,945	4,280,649	9,392,381	217,139	58,995,052
Interest Rate Swaps-Sell	-	-	-	-	-	-
Foreign Currency Futures-Sell	-	321,698	42,622	-	-	364,320
Foreign Currency Options-Sell	1,471,166	693,877	1,465,943	-	-	3,630,986
Total	25,428,868	30,350,449	14,778,111	10,247,192	217,139	81,021,759
31 December 2020						
Derivative Financial Instruments for Hedging Purposes						
Fair Value Hedge	1,047,907	4,338,325	-	-	863,835	6,250,067
Cash Flow Hedge	710,591	34,994	1,708,688	3,238,883	-	5,693,156
Trading Transactions						
Foreign Exchange Forward Contracts-Sell	3,000,033	2,271,615	2,318,963	553,143	-	8,143,754
Currency Swaps-Sell	10,028,698	13,815,112	2,175,927	3,527,930	3,329,046	32,876,713
Interest Rate Swaps-Sell	-	-	-	-	-	-
Foreign Currency Futures-Sell	-	209,828	380,096	-	-	589,924
Foreign Currency Options-Sell	981,308	566,084	288,360	185,653	-	2,021,405
Total	15,768,537	21,235,958	6,872,034	7,505,609	4,192,881	55,575,019

Cash disposal of derivative instruments is shown in the table above.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 decrease in the leverage ratio in line with the increase on-balance sheet risks.

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 ^(*)	184,154,597	140,377,909
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	612,168	492,002
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	854,257	900,450
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	66,388,072	46,027,051
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	(2,064,182)	(1,943,151)
7 Total risk amount	249,944,912	185,854,261

^(*) 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 3 months average amounts.

c) Leverage Ratio:

Assets on the Balance Sheet	Current Period ^(*)	Prior Period ^(*)
1 Assets on the Balance Sheet (Excluding Derivative Financial Instruments and Loan Derivatives, Including Collaterals)	180,241,636	137,340,711
2 (Assets Deducted from Core Capital)	(608,185)	(683,621)
3 Total Risk Amount for Assets on the Balance Sheet	179,633,451	136,657,090
Derivative Financial Instruments and Credit Derivatives		
4 Renewal Cost of Derivative Financial Instruments and Credit Derivatives	2,456,964	1,777,668
5 Potential Credit Risk Amount of Derivative Financial Instruments and Credit Derivatives	612,168	492,002
6 Total Risk Amount of Derivative Financial Instruments and Credit Derivatives	3,069,132	2,269,670
Financing Transactions with Securities or Goods Warranties		
7 Risk Amount of Financial Transactions with Securities or Goods Warranties (Excluding Those in the Balance Sheet)	854,257	900,450
8 Risk Amount Arising from Intermediated Transactions	-	-
9 Total Risk Amount of Financing Transactions with Securities or Goods Warranties	854,257	900,450
Off-Balance Sheet Transactions		
10 Gross Nominal Amount of the Off-balance Sheet Transactions	66,388,072	46,027,051
11 (Adjustment Amount Arising from Multiplying by the Credit Conversion Rate)	-	-
12 Total Risk Amount for Off-balance Sheet Transactions	66,388,072	46,027,051
Capital and Total Risk		
13 Tier 1 Capital	12,903,197	11,397,559
14 Total Risk Amount	249,944,912	185,854,261
Leverage Ratio		
15 Leverage Ratio	5.16%	6.13%

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 financial assets and liabilities that are not shown at the fair value of the Group's financial statements.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	146,831,890	116,559,992	146,273,203	116,258,035
Receivables from Money Market	3,245	6,180,447	3,245	6,180,447
Banks	11,641,191	8,006,185	11,641,191	8,006,185
Financial Assets at Fair Value Through Other Comprehensive Income	7,175,956	8,652,397	7,175,956	8,652,397
Financial Assets measured at amortized cost	19,547,301	12,520,123	20,080,824	12,544,293
Loans (**)	108,464,197	81,200,840	107,371,987	80,874,713
Financial Liabilities	178,160,571	125,734,718	178,580,339	125,986,444
Bank Deposit	1,999,736	7,468,397	1,999,736	7,468,397
Other Deposit	129,583,237	86,273,506	129,824,244	86,423,699
Funds Borrowed from Other Financial Institutions (*)	35,964,027	22,840,362	36,142,788	22,941,895
Marketable Securities Issued	1,194,525	4,810,637	1,194,525	4,810,637
Other Liabilities	9,419,046	4,341,816	9,419,046	4,341,816

(*) 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, 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 2021	Level 1	Level 2	Level 3	Total
Financial Assets	9,722,519	8,308,644	73,026	18,104,189
Financial assets at Fair value through profit and loss	2,599,074	6,466,914	59,776	9,125,764
<i>Public sector debt securities</i>	2,491,428	-	-	2,491,428
<i>Financial assets at Fair value through profit or loss</i>	-	6,331,976	-	6,331,976
<i>Other Financial assets at Fair value through profit or loss</i>	107,646	134,938	59,776	302,360
Derivative financial assets for hedging purposes	-	1,802,469	-	1,802,469
Financial Assets at Fair Value Through Other Comprehensive Income	7,123,445	39,261	13,250	7,175,956
<i>Public sector debt securities</i>	7,123,445	39,261	-	7,162,706
<i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-	13,250	13,250
Financial Liabilities	-	4,489,788	-	4,489,788
Derivative financial liabilities at Fair value through profit or loss	-	4,159,177	-	4,159,177
Derivative financial liabilities for hedging purposes	-	330,611	-	330,611
31 December 2020	Level 1	Level 2	Level 3	Total
Financial Assets	10,126,324	2,948,440	58,652	13,133,416
Financial assets at Fair value through profit and loss	1,507,974	2,275,132	47,771	3,830,877
<i>Public sector debt securities</i>	1,447,816	-	-	1,447,816
<i>Financial assets at Fair value through profit or loss</i>	-	2,199,985	-	2,199,985
<i>Other Financial assets at Fair value through profit or loss</i>	60,158	75,147	47,771	183,076
Derivative financial assets for hedging purposes	-	650,142	-	650,142
Financial Assets at Fair Value Through Other Comprehensive Income	8,618,350	23,166	10,881	8,652,397
<i>Public sector debt securities</i>	8,618,350	23,166	-	8,641,516
<i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-	10,881	10,881
Financial Liabilities	-	3,343,179	-	3,343,179
Derivative financial liabilities at Fair value through profit or loss	-	2,344,441	-	2,344,441
Derivative financial liabilities for hedging purposes	-	998,738	-	998,738

There is no transition between the levels in the current year.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 table below shows the movement table of financial assets at Level 3:

	Current Period	Prior Period
Balance at the Beginning of the Period	58,652	48,834
Purchases	-	-
Redemption or Sale	-	-
Valuation Difference	14,374	9,818
Transfers	-	-
Balance at the End of the Period	73,026	58,652

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.

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 Risk Committee and 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,

- Identify the main risks to which the Parent Bank is exposed and identified risks within the control range;
- 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,
- 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 (Continued)

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 Risk Committee and Audit Committee.

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)	106,230,712	77,157,249	8,498,457
2 Of which Standardized Approach (SA)	106,230,712	77,157,249	8,498,457
3 Of which Internal Rating-based (IRB) Approach	-	-	-
4 Counterparty Credit Risk	2,882,445	2,116,406	230,596
5 Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	2,882,445	2,116,406	230,596
6 Of which Internal Model Method (IMM)	-	-	-
7 Equity positions in banking accounts 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 accounts.	-	-	-
13 Of which IRB Ratings-based Approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/Simplified Supervisory Formula Approach (SSFA)	-	-	-
16 Market Risk	3,023,546	2,435,660	241,884
17 Standardized Approach (SA)	3,023,546	2,435,660	241,884
18 Internal Model Approaches (IMM)	-	-	-
19 Operational Risk	10,943,131	9,894,462	875,450
20 Of which Basic Indicator Approach	10,943,131	9,894,462	875,450
21 Of which Standard Approach	-	-	-
22 Of which Advanced Measurement Approach	-	-	-
23 Amounts below the Thresholds for Deduction (Subject to a 250% Risk Weight)	-	-	-
24 Floor Adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	123,079,834	91,603,777	9,846,387

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Current Period	Carrying values under scope of regulatory consolidation	Carrying values of items in accordance with TAS			
		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
Assets					
Cash and balances at central bank	35,791,295	35,791,295	-	-	-
Banks	11,664,738	11,666,385	-	-	-
Receivables from money markets	3,245	-	3,245	-	-
Financial assets at fair value through profit or loss	2,793,788	302,359	-	2,491,428	-
Financial assets at fair value through other comprehensive income	7,175,956	7,177,624	-	-	-
Financial assets measured at amortized cost	19,551,700	19,551,700	-	-	-
Derivative financial assets at fair value through profit and loss	6,331,976	-	6,331,976	6,331,976	-
Derivative financial assets at fair value through other comprehensive income	1,802,469	-	1,802,469	1,802,469	-
Non-performing financial assets	-	-	-	-	-
Expected credit loss (-)	4,112,584	2,286,333	-	-	-
Loans and receivables	107,905,750	107,899,867	-	-	-
Factoring receivables	4,636,925	4,636,925	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	65,933	65,933	-	-	-
Investments in associates (net)	-	-	-	-	-
Investments in subsidiaries (net)	50	50	-	-	-
Investments in joint ventures (net)	5	5	-	-	-
Tangible assets (net)	934,456	898,773	-	-	35,683
Intangible assets (net)	611,252	-	-	-	611,252
Investment properties (net)	-	-	-	-	-
Tax assets	138,894	138,894	-	-	-
Deferred tax assets	147,376	147,376	-	-	-
Other assets	3,410,894	3,133,205	277,689	-	-
Total assets	198,854,118	189,124,058	8,415,379	10,625,873	646,935
Liabilities					
Deposits	131,582,973	-	-	-	-
Loans	19,799,176	-	-	-	-
Debt to money markets loans	8,925,815	-	8,925,815	-	-
Debt securities in issue	1,194,525	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Derivative financial liabilities	4,489,788	-	2,065,014	-	-
Factoring debts	21,277	-	-	-	-
Lease Liabilities	577,660	-	-	-	-
Provisions	1,276,435	-	-	-	-
Tax liability	272,117	-	-	-	-
Deferred tax liability	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-
Subordinated debts	7,239,036	-	-	-	-
Other liability	9,419,046	-	1,700,528	-	-
Equity	14,056,270	-	-	-	-
Total liabilities	198,854,118	-	12,691,357	-	-

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

2.1. 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
Assets					
Cash and balances at central bank	16,951,303	16,951,303	-	-	-
Banks	6,684,104	6,686,839	-	-	-
Receivables from money markets	6,180,886	2,501,076	3,679,810	-	-
Financial assets at fair value through profit or loss	1,630,892	183,074	-	1,447,817	-
Financial assets at fair value through other comprehensive income	8,652,397	8,654,367	-	-	-
Financial assets measured at amortized cost	12,522,941	12,522,941	-	-	-
Derivative financial assets at fair value through profit and loss	1,752,609	-	1,752,609	1,752,609	-
Derivative financial assets at fair value through other comprehensive income	1,097,518	-	1,097,518	1,097,518	-
Non-performing financial assets	-	-	-	-	-
Expected credit loss (-)	4,082,162	2,307,403	-	-	-
Loans and receivables	82,761,835	82,761,835	-	-	-
Factoring receivables	2,503,938	2,503,938	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	112,859	112,859	-	-	-
Investments in associates (net)	-	-	-	-	-
Investments in subsidiaries (net)	50	50	-	-	-
Investments in joint ventures (net)	5	5	-	-	-
Tangible assets (net)	846,067	808,043	-	-	38,025
Intangible assets (net)	572,547	-	-	-	572,547
Investment properties (net)	-	-	-	-	-
Tax assets	19,678	19,678	-	-	-
Deferred tax assets	651,589	651,589	-	-	-
Other assets	3,870,711	2,402,494	1,468,216	-	-
Total assets	142,729,767	134,452,688	7,998,153	4,297,944	610,572
Liabilities					
Deposits	93,741,903	-	-	-	-
Loans	11,911,284	-	-	-	-
Debt to money markets loans	6,734,127	-	6,734,127	-	-
Debt securities in issue	4,810,637	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Derivative financial liabilities	3,343,179	-	1,604,879	-	-
Factoring debts	8,979	-	-	-	-
Lease Liabilities	604,874	-	-	-	-
Provisions	1,004,817	-	-	-	-
Tax liability	343,527	-	-	-	-
Deferred tax liability	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-
Subordinated debts	4,194,951	-	-	-	-
Other liability	4,341,816	-	2,462	-	-
Equity	11,689,673	-	-	-	-
Total liabilities	142,729,767	-	8,341,468	-	-

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

2.2. 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 Valued amounts of assets within the scope of legal consolidation in accordance with TAS	198,854,118	189,124,058	8,415,379	10,625,873
2 Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	12,691,357	-	12,691,357	-
3 Total net amount under legal consolidation	186,162,761	189,124,058	(4,275,978)	10,625,873
4 Off-balance sheet amounts	75,925,749	26,462,489	1,112,202	-
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	262,088,510	215,586,547	(3,163,776)	10,625,873

Prior Period	Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1 Valued amounts of assets within the scope of legal consolidation in accordance with TAS	142,729,767	134,452,688	7,998,153	4,297,944
2 Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	8,341,468	-	8,341,468	-
3 Total net amount under legal consolidation	134,388,299	134,452,688	(343,315)	4,297,944
4 Off-balance sheet amounts	48,123,065	18,120,887	678,183	-
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	182,511,364	152,573,575	334,868	4,297,944

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 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

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, Risk Committee 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, Risk 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. 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

	Gross carrying value in consolidated financial statements prepared as per TAS		Provisions/ depreciation and impairment	Net Values
	Defaulted exposures	Non-defaulted Exposures		
Current Period				
Loans	3,359,316	109,183,359	4,078,478	108,464,197
Debt Securities	-	26,714,406	4,399	26,710,007
Off-balance sheet exposures	-	72,034,761	345,560	71,689,201
Total	3,359,316	207,932,526	4,428,437	206,863,405
	Gross carrying value in consolidated financial statements prepared as per TAS		Provisions/ depreciation and impairment	Net Values
	Defaulted exposures	Non-defaulted Exposures		
Prior Period				
Loans	3,520,150	81,745,623	4,064,933	81,200,840
Debt Securities	-	21,164,457	2,818	21,161,639
Off-balance sheet exposures	-	44,269,635	311,330	43,958,305
Total	3,520,150	147,179,715	4,379,081	146,320,784

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

1	Defaulted loans and debt securities at end of the 31 December 2020	3,520,150
2	Loans and debt securities that have defaulted since the last reporting period	1,296,704
3	Returned to non-defaulted status	-
4	Amounts written off ^(*)	(393,633)
5	Other changes ^(**)	(1,063,905)
6	Defaulted loans and debt securities at end of 31 December 2021 (1+2-3-4±5)	3,359,316

^(*) The Group wrote off TL57,671 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL335,276 for which a provision of TL328,704 was provided, was sold in 2021 with a price of TL43,096 and following the completion of the necessary procedures, non-performing loans were written off from the records.

^(**) Includes collections during the period.

1	Defaulted loans and debt securities at end of the 31 December 2019	4,178,852
2	Loans and debt securities that have defaulted since the last reporting period	1,460,100
3	Returned to non-defaulted status	-
4	Amounts written off ^(*)	(541,732)
5	Other changes ^(**)	(1,577,070)
6	Defaulted loans and debt securities at end of 31 December 2020 (1+2-3-4±5)	3,520,150

^(*) The Group wrote off TL117,263 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL424,469 for which a provision of TL410,516 was provided, was sold in 2020 with a price of TL35,759 and following 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 "impaired" 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 which are overdue for 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 Parent 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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	1,135,193	1.47	268,876	0.85
Farming and Stockbreeding	1,122,641	1.45	265,528	0.84
Forestry	-	-	-	-
Fishery	12,552	0.02	3,348	0.01
Manufacturing	23,748,835	30.68	21,481,541	67.59
Mining and Quarrying	1,445,539	1.87	826,133	2.60
Production	21,095,383	27.25	19,352,946	60.89
Electricity, Gas and Water	1,207,913	1.56	1,302,462	4.10
Construction	1,395,766	1.80	452,767	1.42
Services	18,620,706	24.06	8,756,942	27.55
Wholesale and Retail Trade	7,611,831	9.83	1,405,625	4.42
Accommodation and Dining	912,544	1.18	1,762,358	5.55
Transportation and Telecom.	2,856,635	3.69	1,192,698	3.75
Financial Institutions	3,401,105	4.39	2,389,845	7.52
Real Estate and Rental Services	1,906,889	2.46	1,732,708	5.45
Self-Employment Services	699,496	0.90	273,708	0.86
Educational Services	47,234	0.06	-	0.00
Health and Social Services	1,184,972	1.53	-	0.00
Other	32,501,739	41.99	820,994	2.58
Total	77,402,239	100.00	31,781,120	100.00

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

3.1.4. Additional disclosure related to the credit quality (continued)

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	16,531,288	24.51	3,056,724	21.38
Farming and Stockbreeding	16,229,235	24.06	3,055,176	21.37
Forestry	-	-	-	-
Fishery	302,053	0.45	1,548	0.01
Manufacturing	23,878,026	35.40	7,041,241	49.25
Mining and Quarrying	2,047,083	3.03	222,809	1.56
Production	21,575,159	31.99	6,786,670	47.47
Electricity, Gas and Water	255,784	0.38	31,762	0.22
Construction	1,115,441	1.65	61,756	0.43
Services	19,621,551	29.10	3,360,663	23.51
Wholesale and Retail Trade	5,707,923	8.47	555,967	3.89
Accommodation and Dining	3,355,043	4.97	792,491	5.54
Transportation and Telecom.	2,113,713	3.13	311,508	2.18
Financial Institutions	1,717,987	2.55	98,540	0.69
Real Estate and Rental Services	3,372,261	5.00	533,301	3.73
Self-Employment Services	2,745,172	4.07	1,037,743	7.26
Educational Services	313,979	0.47	17,315	0.12
Health and Social Services	295,473	0.44	13,798	0.10
Other	6,303,480	9.34	775,453	5.43
Total	67,449,786	100.00	14,295,837	100.00

Breakdown of loans and receivables according to remaining maturities is provided in the note VI. of section four under the "Presentation of assets and liabilities according to their remaining maturities".

f) Amounts of impaired exposures on geographical ares 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"

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

3.1.4. Additional disclosure related to the credit quality (continued)

g) Ageing analysis of accounting past-due exposures

31 December 2021	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	109,242	147,629	367,804	624,675
Consumer Loans	724,640	271,266	356,435	1,352,341
Credit Cards	157,470	94,918	63,437	315,825
Total	991,352	513,813	787,676	2,292,841

31 December 2020 ^(*)	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	265,923	157,612	440,170	863,705
Consumer Loans	520,416	180,156	256,865	957,437
Credit Cards	77,892	77,145	56,408	211,445
Total	864,231	414,913	753,443	2,032,587

(*) According to the BRSA's decisions, dated 17 March 2020 and numbered 8948 and, dated 8 December 2020 and numbered 9312, to be effective from 17 March 2020 until 30 June 2021, total amount of loans with delays of 91 to 180 days which are continued to be classified as Stage 2 is TL 626,606 as of 31 December 2020.

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	1,643,640	721,330	922,310
Consumer Loans	171,148	14,821	156,327
Credit Cards	17,629	1,142	16,487
Total	1,832,417	737,293	1,095,124

Prior Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	1,585,123	621,022	964,101
Consumer Loans	154,605	32,183	122,422
Credit Cards	22,188	1,735	20,453
Total	1,761,916	654,940	1,106,976

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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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)

Impaired loans:

Current Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	50,907	25,962	24,945
Consumer Loans	65,156	41,393	23,763
Credit Cards	12,712	9,707	3,005
Total	128,775	77,062	51,713

Prior Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	65,682	37,989	27,693
Consumer Loans	27,484	18,913	8,571
Credit Cards	5,953	4,519	1,434
Total	99,119	61,421	37,698

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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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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

Current period		Exposures unsecured: Valued amount in accordance with TAS	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 ^(*)	86,467,923	9,173,629	8,178,323	4,396,706	3,193,947	-	-
2	Debt Securities ^(*)	22,655,443	-	-	-	-	-	-
3	Total	109,123,366	9,173,629	8,178,323	4,396,706	3,193,947	-	-
4	Of which defaulted ^(*)	3,146,377	25,138	16,168	53,540	101	-	-

^(*) With the BRSA decision dated 21 December 2021 and 9996, the average of the Central Bank's foreign exchange buying rates for the last 252 business days was used in the calculations of credit risk.

Prior period		Exposures unsecured: Valued amount in accordance with TAS	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 ^(*)	64,184,085	9,340,977	8,438,686	5,746,115	4,549,485	-	-
2	Debt Securities ^(*)	19,866,035	-	-	-	-	-	-
3	Total	84,050,120	9,340,977	8,438,686	5,746,115	4,549,485	-	-
4	Of which defaulted ^(*)	3,308,545	123,545	87,776	65,615	297	-	-

^(*) According to BRSA communiqué dated 23/03/2020 and numbered 24049440-045, 31/12/2019 exchange rates are used for credit risk calculations.

3.3. Credit risk under standardized approach

3.3.1. Disclosures on banks' use of credit rating 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 Parent 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 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.

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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)

c) A description of the process used to apply the issuer to issue credit ratings onto other issuer assets in the banking book

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		
			DTM less than 3 months	DTM higher than 3 months	Corporate Receivables
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%

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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

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	44,410,886	-	44,707,458	-	886,394	2%
2	Exposures to regional governments or local authorities	1,174,357	8,474	1,103,988	3,078	553,537	50%
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to banks and brokerage firms	10,622,799	3,780,085	9,953,900	2,215,643	3,524,947	29%
7	Exposures to corporates	40,843,738	22,963,055	39,080,030	12,234,060	49,729,760	97%
8	Retail exposures	45,808,379	22,387,583	44,642,607	4,281,706	42,973,469	88%
9	Exposures secured by residential property	4,086,174	297,344	4,086,174	107,587	1,467,816	35%
10	Exposures secured by commercial real estate	6,308,592	974,668	6,115,491	377,729	4,361,886	67%
11	Past-due loans	1,038,020	193,065	1,037,921	53,813	938,651	86%
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 Receivables	6,852,925	8,791,479	6,852,922	2,902	1,560,701	23%
17	Investments in equities	233,551	-	233,551	-	233,551	100%
18	Total	161,379,421	59,395,753	157,814,042	19,276,518	106,230,712	60%

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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	On- balance sheet amount	Off- balance sheet amount
Asset classes						
1 Exposures to central governments or central banks	35,101,663	-	37,188,639	-	460,144	1%
2 Exposures to regional governments or local authorities	1,196,851	3,910	1,195,677	1,851	598,769	50%
3 Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	6,929,130	2,113,171	6,814,490	1,689,485	2,362,807	28%
7 Exposures to corporates	33,011,949	17,725,095	31,160,953	9,418,754	39,898,295	98%
8 Retail exposures	33,199,900	15,383,637	30,755,418	2,836,385	25,191,510	75%
9 Exposures secured by residential property	4,654,019	334,268	4,654,018	127,135	1,673,404	35%
10 Exposures secured by commercial real estate	5,703,402	1,117,896	5,450,919	462,159	3,971,642	67%
11 Past-due loans	1,212,736	226,565	1,212,440	65,240	1,128,824	88%
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 Receivables	3,717,515	2,723,763	3,717,505	2,889	1,704,597	46%
17 Investments in equities	167,257	-	167,257	-	167,257	100%
18 Total	124,894,422	39,628,305	122,317,316	14,603,898	77,157,249	56%

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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 Asset Classes/Risk Weights	0%	10%	20%	25%	35%	50% secured by real estate ^(*)	75%	100%	150%	250%	Others	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to regional governments or local authorities	43,821,064	-	-	-	-	-	-	886,394	-	-	-	44,707,458
2	Exposures to regional governments or local authorities	-	-	-	-	-	1,107,058	-	8	-	-	-	1,107,066
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	8,594,137	-	-	3,539,341	-	35,298	767	-	-	12,169,543
7	Exposures to corporates	-	-	586,701	-	-	2,229,939	-	48,497,450	-	-	-	51,314,090
8	Retail exposures	-	-	485	-	-	33,863	39,491,984	1,519,037	7,878,944	-	-	48,924,313
9	Exposures secured by residential property	-	-	-	-	4,193,761	-	-	-	-	-	-	4,193,761
10	Exposures secured by commercial real estate	-	-	-	-	-	4,262,668	-	2,230,552	-	-	-	6,493,220
11	Past-due loans	-	-	-	-	-	418,050	-	561,801	111,883	-	-	1,091,734
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	-	-	-	-	-	-	-	233,551	-	-	-	233,551
17	Other Receivables	5,263,210	-	39,891	-	-	-	-	1,552,723	-	-	-	6,855,824
18	Total	49,084,274	-	9,221,214	-	4,193,761	11,590,919	39,491,984	55,516,814	7,991,594	-	-	177,090,560

(*) 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 Asset Classes/Risk Weights	0%	10%	20%	35%	50% secured by real estate ^(*)	75%	100%	150%	200%	250%	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to regional governments or local authorities	36,728,495	-	-	-	-	-	460,144	-	-	-	37,188,639
2	Exposures to regional governments or local authorities	-	-	-	-	1,197,519	-	9	-	-	-	1,197,528
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	6,348,462	-	2,124,798	-	30,714	1	-	-	8,503,975
7	Exposures to corporates	-	-	127,440	-	1,158,920	-	39,293,347	-	-	-	40,579,707
8	Retail exposures	-	-	1,121	-	6,904	33,583,778	-	-	-	-	33,591,803
9	Exposures secured by residential property	-	-	-	4,781,153	-	-	-	-	-	-	4,781,153
10	Exposures secured by commercial real estate	-	-	-	-	3,882,873	-	2,030,205	-	-	-	5,913,078
11	Past-due loans	-	-	-	-	408,750	-	757,892	111,038	-	-	1,277,680
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	-	-	-	-	-	-	167,257	-	-	-	167,257
17	Other receivables	1,969,069	-	58,410	-	-	-	1,692,915	-	-	-	3,720,394
18	Total	38,697,564	-	6,535,433	4,781,153	8,779,764	33,583,778	44,432,483	111,039	-	-	136,921,214

(*) 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

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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)	3,523,661	839,905		1.4	4,357,589	1,571,130
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					1,087,753	454,032
Total						2,025,162

(*) 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)	1,452,674	498,722		1.4	1,923,504	1,229,934
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					1,047,631	420,982
Total						1,650,916

(*) Effective Expected Positive Exposure

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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

Current Period	Exposure at Default post-Credit Risk	
	Mitigation	Risk Weighted Assets
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	4,357,589	857,283
Total subject to the CVA capital charge	4,357,589	857,283

Prior Period	Exposure at Default post-Credit Risk	
	Mitigation	Risk Weighted Assets
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	1,923,504	465,490
Total subject to the CVA capital charge	1,923,504	465,490

4.4. CCR exposures by regulatory portfolio and risk weights

Current Period										Total credit exposure (*)
Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Others		
Claims from central governments and central banks	2,485,616	-	-	-	-	-	-	-	-	2,485,616
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions	-	-	142,519	1,467,226	-	-	-	-	-	1,609,745
Corporate receivables	-	-	12,010	128,680	-	1,158,673	-	-	-	1,299,363
Retail receivables	-	-	599	18	50,001	-	-	-	-	50,618
Other receivables (**)	-	-	-	-	-	-	-	-	-	-
Total	2,485,616	-	155,128	1,595,924	50,001	1,158,673	-	-	-	5,445,342

(*) 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 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	529,441	-	-	-	-	-	-	-	-	529,441
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	-	-	254,344	-	1,137,118	-	-	-	-	1,391,462
Corporates	-	-	6,359	-	17,753	-	1,006,996	-	-	1,031,108
Retail portfolios	-	-	-	-	-	19,124	-	-	-	19,124
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 ^(**)	-	-	-	-	-	-	-	-	-	-
Total	529,441	-	260,703	-	1,154,871	19,124	1,006,996	-	-	2,971,135

^(*) 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 Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

4.5. Composition of collateral for counterparty credit risk exposure

Current Period	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		
Cash - domestic currency	-	603	-	-	-	-
Cash - other currencies	-	4,823	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	551	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	5,977	-	-	-	-

Prior Period	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		
Cash - domestic currency	-	1,220	-	-	-	-
Cash - other currencies	-	3,711	-	-	-	-
Domestic sovereign debt	-	1,055	-	-	-	-
Other sovereign debt	-	21,906	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	27,892	-	-	-	-

4.6. Credit Derivatives

None.

4.7. Exposures to central counterparties

None.

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 are given in this section.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

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 targeted 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.

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 Risk Policies Committee, Risk Committee and to The Board of Directors.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

6.2. Standardized Approach

Current Period	Risk Weighted Amounts
Outright products	
1 Interest rate risk (general and specific)	1,377,018
2 Equity risk (general and specific)	-
3 Foreign exchange risk	560,312
4 Commodity risk	945,141
Options	
5 Simplified approach	-
6 Delta-plus method	141,075
7 Scenario approach	-
8 Securitization	-
9 Total	3,023,546
Prior Period	Risk Weighted Amounts
Outright products	
1 Interest rate risk (general and specific)	1,561,156
2 Equity risk (general and specific)	-
3 Foreign exchange risk	232,944
4 Commodity risk	588,523
Options	
5 Simplified approach	-
6 Delta-plus method	53,037
7 Scenario approach	-
8 Securitization	-
9 Total	2,435,660

7. Explanations Related to the Consolidated 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:

	31.12.2018	31.12.2019	31.12.2020	Total/ Positive Year	Rate (%)	Total
Gross Income	5,363,912	6,191,758	5,953,339	5,836,336	15	875,450
Operational Risk Capital Requirement (Total*12,5)						10,943,131
	31.12.2017	31.12.2018	31.12.2019	Total/ Positive Year	Rate (%)	Total
Gross Income	4,275,468	5,363,915	6,191,758	5,277,046	15	791,557
Operational Risk Capital Requirement (Total*12,5)						9,894,462

c) The Group does not use the standard method.

d) The Group does not use any alternative approach in standard method.

e) The Group does not use advanced measurement approach.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

XI. Explanations Related to Consolidated Risk Management (Continued)

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.

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	480,825	6,992,493	382,963	1,948,389
Balances with the Central Bank of Turkey	5,237,670	22,851,875	3,048,958	11,382,722
Other	-	228,432	-	188,271
Total	5,718,495	30,072,800	3,431,921	13,519,382

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	5,130,440	-	2,979,546	-
Unrestricted Time Deposit	-	7,072,426	-	4,626,036
Restricted Time Deposit	107,230	15,779,449	69,412	6,756,686
Total	5,237,670	22,851,875	3,048,958	11,382,722

Foreign currency unrestricted deposit amounting to TL 7,072,426 (31 December 2020: TL 4,626,036), foreign currency restricted deposit amounting to TL 15,779,449 (31 December 2020: TL 6,756,686), unrestricted deposit balance amounting to TL 5,130,440 (31 December 2020: TL 2,979,546), and restricted deposit amounting to TL 107,230 (31 December 2020: TL 69,412) comprises of reserve deposits.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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 2020: None).

a.2) Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2020: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 2,491,428. (31 December 2020: TL 1,447,816).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	1,942,260	549,168	463,550	984,266
Securities Representing Share in Capital	59,388	135,326	47,540	75,378
Other Financial Assets	-	107,646	-	60,158
Total	2,001,648	792,140	511,090	1,119,802

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	739,292	23,542	392,758	56,660
Swap Transactions	5,160,990	258,119	1,091,529	165,479
Futures Transactions	-	-	-	-
Options	106,295	43,738	36,244	9,939
Other	-	-	-	-
Total	6,006,577	325,399	1,520,531	232,078

4. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	1,532,763	1,247,634	1,917,454	801,216
Foreign Banks	86,455	8,797,886	56,939	5,241,232
Foreign Head Offices and Branches	-	-	-	-
Total	1,619,218	10,045,520	1,974,393	6,042,448

An expected loss provision of TL 23,547 (31 December 2020: TL 10,656) has been set aside for receivables from banks.

b) Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period	Current Period	Prior Period	Prior Period
EU Countries	1,724,460	3,064,955	380,464	-
USA, Canada	3,192,869	1,518,644	-	-
OECD Countries (*)	2,332,760	135,873	-	-
Off-Shore Banking Regions	16	10	-	-
Other	1,096,610	578,689	157,162	-
Total	8,346,715	5,298,171	537,626	-

(*) OECD countries other than EU countries, USA and Canada.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	1,448,659	1,739,641	876,626	272,329
Other	-	-	-	-
Total	1,448,659	1,739,641	876,626	272,329

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	1,045,152	1,658,916	869,642	2,567,087
Treasury Bills	-	-	-	-
Other Government Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,045,152	1,658,916	869,642	2,567,087

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 1,283,588 (31 December 2020: TL 4,066,713).

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

	Current Period	Prior Period
Debt Securities	7,162,706	8,641,516
Quoted on a Stock Exchange	7,123,445	8,618,350
Unquoted	39,261	23,166
Equity Securities	13,250	10,881
Quoted on a Stock Exchange	-	-
Unquoted	13,250	10,881
Impairment Provision (-)	-	-
Total	7,175,956	8,652,397

An expected loss provision of TL 1,668 (31 December 2020: TL 1,969) has been reserved for financial assets at fair value through other comprehensive income.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans Granted to Shareholders	-	389,230	-	438,193
Corporate Shareholders	-	389,230	-	438,193
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	116,057	-	153,482	-
Total	116,057	389,230	153,482	438,193

b) Information on the standard loans, loans under close monitoring and restructured loans under close monitoring:

Current Period:

		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
Cash Loans	Standard Loans		Loans with Revised Contract Terms	Refinancing
Non-specialized loans	94,890,546	7,851,522	106,238	1,726,179
Working Capital Loans	8,292,445	938,278	68,954	1,191,876
Export Loans	15,734,234	150,052	-	4,939
Import Loans	-	-	-	-
Loans Given to Financial Sector	4,592,585	-	-	-
Consumer Loans	19,586,048	4,218,653	12,207	158,941
Credit Cards	7,079,515	1,069,945	17,629	-
Other	39,605,719	1,474,594	7,448	370,423
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	94,890,546	7,851,522	106,238	1,726,179

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 standard loans, loans under close monitoring and restructured loans under close monitoring: (Continued)

Prior Period:

		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
Cash Loans	Standard Loans		Loans with Revised Contract Terms	Refinancing
Non-specialized loans	71,307,608	6,190,429	92,352	1,669,564
Working Capital Loans	5,389,404	835,979	54,422	796,995
Export Loans	9,300,529	62,917	-	89,456
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,655,503	-	-	-
Consumer Loans	16,922,139	2,915,680	3,912	150,693
Credit Cards	4,540,033	655,741	22,188	-
Other	32,500,000	1,720,112	11,830	632,420
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	71,307,608	6,190,429	92,352	1,669,564

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Loss	428,726	-	393,446	-
Significant increase in Credit Risk	-	1,351,897	-	1,360,252
Total	428,726	1,351,897	393,446	1,360,252

c) Distribution of cash loans by maturity structure:

	Loans Under Close Monitoring		
	Standard Loans	Loans not subject to Restructuring	Restructured
Short-term loans	49,294,310	2,130,065	57,948
Medium and Long-term loans	45,596,236	5,721,457	1,774,469
Total	94,890,546	7,851,522	1,832,417

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

(**) Loans granted via branches abroad.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
Consumer Loans-TL	450,376	18,715,717	19,166,093
Housing Loans	663	4,502,862	4,503,525
Vehicle Loans	6,877	451,829	458,706
General Purpose Loans	442,836	13,761,026	14,203,862
Other	-	-	-
Consumer Loans -Indexed to FC	-	15,510	15,510
Housing Loans	-	15,510	15,510
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC ^(*)	-	19,914	19,914
Housing Loans	-	5,349	5,349
Vehicle Loans	-	1,909	1,909
General Purpose Loans	-	12,656	12,656
Other	-	-	-
Individual Credit Cards-TL	3,497,240	21,003	3,518,243
With Instalments	1,160,176	21,003	1,181,179
Without Instalments	2,337,064	-	2,337,064
Individual Credit Cards-FC	4,898	-	4,898
With Instalments	-	-	-
Without Instalments	4,898	-	4,898
Personnel Loans-TL	10,001	107,618	117,619
Housing Loans	-	356	356
Vehicle Loans	-	-	-
General Purpose Loans	10,001	107,262	117,263
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	32,257	52	32,309
With Instalments	9,979	52	10,031
Without Instalments	22,278	-	22,278
Personnel Credit Cards-FC	32	-	32
With Instalments	-	-	-
Without Instalments	32	-	32
Overdraft Accounts-TL (Real Persons) ^(*)	673,283	-	673,283
Overdraft Accounts-FC (Real Persons)	5	-	5
Total	4,668,092	18,879,814	23,547,906

^(*) Overdraft accounts include personnel loans amounting to TL3,522.^(**) Loans granted via branches abroad.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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: (continued)

Prior Period	Short Term	Medium and Long Term	Total
Commercial Loans with Instalment -TL	2,173,068	8,946,399	11,119,467
Business Loans	257	163,797	164,054
Vehicle Loans	61,037	1,257,926	1,318,963
General Purpose Loans	2,111,774	7,524,676	9,636,450
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	148,076	148,076
Business Loans	-	6,192	6,192
Vehicle Loans	-	23,201	23,201
General Purpose Loans	-	118,683	118,683
Other	-	-	-
Commercial Loans with Instalment - FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	1,660,003	917	1,660,920
With Instalments	601,673	917	602,590
Without Instalments	1,058,330	-	1,058,330
Corporate Credit Cards-FC	1,560	-	1,560
With Instalments	-	-	-
Without Instalments	1,560	-	1,560
Overdraft Accounts-TL (Legal Entities)	741,420	-	741,420
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	4,576,051	9,095,392	13,671,443

f) Distribution of loans by users:

	Current Period	Prior Period
Public	1,974,740	2,048,390
Private	102,599,745	77,211,563
Total	104,574,485	79,259,953

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	103,893,581	78,767,136
Foreign Loans	680,904	492,817
Total	104,574,485	79,259,953

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

h) Loans granted to subsidiaries and associates:

These amounts are eliminated in the consolidated financial statements.

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

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	275,137	104,606
Loans and Receivables with Doubtful Collectability	256,267	198,193
Uncollectible Loans and Receivables	1,733,851	1,991,274
Total	2,265,255	2,294,073

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

j.1) Information on loans and other receivables included in loans under follow-up which are restructured or rescheduled:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
Current Period			
Gross Amounts before Provisions	72,529	14,239	42,007
Restructured Loans	72,529	14,239	42,007
Prior Period			
Gross Amounts before Provisions	22,018	24,809	52,292
Restructured Loans	22,018	24,809	52,292

j.2) Movement of loans under follow-up:

Current Period	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
Prior Period	168,152	313,729	3,020,001
Additions (+)	1,120,768	27,262	130,406
Transfers from Other Categories of Loans under Follow-up (+)	-	734,335	546,402
Transfers to Other Categories of Loans under Follow-up (-)	734,335	546,402	-
Collections (-)	170,615	149,952	777,200
Write-offs (-)	-	-	57,671
Sold Portfolio (-) ^(*)	66	792	334,418
Corporate and Commercial Loans	21	716	123,404
Retail Loans	-	10	141,370
Credit Cards	45	66	69,644
Other	64,589	18,373	(41,301)
Current Period End Balance	448,493	396,553	2,486,219
Provision (-)	275,137	256,267	1,733,851
Net Balances on Balance Sheet	173,356	140,286	752,368

(*) Past due receivables amounting to TL 335,276 for which TL 328,704 of provision had been allocated, is sold for TL 43,096 during 2021. After all sales procedures were completed, these past due receivables have been written off from the portfolio.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 non-performing loans (Net):

j.3) Information on foreign currency loans under follow-up:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
31 December 2021			
Current Period End Balance	90,621	19,011	181,764
Provision (-)	77,359	12,802	131,304
Net Balance on Balance Sheet	13,262	6,209	50,460
31 December 2020			
Prior Period End Balance			
Provision (-)	13,274	82,483	206,622
Net Balance on Balance Sheet	7,729	57,368	158,053
31 December 2021	5,545	25,115	48,569

j.4) Information regarding gross and net amounts of loans under follow-up with respect to user groups:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	448,493	396,553	2,486,219
Provision (-)	275,137	256,267	1,733,851
Loans to Real Persons and Legal Entities (Net)	173,356	140,286	752,368
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	168,152	313,729	3,020,001
Provision (-)	104,606	198,193	1,991,274
Loans to Real Persons and Legal Entities (Net)	63,546	115,536	1,028,727
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 non-performing loans (Net): (continued)

j.5) Information on interest accruals, rediscounts and valuation differences calculated for nonperforming loans and their provisions:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
Current Period (Net)	1,434	3,340	34,109
Interest Accruals, Rediscounts and Valuation Differences	45,534	52,087	573,512
Provision Amount (-)	44,100	48,747	539,403
Prior Period (Net)	1,649	2,775	46,489
Interest Accruals, Rediscounts and Valuation Differences	20,070	39,689	637,348
Provision Amount (-)	18,421	36,914	590,859

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:

Loans that will be subject to write-off are applied for loans that are classified as 5 Group - Loans classified as Bad Debt and provided with life-long expected credit loss provision due to the debtor's default and there is no reasonable expectation of their recovery within the scope of TFRS 9 standard 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 criteria's. And the following write-off criteria's 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 that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuit/prosecution to be filed is higher than the collection to be made, 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.

The Parent Bank makes an objective and subjective evaluation while determining whether there is a reasonable expectation. Loans above the threshold amount determined in the Special Loan Provisions Implementation Instruction can be evaluated within the scope of the regulation and written off, regardless of portfolio.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

For all portfolios below the threshold; All of the loans that meet the following conditions are considered by the Parent Bank as having completely lost their ability to collect, and in this context, they can be written off based on the positive opinion of the relevant units.

- i. Monitored as non-performing loans for at least 2 years,
- ii. No collection has been made in the last 3 months,
- iii. The absence of a qualified guarantee,
- iv. The income to be obtained from the enforcement/bankruptcy process is very low,
- v. If there is evidence that the entire receivable cannot be repaid, the portion of the receivable that is deemed unpaid is deducted from the record.

In addition, the Parent Bank part conducts an individual file assessment to determine the collection ability of the relevant receivable for write-off. In this context, the possible collection amount is determined and partial write-off is applied to the part that is deemed not to be paid.

The following practices for the loans bank monitors, although the loans have been written-off by the Bank, cannot be different from its registered loans.

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

Within the scope of TFRS 9, the deducted amount during the period is TL57,671 (31 December 2020: TL97,496) and its effect on NPL ratio is 0.06% (31 December 2020: 0.12%). The follow-up conversion rate, after deductions, is 3.08% (31 December 2020: 4.22%) in the current period frozen loan figures, while the calculated rate including the loans deducted during the year is 3.14% (31 December 2020: 4.34%).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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	68,224,983	19,586,048	7,079,515	-	94,890,546
Close Monitoring Loans	4,206,564	4,389,801	1,087,574	-	9,683,939
Loans Under Follow-Up	1,280,878	1,808,745	241,642	-	3,331,265
Total	73,712,425	25,784,594	8,408,731	-	107,905,750
12 month expected credit loss (Stage I) (-)	203,624	160,661	64,441	-	428,726
Significant increase in credit risk (Stage II) (-)	1,091,318	209,746	50,833	-	1,351,897
Default (Stage III) (-)	855,823	1,221,062	188,370	-	2,265,255
Total	2,150,765	1,591,469	303,644	-	4,045,878
Net Credit Balance on Balance Sheet	71,561,660	24,193,125	8,105,087	-	103,859,872

Prior Period	Commercial	Consumer	Credit Cards	Other	Total
Standard Loans	49,845,436	16,922,139	4,540,033	-	71,307,608
Close Monitoring Loans	4,204,131	3,070,285	677,929	-	7,952,345
Loans Under Follow-Up	3,096,177	315,522	90,183	-	3,501,882
Total	57,145,744	20,307,946	5,308,145	-	82,761,835
12 month expected credit loss (Stage I) (-)	176,623	162,525	54,298	-	393,446
Significant increase in credit risk (Stage II) (-)	1,033,284	263,142	63,826	-	1,360,252
Default (Stage III) (-)	1,996,399	228,731	68,943	-	2,294,073
Total	3,206,306	654,398	187,067	-	4,047,771
Net Credit Balance on Balance Sheet	53,939,438	19,653,548	5,121,078	-	78,714,064

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 2020	176,623	1,033,284	1,996,399	3,206,306
Transfers;				
- Stage 1 to Stage 2	(6,296)	17,266	-	10,970
- Stage 1 to Stage 3	(775)	-	24,630	23,855
- Stage 2 to Stage 3	-	(88,038)	90,252	2,214
- Stage 2 to Stage 1	3,960	(20,577)	-	(16,617)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	104,257	211,577	(869,052)	(553,218)
Collections	(101,505)	(326,605)	(239,832)	(667,942)
Sold Portfolio	-	-	(112,757)	(112,757)
Write-offs	-	-	(55,520)	(55,520)
Currency differences	27,360	264,411	21,703	313,474
Total expected credit losses 31 December 2021	203,624	1,091,318	855,823	2,150,765

Prior Period

Commercial	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2019	192,135	686,025	2,009,282	2,887,442
Transfers;				
- Stage 1 to Stage 2	(8,724)	49,433	-	40,709
- Stage 1 to Stage 3	(1,029)	-	34,371	33,342
- Stage 2 to Stage 3	-	(70,704)	259,761	189,057
- Stage 2 to Stage 1	2,529	(19,907)	-	(17,378)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	87,699	574,689	141,749	804,137
Collections	(110,444)	(285,376)	(189,132)	(584,952)
Sold Portfolio	-	-	(163,411)	(163,411)
Write-offs	-	-	(96,221)	(96,221)
Currency differences	14,457	99,124	-	113,581
Total expected credit losses 31 December 2020	176,623	1,033,284	1,996,399	3,206,306

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 2020	162,525	263,142	228,731	654,398
Transfers;				
- Stage 1 to Stage 2	(11,426)	52,675	-	41,249
- Stage 1 to Stage 3	(2,574)	-	71,107	68,533
- Stage 2 to Stage 3	-	(58,101)	114,361	56,260
- Stage 2 to Stage 1	4,100	(35,657)	-	(31,557)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	39,799	59,480	951,475	1,050,754
Collections	(31,763)	(71,793)	(23,338)	(126,894)
Sold Portfolio	-	-	(119,123)	(119,123)
Write-offs	-	-	(2,151)	(2,151)
Currency differences	-	-	-	-
Total Expected Credit Losses 31 December 2021	160,661	209,746	1,221,062	1,591,469

Prior Period

Consumer	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2019	144,831	161,159	250,895	556,885
Transfers;				
- Stage 1 to Stage 2	(9,009)	69,594	-	60,585
- Stage 1 to Stage 3	(1,226)	-	27,155	25,929
- Stage 2 to Stage 3	-	(16,472)	65,561	49,089
- Stage 2 to Stage 1	4,209	(30,446)	-	(26,237)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	72,237	122,632	29,704	224,573
Collections	(48,517)	(43,325)	(18,399)	(110,241)
Sold Portfolio	-	-	(124,910)	(124,910)
Write-offs	-	-	(1,275)	(1,275)
Currency differences	-	-	-	-
Total Expected Credit Losses 31 December 2020	162,525	263,142	228,731	654,398

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 2020	54,298	63,826	68,943	187,067
Transfers;				
- Stage 1 to Stage 2	(5,019)	26,181	-	21,162
- Stage 1 to Stage 3	(1,490)	-	41,681	40,191
- Stage 2 to Stage 3	-	(19,857)	44,873	25,016
- Stage 2 to Stage 1	6,064	(18,256)	-	(12,192)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	15,726	12,638	92,696	121,060
Collections	(5,138)	(13,699)	-	(18,837)
Sold Portfolio	-	-	(59,823)	(59,823)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total expected credit losses 31 December 2021	64,441	50,833	188,370	303,644

Prior Period

Credit Cards	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2019	57,228	46,969	92,368	196,565
Transfers;				
- Stage 1 to Stage 2	(5,373)	35,955	-	30,582
- Stage 1 to Stage 3	(1,144)	-	22,014	20,870
- Stage 2 to Stage 3	-	(5,174)	32,122	26,948
- Stage 2 to Stage 1	6,441	(16,903)	-	(10,462)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	4,183	14,254	22,475	40,912
Collections	(7,037)	(11,275)	-	(18,312)
Sold Portfolio	-	-	(100,036)	(100,036)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total expected credit losses 31 December 2020	54,298	63,826	68,943	187,067

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 of non- performing loans, capped with the respective outstanding loan balance, as of 31 December 2021 is TL 1,453,443 (31 December 2020: TL 1,902,570).

The fair value of the collateral of non-performing loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	1,080,929	1,459,066
Vehicle	129,617	118,677
Cash	440	878
Other (*)	242,457	323,949
Total	1,453,443	1,902,570

(*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 242,457 (31 December 2020: TL 323,949).

As of 31 December 2021, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring is TL 3,742,470 (31 December 2020: TL 3,911,887).

Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	3,171,659	3,263,239
Vehicle	328,721	282,443
Cash, Government Bonds	207,134	230,542
Other	34,956	135,663
Total	3,742,470	3,911,887

As of 31 December 2021, and 31 December 2020, the details of the commodities and real estates that the bank has acquired for disposal of credit receivables are as follows:

31 December 2021	Commercial	Consumer	Total
Residential, commercial or industrial property	64,440	1,493	65,933
Other	-	-	-
Total	64,440	1,493	65,933
31 December 2020	Commercial	Consumer	Total
Residential, commercial or industrial property	108,709	4,150	112,859
Other	-	-	-
Total	108,709	4,150	112,859

7. Information on financial assets measured at amortized cost:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	2,592,783	5,020,254	2,971,137	1,153,219
Total	2,592,783	5,020,254	2,971,137	1,153,219

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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: (continued)

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	3,025,653	2,970,779	6,698,645	1,171,868
Other	-	-	-	-
Total	3,025,653	2,970,779	6,698,645	1,171,868

Financial assets valued over their amortized cost classified as free warehouse TL 5,942,231 (31 December 2020: TL 528,072).

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

	Current Period	Prior Period
Government Bonds	19,551,700	12,522,941
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	19,551,700	12,522,941

a.4) Information on government debt securities measured at amortized cost:

	Current Period	Prior Period
Debt securities	19,551,700	12,522,941
Quoted on a Stock Exchange	19,551,700	12,522,941
Unquoted	-	-
Impairment Provision (-)	-	-
Total	19,551,700	12,522,941

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

	Current Period	Prior Period
Beginning Balance	12,522,941	4,906,618
Foreign Currency Differences on Monetary Assets	841,915	377,092
Purchases during the Year ^(*)	8,203,718	8,062,415
Disposals Through Sales and Redemptions	(2,016,874)	(823,184)
Impairment Provision (-)	-	-
Closing Balance	19,551,700	12,522,941

^(*) Includes rediscount amounts.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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 2020: None).
- a.2) Information on the unconsolidated associates: None (31 December 2020: None).
- a.3) Information on the consolidated associates: None (31 December 2020: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2020: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2020: None).

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	50,000	28,794	6,860
Reserves	128,429	45,723	6,186
Net income for the period and prior period income	65,359	209,315	27,437
Income/Loss recognized under equity in accordance with TAS	-	-	(233)
Leasehold Improvements on Operational Leases (-)	131	226	1210
Goodwill and intangible asset and the related deferred tax liability (-)	3,562	5,428	653
Total Common Equity Tier 1 Capital	240,095	278,178	38,387
Provision	5,639	-	-
Total Equity	245,734	278,178	38,387

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 subjection to the reasonable justifications of non-consolidate and minimum capital requirements: None (31 December 2020: None).

- c) Information on the unconsolidated subsidiaries: None (31 December 2020: None).

- d) Information on the consolidated Financial subsidiaries:

- d.1) Information on the consolidated Financial subsidiaries:

Title	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	4,761,834	243,788	6,371	432,969	-	54,321	29,417	-
2	734,110	283,832	6,895	90,635	-	105,250	78,931	-
3	56,836	40,250	5,686	6,577	90	18,042	13,590	-

(*) These figures are shown per BRSA financial statements as of 31 December 2020.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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) Information on the consolidated financial subsidiaries: (continued)

d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	126,597	124,918
Movements during the Period	3,542	1,679
Purchases	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase/(Decrease)	3,542	1,679
Impairment Provisions	-	-
Balance at the End of the Period	130,139	126,597
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	86,722	83,180
Total	130,139	126,597

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 2020: None).

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

TEB ARF Teknoloji A.Ş. was established by the Bank with TL50,000 paid-in capital and 100% ownership; was registered in the Trade Registry Gazette on 16 July 2020.

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	160,638	70,595	28,577	285,191	243,408

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 2020: None).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	416,239	31,137
Cash Flow Hedge	1,796,596	5,873	650,142	-
Foreign Net Investment Hedge	-	-	-	-
Total	1,796,596	5,873	1,066,381	31,137

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 TL60,244 (31 December 2020: TL18,266) is recorded under equity as of 31 December 2021 and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

13. Information on tangible assets:

	31 December 2020	Additions	Disposals	Other	31 December 2021
Cost:					
Real Estate	109,437	192	-	8,311	117,940
Right of Use	1,019,957	237,384	(232,501)	-	1,024,840
Furniture, Furnishings, Office Machines and Other Securities	1,004,794	231,135	(50,671)	-	1,185,258
Total Cost	2,134,188	468,711	(283,172)	8,311	2,328,038
	31 December 2020	Additions	Disposals	Other	31 December 2021
Accumulated Depreciation:					
Real Estate	54,996	3,225	-	255	58,476
Right of Use Depreciation	544,392	153,250	(116,512)	(92)	581,038
Furniture, Furnishing and Office Machines and Other Securities	688,733	112,907	(47,572)	-	754,068
Total Accumulated Depreciation	1,288,121	269,382	(164,084)	163	1,393,582
Net Book Value	846,067				934,456

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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

14. Information on intangible assets:

	31 December 2020	Additions	Disposals	Other	31 December 2021
Cost:					
Other intangible assets	575,684	122,121	(888)	-	696,917
Total Cost	575,684	122,121	(888)	-	696,917
	31 December 2020	Additions	Disposals	Other	31 December 2021
Accumulated Depreciation:					
Other intangible assets	424,261	82,560	(32)	-	506,789
Total Accumulated Depreciation	424,261	82,560	(32)	-	506,789
Net Book Value	151,423			-	190,128

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.

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 the publication of the BRSA's permission dated 10 February 2011 in the Official Gazette dated 12 February 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 shares. 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. In the merger transaction, Fortis Bank A.Ş. determined as an acquired business, the fair value of the equity shares subject to the change as a result of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recorded 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
Foreign currency differences	-	-
Acquisitions	-	-
Period End Balance	421,124	421,124

15. Information on investment property: None (31 December 2020: None).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

16. Information on deferred tax asset:

- a) As of 31 December 2021, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 147,376 (31 December 2020: TL 651,589). 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
- d) Movement of deferred tax:

	Current Period	Prior Period
As of 1 January	651,589	667,146
TFRS 16 Transition Effect	(133)	-
Deferred Tax Income/(Expense)	(424,609)	115,800
Deferred Tax Accounted for Under Equity Merger Effect	(79,471)	(131,357)
Deferred Tax Asset	147,376	651,589

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 424,609 is stated under the tax provision in the income statement (31 December 2020: TL 115,800 deferred tax income). 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	29,576	26,926
Cash Flow Hedge	(138,725)	(169,324)
Actuarial Profit or Loss	29,678	11,041
Total	(79,471)	(131,357)

17. Information on assets for sale fixed and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	112,859	131,362
Beginning of Period Accumulated Depreciation (-)	-	-
Net Book Value	112,859	131,362
Opening Balance	112,859	131,362
Acquired	116,792	137,125
Disposed (-)	166,760	160,897
Impairment (-)	(3,042)	(5,269)
Depreciation Value (-)	-	-
End of Period Cost	65,933	112,859
End of Period Accumulated Depreciation (-)	-	-
Closing Net Book Value	65,933	112,859

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

18. Information on factoring receivables of Group:

a) Maturity analysis explanation:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term ^(*)	2,138,839	2,494,644	1,548,931	955,007
Mid and Long Term	3,442	-	-	-
Stage 1 Provision (-)	1,540	115	1,861	115
Stage 2 Provision (-)	3,975	9	1,856	-
Stage 3 Provision (-)	23,281	3,680	11,293	2,037
Total	2,113,485	2,490,840	1,533,921	952,855

(*) Includes factoring receivables which is impaired amounting to TL 28,051 (31 December 2020: TL 18,268).

b) Other explanations and disclosures:

Current Period	Commercial	Consumer	Total
Standard Loans	4,137,945	-	4,137,945
Close Monitoring Loans	470,929	-	470,929
Loans Under Follow-Up	28,051	-	28,051
Total	4,636,925	-	4,636,925
12 month expected credit loss (Stage I) (-)	1,655	-	1,655
Significant increase in credit risk (Stage II) (-)	3,984	-	3,984
Default (Stage III) (-)	26,961	-	26,961
Total allowance for impairment (-)	32,600	-	32,600
Net credit balance on balance sheet	4,604,325	-	4,604,325
Prior Period	Commercial	Consumer	Total
Standard Loans	2,327,472	-	2,327,472
Close Monitoring Loans	158,198	-	158,198
Loans Under Follow-Up	18,268	-	18,268
Total	2,503,938	-	2,503,938
12 month expected credit loss (Stage I) (-)	1,976	-	1,976
Significant increase in credit risk (Stage II) (-)	1,856	-	1,856
Default (Stage III) (-)	13,330	-	13,330
Total allowance for impairment (-)	17,162	-	17,162
Net credit balance on balance sheet	2,486,776	-	2,486,776

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

18. Information on factoring receivables of Group: (continued)

c) Aging analysis of accounting past-due exposures

31 December 2021	1-30 Days	31-60 Days	61-90 Days	Total
Commercial Loans	109,242	147,629	365,250	622,121
Consumer Loans	724,640	271,266	356,435	1,352,341
Credit Cards	157,470	94,918	63,437	315,825
Total	991,352	513,813	785,122	2,290,287

31 December 2020	1-30 Days	31-60 Days	61-90 Days	Total
Commercial Loans	358	1,782	2,085	4,225
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Total	358	1,782	2,085	4,225

19. Information on other assets

Other Assets item of the balance sheet amounting to TL 3,410,894 (31 December 2020: TL 2,537,974) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.

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	4,278,511	-	14,264,883	11,870,281	96,810	13,847	26,937	-	30,551,269
Foreign Currency Deposits	39,648,035	-	10,242,404	18,190,816	82,942	42,412	70,690	-	68,277,299
Residents in Turkey	37,424,416	-	9,783,843	17,651,543	69,065	31,523	63,345	-	65,023,735
Residents Abroad	2,223,619	-	458,561	539,273	13,877	10,889	7,345	-	3,253,564
Public Sector Deposits	623,121	-	12,318	181,742	-	-	-	-	817,181
Commercial Deposits	5,708,716	-	6,349,627	8,270,253	98,577	47	74,049	-	20,501,269
Other Institutions Deposits	249,537	-	43,734	1,044,713	143,065	89	427	-	1,481,565
Precious Metals Deposits	7,800,209	-	31,527	87,947	12,525	20,060	2,386	-	7,954,654
Bank Deposits	37,570	-	1,962,166	-	-	-	-	-	1,999,736
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	37,569	-	1,962,166	-	-	-	-	-	1,999,735
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	58,345,699	-	32,906,659	39,645,752	433,919	76,455	174,489	-	131,582,973

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

1. a) Information on maturity structure of deposits: (Continued)

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	3,343,473	-	13,247,327	9,248,027	174,061	15,303	31,868	-	26,060,059
Foreign Currency Deposits	18,424,730	-	7,600,065	11,882,963	97,381	92,277	52,616	-	38,150,032
Residents in Turkey	17,200,394	-	7,316,504	11,506,796	67,244	42,090	36,070	-	36,169,098
Residents Abroad	1,224,336	-	283,561	376,167	30,137	50,187	16,546	-	1,980,934
Public Sector Deposits	431,997	-	59,843	136,651	8,020	-	-	-	636,511
Commercial Deposits	4,489,927	-	3,928,324	5,879,776	158,781	1,448	13,824	-	14,472,080
Other Institutions Deposits	206,580	-	145,091	539,426	61,442	63	168	-	952,770
Precious Metals Deposits	5,807,140	-	31,022	94,004	15,788	50,503	3,597	-	6,002,054
Bank Deposits	43,796	-	7,424,601	-	-	-	-	-	7,468,397
Central Bank of Turkey	31	-	-	-	-	-	-	-	31
Domestic Banks	8	-	-	-	-	-	-	-	8
Foreign Banks	43,757	-	7,424,601	-	-	-	-	-	7,468,358
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	32,747,643	-	32,436,273	27,780,847	515,473	159,594	102,073	-	93,741,903

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	15,675,439	14,783,424	14,553,028	10,931,481
Foreign Currency Saving Deposits	10,609,693	7,067,339	27,744,894	14,081,460
Other Deposits in the Form of Saving Deposits	2,368,105	2,567,019	4,756,372	2,854,708
Foreign Branches' Deposits under Foreign Authorities Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	28,653,237	24,417,782	47,054,294	27,867,649

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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

1. a) Information on maturity structure of deposits: (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) Deposit of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Foreign Branches' Deposits and Other Accounts	956,353	639,161
Deposits of Controlling Shareholders and Their Close Families	2,749,556	1,130,777
Deposits of Chairman and Members of the Board of Directors and Their Close Families	81,965	66,845
Deposits Obtained through Illegal Acts Defined in the 282 nd Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey exclusively for 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	1,360,622	19,529	71,044	6,778
Swap Transactions	2,503,569	104,698	1,977,574	179,821
Futures Transactions	-	124	-	-
Options	131,168	39,467	18,600	6,526
Other	-	-	-	-
Total	3,995,359	163,818	2,067,218	193,125

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	2,234,687	66,852	1,338,253	34,399
From Foreign Banks, Institutions and Funds	133,810	17,363,827	224,638	10,313,994
Total	2,368,497	17,430,679	1,562,891	10,348,393

As of 31 December 2021, the Group has borrowings from its related parties amounting to TL8,606,953 (31 December 2020: TL5,013,477).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	2,194,000	9,153,798	1,562,891	5,872,731
Medium and Long-term	174,497	8,276,881	-	4,475,662
Total	2,368,497	17,430,679	1,562,891	10,348,393

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

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

c) Additional explanations regarding the areas where the Parent Bank's obligations are concentrated:

The Parent 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 Parent 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 Parent Bank's funding sources.

c) Explanations on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,194,525	-	4,766,623	-
Treasury Bills	-	-	44,014	-
Total	1,194,525	-	4,810,637	-

4. Funds provided through repurchase transactions:

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	3,923,853	-	4,016,659	-
Financial Institutions and Organizations	3,839,747	-	3,830,785	-
Other Institutions and Organizations	84,106	-	185,874	-
Individuals	-	-	-	-
Foreign Transactions	-	5,001,962	-	2,717,468
Financial Institutions and Organizations	-	5,001,962	-	2,717,468
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Total	3,923,853	5,001,962	4,016,659	2,717,468

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 9,419,046 (31 December 2020: TL 4,341,816) do not exceed 10% of the total balance sheet.

6. Explanations 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. As of 31 December 2021, Parent Bank has leasing liability amounting to TL 577,660 (31 December 2020: TL 604,874).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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	-	-	84,098	-
Cash Flow Hedge	326,410	4,201	983,837	14,901
Foreign Net Investment Hedge	-	-	-	-
Total	326,410	4,201	1,067,935	14,901

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

As of 31 December 2021, there are accumulated valuation differences of TL 60,244 (31 December 2020: TL 18,266) under equity as of 31 December 2021. Regarding the cash flow hedging transactions terminated by the Parent Bank, this amount is spread over the remaining terms of the hedged items by the Parent Bank and transferred to the income statement.

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 2020: None).

b) The specific provisions provided for unidentified non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	67,930	58,241
Stage 2	233,196	165,265
Stage 3	44,434	87,824
Total	345,560	311,330

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

As of 31 December 2021, the Parent Bank received TL 17,454 (31 December 2020: TL 15,249) allowance, TL 499,936 (31 December 2020: TL 297,060) and TL 276,914 (31 December 2020: TL 185,722) related to the premiums to be paid to bank personnel, and TL 37,100 reflected the provision of other personnel expenses the "Provisions of Employee Rights" account in the financial statements.

c.1) Termination Benefits:

In determining the liability, the Parent 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 2021	31 December 2020
Discount Rate (%)	20.01	14.50
Expected Inflation Rate (%)	16.03	10.03
Salary Increase Rate above Inflation Rate (%)	1.00	1.00

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.1) Termination Benefits: (continued)

Movement of employee termination benefits:

	Current Period	Prior Period
As of 1 January	297,060	200,712
Service cost	28,612	19,392
Interest cost	41,843	24,358
Settlement cost	8,250	2,742
Actuarial loss/(gain)	164,670	65,687
Benefits paid	(40,499)	(15,831)
Total	499,936	297,060

c.2) Retirements 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 2021 and 31 December 2020. 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.

Within the frame of the assumptions determined;

Period Based Pension and Health Obligations:	31 December 2021	31 December 2020
Net Present Value of Transferrable Retirement Liabilities	(1,450,105)	(1,081,794)
Net Present Value of Transferrable Retirement and Health Contributions	397,240	371,589
General Administration Expenses	(14,501)	(10,818)
Present Value of Pension and Medical Benefits Transferable to SSF ⁽¹⁾	(1,067,366)	(721,023)
Fair Value of Plan Assets ⁽²⁾	3,607,657	2,998,581
Asset Surplus over Transferable Benefits ((2)-(1) = (3))	2,540,291	2,277,558
Non-Transferable Benefits ⁽⁴⁾	(960,056)	(624,502)
Asset Surplus over Total Benefits ((3)-(4))	1,580,235	1,653,056

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.2) Retirements Benefits: (continued)

As of 31 December 2021, and 31 December 2020, the distribution of the fair value of the total assets of the Pension Fund is as follows:

	31 December 2021	31 December 2020
Bank placements	3,368,742	2,804,241
Tangible assets	121,397	119,573
Other	117,518	74,767
Total	3,607,657	2,998,581

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

	31 December 2021	31 December 2020
Discount Rate	20.01%	14.50%
Expected Inflation Rate	16.03%	10.03%

As of 31 December 2021, health inflation is assumed to be 20% (31 December 2020: 20%) above inflation. It is assumed that the general wage increase and the SSI ceiling increase rates will be 25% and 39.9%, respectively, for the year 2022 and wage increases for the following years will be 1% above inflation, and the SSI ceiling increase will be at the same rate as inflation. The CSO 2001 (31 December 2020: CSO 2001) Female/Male mortality table is used to represent expected death (mortality) rates both before and after retirement.

d) Information on other provisions

	Current Period	Prior Period
Provision for Non-cash Loans	345,560	311,330
Provision for Legal Cases	83,179	93,625
Provision for Promotions of Credit Cards and Banking Services	17,562	11,935
Other	35,830	52,796
Total	482,131	469,686

The following table is represented reconciliation on the provision for impairment of non-cash loans.

Current Period	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2020	58,241	165,265	87,824	311,330
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(1,178)	6,565	-	5,387
- Stage 1 to Stage 3	(67)	-	914	847
- Stage 2 to Stage 3	-	(1,576)	41,347	39,771
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	734	(2,554)	-	(1,820)
Transferred within the period	14,255	84,776	(43,567)	55,464
Collections	(16,332)	(95,551)	(51,654)	(163,537)
Currency differences	12,277	76,271	9,570	98,118
Total expected credit losses				
31 December 2021	67,930	233,196	44,434	345,560

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

8. Information on provisions: (continued)

d) Information on other provisions: (continued)

Prior Period	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Non-performing loans (Stage 3)	Total
31 December 2019	55,551	145,818	42,111	243,480
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(3,464)	22,238	-	18,774
- Stage 1 to Stage 3	(78)	-	1,489	1,411
- Stage 2 to Stage 3	-	(12,704)	85,543	72,839
- Stage 2 to Stage 1	3,162	(9,071)	-	(5,909)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	15,206	(213)	(35,539)	(20,546)
Collections	(17,063)	(21,075)	(5,780)	(43,918)
Currency differences	4,927	40,272	-	45,199
Total expected credit losses				
31 December 2020	58,241	165,265	87,824	311,330

9. Explanations on taxes payable:

a) Information on tax provision:

As of 31 December 2021, the Group's corporate tax provision is TL 13,357 (31 December 2020: TL 171,984). As of 31 December 2021, The Group's debt on total taxes and premiums is TL 272,117 (31 December 2020: TL 343.527)

b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	13,357	171,984
Taxation on Securities	48,920	45,038
Property Tax	2,875	1,223
Banking Insurance Transaction Tax (BITT)	87,846	53,917
Foreign Exchange Transaction Tax	31,498	4,556
Value Added Tax Payable	16,774	6,695
Other (*)	42,606	32,586
Total	243,876	315,999

(*) Others include income taxes deducted from wages amounting to TL 27,243 (31 December 2020: TL 25,404) and stamp taxes payable amounting to TL 2,077 (31 December 2020: TL 1,784).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

9. Explanations on taxes payable: (continued)

c) Information on Premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	12,192	11,813
Social Security Premiums-Employer	13,305	13,052
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	1,023	997
Unemployment Insurance-Employer	1,721	1,666
Other	-	-
Total	28,241	27,528

d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability of the Group as of 31 December 2021 (31 December 2020: None).

10. Information on fixed assets payables related to activities held and discounted for sale: None.

(31 December 2020: None).

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 was issued Subordinated debt instrument on 5 November 2018, which has two Call Dates: falling on the fifth anniversary notes and the Interest Payment Date falling thereafter amounting USD 210 million with the final maturity of 10 years. The interest rate of the issuance is 10.40% per annum and will be continued at the end of the 5th year with an annual interest rate of 6 months Libor + 7.32% after the first early redemption date. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

The Parent Bank, aligned its Board of Directors' decision dated 8 May 2012, had issued a debt instrument as T2 Capital Subordinated debt instrument with a value of USD 65 million on 14 May 2012 and the debt instrument was redeemed 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 security with amount of 60 million EURO with the final maturity of 10 years, with no call till the 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

On 20 July 2012, the Parent Bank had issued a debt instrument of EUR 100 million as T2 capital and the debt instrument was redeemed 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 security with amount of 100 million EURO, with the final maturity of 10 years, with no call till 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

The Parent Bank issued subordinated debt instrument, which has early redemption right on 27 June 2023, with the final maturity of 10 years in the amount of EUR 125 million on 27 June 2018. The interest rate of the issuance is 6-month Euribor + 5.10% per annum. The "T2 capital" was provided by BNP Paribas Fortis SA/NV.

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 Parent Bank as well as utilizing long term funding.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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: (continued)

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	-	7,239,036	-	4,194,951
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	7,239,036	-	4,194,951
Total	-	7,239,036	-	4,194,951

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	7,239,036	-	4,194,951
From Other Foreign Institutions	-	-	-	-
Total	-	7,239,036	-	4,194,951

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 on the Parent Bank's equity due to the uncertainty of these indicators:

The income diversified with various business line and related channels/products/sectors, supported with different projects result a sustainable and relatively non-volatile profitability. Besides, interest rate, currency rate and liquidity risk under control are testing with various simulation and these tests prevents the risks of effect. The profitability of the Parent Bank is followed up and estimated by the Parent Bank's Planning and Performance Management in short, long and medium 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

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

12. Information on Shareholders' Equity: (Continued)

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	(22,120)	(177,639)	(149,320)	61,169
Foreign Exchange Difference	-	-	-	-
Total	(22,120)	(177,639)	(149,320)	61,169

13. Information on minority interest: As of 31 December 2021, part of the Group equity that belongs to minority shares is TL18,217 (31 December 2020: TL15,507).

14. Information on factoring liabilities: As of 31 December 2021, the Group has factoring debt of TL21,277 (31 December 2020: TL8,979).

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	12,007,806	8,978,512
Asset Purchase and Sale Commitments	11,251,216	3,031,018
Loan Granting Commitments	7,173,859	5,736,570
Payment Commitment for Cheques	2,135,381	1,741,408
Tax and Fund Liabilities from Export Commitments	51,363	47,494
Commitments for Promotions Related with Credit Cards and Banking Activities	5,797	5,767
Time Deposits Purchase and Sale Commitments	-	94,524
Other Irrevocable Commitments	877,062	389,096
Total	33,502,484	20,024,389

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	10,343,834	5,025,525
Bank Acceptances	33,680	16,573
Other Commitments	5,663,908	3,976,672
Other Contingencies	1,396,766	1,043,082
Total	17,438,188	10,061,852

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

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

	Current Period	Prior Period
Guarantee Letters	13,828,475	9,864,566
Advance Guarantee Letters	3,937,404	2,244,080
Guarantee Letters Given for Customs	662,089	481,964
Temporary Guarantee Letters	616,871	332,396
Other Guarantee Letters	2,049,250	1,260,388
Total	21,094,089	14,183,394

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

	Current Period	Prior Period
Non-Cash Loans Given Against Achieving Cash Loans	2,051,917	1,262,302
With Maturity of One Year or Less Than One Year	328,711	94,973
With Maturity of More Than One Year	1,723,206	1,167,329
Other Non-Cash Loans	36,480,360	22,982,944
Total	38,532,277	24,245,246

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	26,762	0.32	8,145	0.03	20,404	0.28	22,980	0.14
Farming and raising livestock	25,289	0.30	8,145	0.03	18,338	0.25	22,980	0.14
Forestry	-	-	-	-	-	-	-	-
Fishery	1,473	0.02	-	-	2,066	0.03	-	-
Manufacturing	3,015,251	35.60	12,659,113	42.11	2,294,148	30.67	5,969,293	35.62
Mining and Quarry	162,871	1.92	656,530	2.18	106,832	1.43	295,929	1.77
Production	2,730,960	32.24	11,937,958	39.71	2,109,458	28.20	5,560,042	33.17
Electricity, Gas and Water	121,420	1.43	64,625	0.21	77,858	1.04	113,322	0.68
Construction	1,333,966	15.75	5,512,742	18.34	1,322,830	17.68	3,711,776	22.14
Services	3,914,534	46.22	9,281,790	30.88	3,605,121	48.19	5,095,080	30.38
Wholesale and Retail Trade	2,244,993	26.50	3,625,225	12.06	1,585,385	21.19	2,108,405	12.58
Hotel and Restaurant Services	128,509	1.52	451,138	1.50	121,734	1.63	105,933	0.63
Transportation and Communication	507,134	5.99	888,727	2.96	416,936	5.57	511,955	3.05
Financial Institutions	400,544	4.73	1,056,623	3.51	463,495	6.20	713,275	4.25
Real Estate and Renting	412,861	4.87	2,191,885	7.29	929,698	12.43	1,410,419	8.41
Self-employment Services	202,745	2.39	1,067,378	3.55	73,121	0.98	243,457	1.45
Education Services	5,272	0.06	595	0.00	5,517	0.07	336	-
Health and Social Services	12,476	0.15	219	0.00	9,235	0.12	1,300	0.01
Other	179,583	2.12	2,600,391	8.65	238,145	3.18	1,965,469	11.72
Total	8,470,096	100.00	30,062,181	100.00	7,480,648	100.00	16,764,598	100.00

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

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	6,574,741	12,912,708	482,202	1,124,438
Bank acceptances	-	33,680	-	-
Letters of credit	-	10,333,813	-	10,021
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1,353,507	5,521,330	59,646	126,191
Total	7,928,248	28,801,531	541,848	1,260,650

The Group provided a reserve for TL 240,978 (31 December 2020: TL 263,951) of non-cash loans not indemnified which equals to amounting to TL 44,434 (31 December 2020: TL 87,824).

Prior Period	Stage I		Stage II	
Non-cash loans	TL	FC	TL	FC
Letters of guarantee	5,498,751	7,423,249	552,798	708,596
Bank acceptances	-	16,573	-	-
Letters of credit	-	4,893,122	-	132,403
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1,393,047	3,439,901	36,052	150,754
Total	6,891,798	15,772,845	588,850	991,753

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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:

	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):	149,362,128	80,856,033	-	-
Forward transactions	26,910,085	16,798,167	-	-
Swap transactions	114,361,290	58,803,224	-	-
Futures transactions	806,991	1,133,911	-	-
Option transactions	7,283,762	4,120,731	-	-
Interest related derivative transactions (II):	29,272,626	19,509,018	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	23,197,546	19,509,018	-	-
Interest option transactions	6,075,080	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	2,084,252	2,960,427	-	-
A. Total trading derivative transactions (I+II+III+IV)	180,719,006	103,325,478	-	-
Types of hedging transactions				
Fair value hedges	-	-	-	6,250,067
Cash flow hedges	-	-	29,455,518	17,757,374
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	-	29,455,518	24,007,441
Total Derivative Transactions (A+B)	180,719,006	103,325,478	29,455,518	24,007,441

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 as trading transactions by the Parent Bank.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 2021, the Parent 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 2021, there are no derivative instruments for hedging purposes.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	-	-	-	6,250,067	447,376	84,098
Interest Rate Swaps	-	-	-	-	-	-
Total	-	-	-	6,250,067	447,376	84,098

ii) Derivative instruments for cash flow hedge purposes:

The Parent Bank has applied cash flow hedge accounting by matching its swap portfolio with total notional amounting to TL 29,455,518 (31 December 2020: TL 17,757,374) and 1-90 days of maturity deposit portfolio together with selected borrowing portfolio. Effective portion of TL 374,849 (31 December 2020: TL 283,380 credit) credit accounted for under equity is presented after deducting its deferred tax effect of TL 82,051 (31 December 2020: TL 56,676 debit) debit in the financial statements. In 2021, ineffective portion of TL 60,244 (31 December 2020: TL 18,266) income is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	4,195,454	-	145,122	4,852,334	615,008	471,891
Interest Rate Swaps	25,260,064	1,802,469	185,489	12,905,040	35,134	526,847
Total	29,455,518	1,802,469	330,611	17,757,374	650,142	998,738

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 another 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 2021, there are no contingent assets that need to be explained (31 December 2020: 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 83,179 (31 December 2020: TL 93,625) 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

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 the Consolidated Off-Balance Accounts.

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 2021, the total nominal value and number of certificates are TL 7,112,025 and 7,112,025 (31 December 2020: TL 4,218,738 and 4,218,738) and the total fair value is TL 7,999,604 (31 December 2020: TL 4,310,479).

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 2021, TEB's ratings were as follows:

Moody's Investor Services:

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Deposits	B2
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	Negative
Turkish Lira	
Long-term	BB-
Short-term	B
Outlook	Negative
National	AA (tur)
Outlook	Stable
Financial Strength	b+
Shareholder Supported Note	b+

^(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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
Interest income on loans ^(*)				
Short Term Loans	5,294,706	307,573	3,378,061	221,584
Medium- and Long-Term Loans	5,813,984	292,761	4,697,498	242,614
Interest on Loans under Follow-Up	162,289	-	142,039	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	11,270,979	600,334	8,217,598	464,198

(*) Includes fees and commissions obtained from cash loans amounting to TL 236,001 (31 December 2020: TL 153,388).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic Banks	141,883	299	161,918	496
Foreign Banks	7,351	(2,643)	3,470	3,219
Branches and Head Office Abroad	-	-	-	-
Total	149,234	(2,344)	165,388	3,715

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	218,551	39,211	135,137	43,247
Financial Assets at Fair Value Through Other Comprehensive Income	623,556	86,248	708,398	91,874
Financial Assets at Amortized Cost	1,976,013	163,971	1,078,923	90,253
Total	2,818,120	289,430	1,922,458	225,374

d) Information on interest income on associates and subsidiaries:

These amounts are eliminated in the consolidated financial statements.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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

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	270,985	2,386	81,025	4,145
Foreign Banks	26,843	575,032	50,835	450,824
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	297,828	577,418	131,860	454,969

(*) Includes fees and commission expenses related to cash loans amounting to TL 32,784 (31 December 2020: TL 10,870).

b) Information on interest expense on associates and subsidiaries:

These amounts 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	451,610	-	454,149	-
Total	451,610	-	454,149	-

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

Current Period:		Time Deposits					Accumulated Deposits	Total
Hesap Adı	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	-	530,239	-	-	-	-	-	530,239
Saving Deposits	-	2,441,873	1,930,253	16,305	1,718	4,864	-	4,395,013
Public Sector Deposits	-	7,155	32,401	431	-	-	-	39,987
Commercial Deposits	-	869,590	1,107,802	30,705	1,168	5,673	-	2,014,938
Other Deposits	-	11,728	156,674	34,829	10	36	-	203,277
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	3,860,585	3,227,130	82,270	2,896	10,573	-	7,183,454
FC	-							
Foreign Currency Deposits	-	6,357	73,489	272	189	994	-	81,301
Bank Deposits	-	22	-	-	-	10	-	32
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	3	1	12	2	-	19
Total	-	6,380	73,492	273	201	1,006	-	81,352
Grand Total	-	3,866,965	3,300,622	82,543	3,097	11,579	-	7,264,806

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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)

Prior Period:		Time Deposits						Total
		Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	
Account Name								
TL								
Bank Deposits	-	178,541	-	-	-	-	-	178,541
Saving Deposits	-	1,219,565	862,589	14,228	4,701	14,788	-	2,115,871
Public Sector Deposits	-	2,002	17,514	768	-	-	-	20,284
Commercial Deposits	-	457,318	599,495	20,442	210	4,987	-	1,082,452
Other Deposits	-	11,147	141,728	4,119	7	36	-	157,037
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	1,868,573	1,621,326	39,557	4,918	19,811	-	3,554,185
FC								
Foreign Currency Deposits	9	19,810	103,064	1,179	510	987	-	125,559
Bank Deposits	-	285	-	-	-	5	-	290
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	238	2,432	470	2,249	1,569	-	6,958
Total	9	20,333	105,496	1,649	2,759	2,561	-	132,807
Grand Total	9	1,888,906	1,726,822	41,206	7,677	22,372	-	3,686,992

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	3,503	3,557
Other	-	-
Total	3,503	3,557

4. Information on trading gain/loss (Net):

	Current Period	Prior Period
Gains	120,081,055	61,968,025
Gains on capital market operations	288,642	295,308
Gains on derivative financial instruments ⁽¹⁾	29,594,889	15,988,223
Foreign exchange gains	90,197,524	45,684,494
Losses (-)	122,068,058	63,704,662
Losses on capital market operations	354,987	347,791
Losses on derivative financial instruments ⁽¹⁾	32,356,721	17,047,618
Foreign exchange losses	89,356,350	46,309,253

⁽¹⁾ Includes exchange rate fluctuations of hedging transactions net profit of TL 1,501,025 (31 December 2020: TL 801,149 profit), derivative financial instruments exchange rate changes in profit/loss accounts amounting to TL 134,704 (31 December 2020: TL 235,299) 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.

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

6. Provision expenses of banks for loans and other receivables:

a) Expected Credit Losses and Other Provisions:

	Current Period	Prior Period
Expected Credit Losses	(8,173)	752,055
12-Month Expected Credit Losses (Stage 1)	9,369	(14,561)
Significant Increase in Credit Risk (Stage 2)	(278,979)	346,048
Credit-Impaired (Stage 3)	261,437	420,568
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 ⁽¹⁾	1,572	(22,683)
Total	(6,601)	729,372

⁽¹⁾ Includes the remaining provision amounting to TL 17,149 (31 December 2020: TL 53,259).

7. Information on other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits ⁽¹⁾	38,206	30,661
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	943
Depreciation expenses of fixed assets	269,382	246,882
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Depreciation expenses of intangible assets	82,560	77,833
Impairment for investments accounted with equity method	-	-
Impairment expenses of assets to be disposed	(3,042)	(5,269)
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	1,373,700	1,125,161
Rent expenses related to TFRS16 Exceptions	43,946	36,525
Maintenance expenses	46,995	37,604
Advertisement expenses	89,021	59,954
Other expenses	1,193,738	991,078
Loss on sales of assets	6,950	6,581
Other ⁽²⁾	504,495	458,443
Total	2,272,251	1,941,235

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

⁽²⁾ Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 219,692 (31 December 2020: TL 191,325) and other taxes and fees paid in the amount of TL 208,932 (31 December 2020: TL 179,916).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

8. Information of the profit/loss on continued and discontinued operations before tax:

a) The portion of the profit before tax amounting to TL 7,066,192 (31 December 2020: TL 6,253,166) consists of net interest income, while TL 1,590,432 (31 December 2020: TL 1,331,799) consists of net fee and commission income; total operating expenses amount to TL 4,170,258 (31 December 2020: TL 3,574,950).

b) Explanations on discontinued operations profit loss:
None.

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

a) As of 31 December 2021, the current tax expense is TL 218,125 (31 December 2020: TL 523,814) and deferred tax income is TL 424,609 (31 December 2020: TL 115,800), and there is no current income/expense from discontinued operations. (31 December 2020: None).

b) Deferred tax expense on temporary differences resulted from continued operations is TL 424,609 (31 December 2020: TL 115,800).

c) Tax reconciliation:

	Current Period	Prior Period
Profit Before Taxes	2,723,608	1,676,920
Additions	59,589	182,091
Nonallowable Expenses	59,589	52,398
The Effect of Different Tax Rates	-	86,615
Other	-	43,078
Deductions	(210,820)	(3,834)
Dividend Income	(2,165)	(3,834)
Effect of different tax rate	(122,357)	-
Other	(86,298)	-
Taxable Profit/Loss	2,572,377	1,855,177
Corporation Tax Rate	25%	22%
Calculated Tax	643,094	408,139
Prior Year Tax Correction	(360)	(125)
Tax Charge	642,734	408,014

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

10. Information on net profit/loss on continued and discontinued operations before tax:

Net profit of the Group from the activities carried out as of 31 December 2021 TL is 2,080,874 (31 December 2020: TL 1,268,906), as of 31 December 2021 there is no net profit from discontinued operations (31 December 2020: 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 2020: None).

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2020: None).

c) Profit/loss attributable to minority interest:

	Current Period	Prior Period
Minority interest profit/loss	8,166	6,151

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:

	Current Period	Prior Period
Other Interest Income		
Interest Received from Factoring Transactions	431,561	196,519
Other	65,905	22,452
Total	497,466	218,971

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

	Current Period	Prior Period
Other Fees and Commissions Received		
Credit Card Fee and Commissions	1,338,493	798,932
Insurance Commissions	257,476	178,300
Brokerage Commissions	157,555	170,741
Funds Management Fees	105,340	85,505
Early Closing Commissions	24,368	76,263
General Limit Revision Commissions	82,751	49,332
Transfer Commissions	84,292	48,859
Settlement Expense Provision, Eft, Swift, Agency Commissions	41,597	41,331
Periodic Service Commission	-	28,225
Consultancy Commission	53,858	9,535
Other	216,730	210,451
Total	2,362,460	1,697,474

Other Fees and Commissions Given		
Credit Cards Commissions and Fees	824,306	418,324
Commissions and Fees Paid to Correspondent Banks	89,408	62,254
Settlement Expense Provision, Eft, Swift, Agency Commissions	36,990	33,471
Other	136,170	104,669
Total	1,086,874	618,718

13. Fees for Services Received from Independent Auditor/Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Parent Bank's foreign and domestic subsidiaries and unconsolidated non-financial partnerships.

<i>(Amounts in thousand TL, excluding VAT)</i>	Current Period	Prior Period
Independent audit fee for the reporting period	5,345	4,060
Fees for tax advisory services	-	-
Fee for other assurance services	119	64
Fees for services other than independent audit	135	120
Total	5,599	4,244

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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) 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. In 2021, the relevant amount is decreased by TL 141,172 (31 December 2020: TL 132,450 decreased) and change effect to deferred tax is TL 29,564 (31 December 2020: TL 27,057).

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 2021 decreased by TL 658,228 (31 December 2020: TL 829,370 decreased) and the effect of this change to deferred tax is TL 138,725 (31 December 2020: TL 169,324).

c) Explanations on profit distribution:

It has been resolved in the Ordinary General Assembly dated 26 March 2021 of the Parent Bank, TL 1,177,314 that constitutes the 2020 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 58,866 as Legal Reserves, TL 935 as special reserves, TL 0.96 (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 effect of other items in the Statement of Cash Flows and the change in the exchange rate on cash and cash equivalents:

"Other items" amounting to TL 4,793,712 (31 December 2020: TL 2,439,324) 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.

The "net increase in other liabilities" item in the "change in assets and liabilities subject to banking activities" amounting to TL 5,825,105 (31 December 2020: TL 1,012,184 increased) consists of various liabilities, other foreign sources, and changes in money markets. "Net decrease in other assets" item amounting to TL 8,442,255 (31 December 2020: TL 1,111,815 increased) consists of changes in blocked reserve requirements, miscellaneous receivables, and other assets.

"Other" item amounting to TL 122,121 (31 December 2020: TL 89,347) in "Net cash provided from investment activities" consists of cash outflows for intangible assets received in the current period.

The effect of change in foreign exchange rate on cash and cash equivalents includes the foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of mostly the period rates, it was realized as 2,128,252 TL for 2021 (31 December 2020: 1,432,624 TL).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 the 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
Cash	10,125,205	6,936,878
Cash in TL/Foreign Currency	2,331,352	2,441,970
Central Bank - Unrestricted amount	7,605,582	4,229,448
Other	188,271	265,460
Cash equivalents	14,110,019	11,273,591
Banks	7,932,019	10,433,550
Money market placements	6,178,000	840,041
Total cash and cash equivalents	24,235,224	18,210,469
End of the period	Current Period	Prior Period
Cash	19,904,616	10,125,205
Cash in TL/Foreign Currency	7,473,318	2,331,352
Central Bank - Unrestricted amount	12,202,866	7,605,582
Other	228,432	188,271
Cash equivalents	11,510,249	14,110,019
Banks	11,507,004	7,932,019
Money market placements	3,245	6,178,000
Total cash and cash equivalents	31,414,865	24,235,224

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 and income/expense items of previous periods are presented as of 31 December 2020.

a) Current Period:

Risk Group Involving The Parent Bank	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						
Balance at Beginning of Period	-	-	161,422	438,193	810,094	89,477
Balance at End of Period	-	-	238,949	389,230	1,775,528	129,424
Interest and Commission Income	-	-	4,838	3,333	54,971	316

Direct and indirect shareholders of the Group balance above includes TL 238,949 and other entities included in the risk group balance above includes TL 812,103 placement in "Banks".

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

VII. Explanations and Disclosures Related to Risk Group of the Parent Bank (Continued)

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

b) Prior Period:

Risk Group Involving The Parent Bank	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						
Balance at Beginning of Period	-	-	19,196	182,856	393,152	101,145
Balance at End of Period	-	-	161,422	438,193	810,094	89,477
Interest and Commission Income	-	4	7,596	2,125	16,452	629

Direct and indirect shareholders of the Group balance above includes TL 161,422 and other entities included in the risk group balance above includes TL 76,533 placement in "Banks".

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

Risk Group Involving The Parent Bank	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	-	5,596,710	3,313,150	1,281,302	648,747
Balance at End of Period	-	1	4,577,873	5,596,710	1,263,224	1,281,302
Interest on Deposits	-	-	423,573	162,488	110,248	39,047

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

Risk Group Involving The Parent Bank	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	-	-	18,396,561	29,930,097	284,453	913,846
End of Period	-	-	36,494,649	18,396,561	729,855	284,453
Total Profit/Loss	-	-	(521,049)	(1,106,802)	(63,701)	(23,948)
Hedging Transactions Purposes						
Beginning of Period	-	-	10,139,721	17,648,505	-	-
End of Period	-	-	9,575,676	10,139,721	-	-
Total Profit/Loss	-	-	421,932	949,648	-	-

d) As of 31 December 2021, the total amount of remuneration and fees provided for the senior management of the Group is TL 81,530 (31 December 2020: TL 62,363).

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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. Explanation on the Subject in Case the Parent Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

	Numbers	Employees			
Domestic branches	451	8,506			
Rep-offices abroad					
				Country	
Branches abroad	4	66	Cyprus	Total Assets	Capital
				2,024,997	20,000
Off-shore branches					

2. Explanations on Branch and Agency Openings or Closings of the Parent Bank:

The Parent Bank closed 2 branches in 2021, and 2 branches were 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 report dated 8 February 2022 is presented preceding the consolidated financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

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