

CREDIT RATINGS ASSIGNED BY RATING AGENCIES

Following the revision of Turkey's long-term rating outlook from Stable to Negative on 2 December, 2021, Fitch Ratings revised Ziraat Bank's long-term local currency rating outlook from Stable to Negative on 10 December, 2021. On the other hand, as a result of the methodological change conducted by the organization, the Support Rating and Support Rating Base were abolished and replaced by the Government Support Rating, with this rating determined as "b". Other ratings have been confirmed.

On 7 January, 2022, JCR Eurasia Rating determined Ziraat Bank's Long-Term International Foreign Currency and Long-Term International Local Currency rating as BB with a "Stable" outlook in line with the country rating ceiling. It maintained the Long Term National Rating "AAA (Trk)", Short Term National Rating "A -1+ (Trk)" and outlook as "Stable".

The current credit rating scores of Ziraat Bank are listed in the table below.

Rating Agency	Category	Rating	Revision Date
Fitch Ratings	Foreign Currency Long-Term IDR	B+	December 2021
	Outlook	Negative	
	Foreign Currency Short-Term IDR	B	
	Local Currency Long-Term IDR	BB-	
	Outlook	Negative	
	Local Currency Short-Term IDR	B	
	National Long-Term Rating	AA (tur)	
	Outlook	Stable	
	Government Support Rating	b	
	Viability Rating	b+	
Moody's	Outlook	Negative	December 2020
	Long-Term Bank Deposit Foreign Currency	B2	
	Short-Term Bank Deposit Foreign Currency	Not-Prime	
	Long-Term Bank Deposit Domestic Currency	B2	
	Short-Term Bank Deposit Domestic Currency	Not-Prime	
	Long-Term Bonds Foreign Currency	B2	
	Long-Term Bonds Domestic Currency	B2	
	Baseline Credit Assessment	caa1	
	Adjusted Baseline Credit Assessment	caa1	
JCR Eurasia	Long-Term International Foreign Currency	BB	January 2022
	Outlook	Stable	
	Long-Term International Local Currency	BB	
	Outlook	Stable	
	Long-Term National Local Rating	AAA (Trk)	
	Outlook	Stable	
	Short-Term International Foreign Currency	B	
	Outlook	Stable	
	Short-Term International Local Currency	B	
	Outlook	Stable	
	Short-Term National Local Rating	A-1+ (Trk)	
	Sponsor Support	1	
Stand Alone	A		

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2021 WITH INDEPENDENT AUDITORS' REPORT THEREON

(Convenience translation of unconsolidated financial statements and related disclosures Originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası A.Ş.:

A. Audit of the Unconsolidated Financial Statements

1. Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2021, unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2021, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRS") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRS and requirements of Turkish Financial Reporting Standards for the matters not regulated by the aforementioned legislations.

2. Basis for Qualified Opinion

Explanations and Disclosures Related to the Unconsolidated Financial Statements Section Five II. As stated in Section 9.3, in the accompanying unconsolidated financial statements prepared as of 31 December 2021, the Bank's management has allocated TL 3.460.000 in previous periods and 250. TL 000 thousand in the current year, excluding the requirements of the BRS Accounting and Financial Reporting Legislation. There is a free provision amounting to a total of TL 3.710.000 thousand.

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRS Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRS and Standards on Auditing which is a component of the Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Expected credit losses for loans</p> <p>The Bank has total expected credit losses for loans amounting to TL 29.072.369 thousand in respect to total loans amounting to TL 778.403.889 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2021. Explanations and notes related to expected credit losses for loans are presented Section Three VII, Section Three VIII, Section Four II, Section Five I.7 and Section Five II-9 in the accompanying unconsolidated financial statements as at 31 December 2021.</p> <p>The Bank recognizes provision for impairment in accordance with "IFRS 9 Financial Instruments" ("IFRS 9") requirements effective in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Bank exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment. The effects of the COVID-19 outbreak increased the importance of these estimates and assumptions used by the Bank's management in determining the loan loss provisions as of 31 December 2021, and the uncertainties caused by these effects were taken into account in the calculation of expected credit loss using expert opinion.</p> <p>The Bank uses complex models derived from more than one system to detect a significant increase in credit risk and to calculate the expected loan loss allowance. Information including past events, current conditions and macroeconomic estimates taken into account in expected loss allowance accounting should be reasonable and supportable.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<p>With respect to stage classification of loans and calculation of expected credit losses in accordance with their staging, we have assessed policy, procedure and management principles of the Bank within the scope of our audit, including the effects of the COVID-19 outbreak. We tested the design and the operating effectiveness of relevant controls implemented in accordance with these principles.</p> <p>For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Bank for staging of loans and calculation of the provision amount. For forward looking assumptions by the Bank's management in its expected credit losses calculations, we held discussions with management, evaluated the assumptions using publicly available information including the effects of the COVID-19 outbreak. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, exposure at default model, loss given default model, and approaches in relation to projection of macroeconomic expectations with our financial risk experts.</p> <p>We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). Our procedures also included the following:</p> <p>Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used.</p> <p>We have checked selected models used in determination of provisions for various credit portfolios with our financial risk experts by reperforming on a sample selection basis.</p> <p>For a selected sample, we checked expected credit losses determined based on individual assessment per Bank's policy by means of supporting data, and evaluated the areas affected by the uncertainties caused by COVID-19 within the framework of interviews with the Bank management.</p> <p>We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists.</p> <p>We checked accuracy of resultant expected credit losses calculations.</p> <p>In order to determine whether it is reasonable to classify the loans according to credit risk within the framework of current regulations, whether they are impaired and whether the provision for the impairment of the receivable has been established in a timely and appropriate manner, we have conducted a loan review process for the loan set that we have selected on a sample basis.</p> <p>We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the impairment provisions of loans.</p>

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Pension Plans</p> <p>Explanations on Valuation of Pension Obligations are presented in the Section Three XVI in the accompanying unconsolidated financial statements as at 31 December 2021.</p> <p>T.C. Ziraat Bankası ve T. Halk Bankası Mensupları Emekli ve Yardım Sandığı Vakfı ("Emekli Sandığı") (Pension Fund) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions.</p> <p>Evaluation of Pension Fund liabilities include uncertainty of estimates and assumptions such as transferrable social benefits, discount rates, salary increases, economic and demographic assumptions.</p> <p>The Bank's management uses external actuaries for the purpose of valuations of Pension Fund obligations.</p> <p>During our audit, above mentioned fundamental assumption and estimates used in calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined by the law and significant impact from differentiation of these assumptions were taken into consideration, and this area is considered as key audit matter.</p>	<p>Within our audit we tested on a sample basis the accuracy of the employee data supplied by the Bank management to the external actuary firm for the purpose of evaluation pension obligation. In addition, we verified the existence and values of the Pension Fund assets.</p> <p>We examined whether significant changes in actuarial assumptions used in calculation, employee benefits in the period, plan assets and liabilities, and regulations related to valuations exist, and tested significant changes.</p> <p>Through use of our actuarial specialist, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability.</p> <p>In addition, we have checked the footnotes regarding the Pension Fund in the unconsolidated financial statements of the Bank.</p>

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

The Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 unconsolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement in the unconsolidated 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.

Assess the 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 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 unconsolidated 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 independent 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also 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 unconsolidated 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

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Partner

Istanbul, 15 February 2022

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2021

(Convenience translation of publicly announced unconsolidated financial statements and related disclosures with auditor's report originally issued in Turkish, see note I. of section three)

The Bank's Headquarter Address : Hacıbayram Mahallesi Atatürk Bulvarı

No: 8 06050-Altındağ/ANKARA

Phone : (312) 584 20 00

Facsimile : (312) 584 49 63

Website : www.ziraatbank.com.tr

The unconsolidated financial report for the year ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section 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 THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for year ended which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently audited.

Burhaneddin TANYERİ
Chairman of the Board

Alpaslan ÇAKAR
Member of the Board,
CEO

Fazlı KILIÇ
Member of the Board,
Member of the Audit Committee

Mahmut KAÇAR
Member of the Board,
Member of the Audit Committee

Emrah GÜNDÜZ
Assistant General Manager for
Banking Operations and
Corporate Communications

Rehber BİRKAN
Senior Vice President of Financial
Coordination

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title : Serkan ÖZKAN/Financial Statements and Budget Analysis Manager
Telephone Number : 0312 584 59 32
Fax Number : 0312 584 59 38

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

I. HISTORY OF THE BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “the Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of the Bank, which was given the authority to perform all the banking activities, belonged to the Republic of Turkey Prime Ministry Undersecretariat of Treasury (“Treasury”) transferred to the Turkish Wealth Fund with the decision of the Council of Ministers numbered 2017/9756 dated 24 January 2017. The Bank’s head office is located in Ankara.

II. EXPLANATION ABOUT 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

The total share capital of the Bank is TL 13.100.000. This capital is divided into 13.100.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Bank’s sole shareholder is the Turkish Wealth Fund.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

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

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CEO AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS

Name	Administrative Function
Members of the Board of Directors	
Burhaneddin TANYERİ ⁽¹⁾	Chairman
Alpaslan ÇAKAR ⁽²⁾	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. Ahmet GENÇ	Member
Faruk ÇELİK	Member
Fazlı KILIÇ ⁽³⁾	Member
Feyzi ÇUTUR	Member
Mahmut KAÇAR	Member
Serruh KALELİ	Member
Audit Committee Members	
Fazlı KILIÇ ⁽⁴⁾	Member
Mahmut KAÇAR	Member
Executive Vice Presidents	
Cüneyt SAĞLIK ⁽⁵⁾	Payment Systems and Credit Processes
Emrah GÜNDÜZ ⁽⁵⁾	Banking Operations and Corporate Communications
Ferhat PİŞMAF ⁽⁵⁾	Corporate Banking
Mehmet Şükrü TAŞCI ⁽⁵⁾	Credit Allocation and Management
Recep TÜRK ⁽⁵⁾	Credit Risk Monitoring and Liquidation
Yüksel CESUR	Retail Banking

⁽¹⁾ At the Bank’s Ordinary General Assembly meeting held on 26 March 2021, he was elected to the Board of Directors to replace Yusuf Bilmez, was appointed as the Chairman of the Board of Directors to replace Dr. Ahmet Genç, and started his duty as of 29 March 2021.

⁽²⁾ In the Ordinary General Assembly meeting of the Bank held on 26 March 2021, he was appointed as the General Manager instead of Hüseyin Aydın.

⁽³⁾ He was appointed to replace Mehmet Nihat Ömeroğlu at the Ordinary General Assembly Meeting of the Bank held on 26 March 2021 and commenced his duty as of 29 March 2021.

⁽⁴⁾ He was appointed on 25 April 2021 and commenced his duty on the same date.

⁽⁵⁾ He was appointed on 9 April 2021 and commenced his duty on the same date.

The Bank’s Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Deputy General Managers do not own any shares of the Bank.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

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

IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE BANK

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Share	Unpaid Shares
Turkish Wealth Fund	13.100.000	100	13.100.000	-

The Bank's sole shareholder is the Turkish Wealth Fund.

V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES

The purpose of activity of the Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Bank can perform all sorts of operations, without prejudice to the provisions of the banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new partnerships for this purpose, performing all kinds of transactions, such as; acquiring limited real and personal claims like all kinds of movable and immovable goods, industrial and intellectual properties, right of usufruct, easement, superficies and disposing and transferring acquired properties and rights, placing pledge and mortgage on those properties and rights, releasing pledged and mortgaged items and declaring leasing agreements and sale commitments to the registry office.

As of 31 December 2021, Bank carries its activities with a grand total of 1.727 branches; 1.639 domestic branches including 17 corporate branches, 61 commercial branches, 1.639 branches and 10 mobile branches (31 December 2020: 1.728 domestic branches including 1.639 branches, 19 corporate branches, 65 entrepreneurial branches, 5 mobile branches) and 24 branches abroad which are London branch in England, Baghdad and Arbil branches in Iraq, Athens, Komotini, and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali, Varna and Burgas branches in Bulgaria, Jeddah branch in Saudi Arabia, Prishtina, Prizren, Peja and Ferizaj branches in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Taşkinköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. In addition to 25 branches and a total of 1,752 branches, The Bank also has 1 representative office in Tehran, Iran. As of 31 December 2021, the Bank's number of employee is 24.607. (31 December 2020: 24.673).

VI. DIFFERENCES BETWEEN THE COMMUNIQUE 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

According to Communiqué regarding the Preparation of the Consolidated Financial Statements and Turkish Accounting Standards, Arap Türk Bankası A.Ş., one of the associates of the Bank, and Turkmen Turkish Joint Stock Commercial Bank, jointly controlled partnership of the Bank, are accounted by using equity method in the consolidated financial statements of the Bank.

As Ziraat Teknoloji A.Ş. is one of the non-financial subsidiaries of the Bank, is not consolidated in the consolidated financial statements of the Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Moreover, Platform Ortak Kartlı Sistemler A.Ş. and Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. are non-financial associates of the Bank which are kept at cost value are not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., ZG Tarım ve Hayvancılık Yatırımları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş. as they are not financial institutions, they are not consolidated. All other associates and subsidiaries are fully consolidated. Rinerji Rize Elektrik Üretim A.Ş., which was previously included in subsidiaries, and Keskinöğlü Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was included in the affiliates, are classified under the fixed assets held for sale in the current period within the scope of the BRSA's Uniform Chart of Accounts amendments.

VII. CURRENT OR LIKELY, ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN BANK AND ITS SUBSIDIARIES

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

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

SECTION TWO

Unconsolidated Financial Statements

- I. Balance Sheet (Statement of Financial Position) - Assets
- II. Balance Sheet (Statement of Financial Position) - Liabilities
- III. Statement of Off-Balance Sheet Commitments
- IV. Statement of Profit or Loss
- V. Statement of Profit or Loss and Other Comprehensive Income
- VI. Statement of Changes in Shareholders' Equity
- VII. Statement of Cash Flows
- VIII. Statement of Profit Distribution

NOTES TO THE UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2021

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

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS	Note (Section Five I)	Current Period 31 December 2021			Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		156.891.377	374.035.478	530.926.855	115.996.922	176.002.569	291.999.491
1.1 Cash and Cash Equivalents		24.359.462	197.701.960	222.061.422	8.737.466	82.300.443	91.037.909
1.1.1 Cash and Balances with Central Bank	(1)	23.319.411	185.466.575	208.785.986	7.954.069	80.089.730	88.043.799
1.1.2 Banks	(4)	761.150	12.236.212	12.997.362	578.131	2.210.866	2.788.997
1.1.3 Money Markets Receivables		281.931	-	281.931	206.435	-	206.435
1.1.4 Expected Loss Provision (-)		3.030	827	3.857	1.169	153	1.322
1.2 Financial Assets at Fair Value Through Profit or Loss	(2)	1.936.236	24.723.476	26.659.712	13.769.083	536.369	14.305.452
1.2.1 Government Debt Securities		131.441	23.766.048	23.897.489	13.769.083	9.300	13.778.383
1.2.2 Equity Instruments		-	-	-	-	527.069	527.069
1.2.3 Other Financial Assets		1.804.795	957.428	2.762.223	-	-	-
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5),(6)	120.157.761	149.999.396	270.157.157	90.571.073	91.057.857	181.628.930
1.3.1 Government Debt Securities		119.331.986	149.301.458	268.633.444	89.811.384	90.687.150	180.498.534
1.3.2 Equity Instruments		301.892	46.511	348.403	230.206	28.445	258.651
1.3.3 Other Financial Assets		523.883	651.427	1.175.310	529.483	342.262	871.745
1.4 Derivative Financial Assets	(3)	10.437.918	1.610.646	12.048.564	2.919.300	2.107.900	5.027.200
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		10.437.918	1.610.646	12.048.564	2.919.300	2.107.900	5.027.200
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		522.895.453	271.013.864	793.909.317	456.101.932	155.487.998	611.589.930
2.1 Loans	(7)	537.517.822	240.886.067	778.403.889	462.338.413	138.321.547	600.659.960
2.2 Lease Receivables	(12)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(8)	14.359.307	30.224.509	44.583.816	12.466.614	17.220.082	29.686.696
2.4.1 Government Debt Securities		14.243.051	29.999.817	44.242.868	12.379.588	17.161.348	29.540.936
2.4.2 Other Financial Assets		116.256	224.692	340.948	87.026	58.734	145.760
2.5 Expected Credit Loss (-)		28.981.676	96.712	29.078.388	18.703.095	53.631	18.756.726
III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)	(15)	5.118.932	-	5.118.932	5.260.879	-	5.260.879
3.1 Held for Sale Purpose		5.118.932	-	5.118.932	5.260.879	-	5.260.879
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		14.964.022	6.023.868	20.987.890	10.939.778	3.386.144	14.325.922
4.1 Investments in Associates (Net)	(9)	152.904	-	152.904	152.904	-	152.904
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		152.904	-	152.904	152.904	-	152.904
4.2 Subsidiaries (Net)	(10)	14.811.118	5.799.195	20.610.313	10.786.874	3.280.399	14.067.273
4.2.1 Unconsolidated Financial Subsidiaries		14.759.292	5.799.195	20.558.487	10.621.479	3.280.399	13.901.878
4.2.2 Unconsolidated Non-Financial Subsidiaries		51.826	-	51.826	165.395	-	165.395
4.3 Entities under Common Control (Joint Ventures) (Net)	(11)	-	224.673	224.673	-	105.745	105.745
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	224.673	224.673	-	105.745	105.745
V. PROPERTY AND EQUIPMENT (Net)	(16)	6.593.997	60.795	6.654.792	6.710.643	37.712	6.748.355
VI. INTANGIBLE ASSETS (Net)	(19)	1.328.388	36.707	1.365.095	984.261	17.945	1.002.206
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.328.388	36.707	1.365.095	984.261	17.945	1.002.206
VII. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	1.322	-	1.322
IX. DEFERRED TAX ASSET	(20)	1.519.079	-	1.519.079	247.408	-	247.408
X. OTHER ASSETS (Net)	(22)	8.116.674	2.291.634	10.408.308	8.389.443	3.036.308	11.425.751
TOTAL ASSETS		717.427.922	653.462.346	1.370.890.268	604.632.588	337.968.676	942.601.264

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2021

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

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES	Note (Section Five II)	Current Period 31 December 2021			Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	380.837.924	567.848.691	948.686.615	306.746.336	323.127.872	629.874.208
II. FUNDS BORROWED	(3)	394.280	58.922.381	59.316.661	1.291.482	35.658.731	36.950.213
III. MONEY MARKETS BORROWINGS	(4)	139.646.059	37.053.037	176.699.096	92.831.730	23.569.739	116.401.469
IV. SECURITIES ISSUED (Net)	(5)	1.010.690	25.151.351	26.162.041	1.010.690	13.343.843	14.354.533
4.1 Bills		-	97.988	97.988	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	25.053.363	26.064.053	1.010.690	13.343.843	14.354.533
V. FUNDS		31.956	-	31.956	6.053.060	-	6.053.060
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		31.956	-	31.956	6.053.060	-	6.053.060
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	1.202.899	2.388.020	3.590.919	1.464.562	2.023.090	3.487.652
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.202.899	2.388.020	3.590.919	1.464.562	2.023.090	3.487.652
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(7)	747.354	42.129	789.483	763.681	58.304	821.985
X. PROVISIONS	(9)	9.042.970	17.042	9.060.012	7.048.154	10.480	7.058.634
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.723.250	-	1.723.250	1.509.040	-	1.509.040
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		7.319.720	17.042	7.336.762	5.539.114	10.480	5.549.594
XI. CURRENT TAX LIABILITY	(10)	1.259.239	13.192	1.272.431	1.655.923	4.594	1.660.517
XII. DEFERRED TAX LIABILITY	(10)	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)	(11)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(12)	-	21.427.601	21.427.601	-	13.048.197	13.048.197
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	21.427.601	21.427.601	-	13.048.197	13.048.197
XV. OTHER LIABILITIES	(6)	22.674.910	4.078.784	26.753.694	15.000.491	4.612.045	19.612.536
XVI. SHAREHOLDERS' EQUITY	(13)	108.064.597	(10.964.838)	97.099.759	93.291.545	(13.285)	93.278.260
16.1 Paid-in capital		13.100.000	-	13.100.000	13.100.000	-	13.100.000
16.2 Capital Reserves		-	-	-	(17.745)	-	(17.745)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	(17.745)	-	(17.745)
16.3 Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		17.819.572	(1.966.165)	15.853.407	10.575.764	(969.601)	9.606.163
16.4 Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		3.162.858	(8.998.673)	(5.835.815)	(108.006)	956.316	848.310
16.5 Profit Reserves		67.627.159	-	67.627.159	58.398.544	-	58.398.544
16.5.1 Legal Reserves		5.463.080	-	5.463.080	5.000.726	-	5.000.726
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		62.164.079	-	62.164.079	53.397.818	-	53.397.818
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		6.355.008	-	6.355.008	11.342.988	-	11.342.988
16.6.1 Prior Periods' Profit or (Loss)		63.699	-	63.699	3.517.969	-	3.517.969
16.6.2 Current Period Profit or (Loss)		6.291.309	-	6.291.309	7.825.019	-	7.825.019
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		664.912.878	705.977.390	1.370.890.268	527.157.654	415.443.610	942.601.264

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

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

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

	III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 December 2021			Prior Period 31 December 2020		
			TL	FC	Total	TL	FC	Total
A.	BALANCE SHEET COMMITMENTS (I+II+III)		237.933.561	657.847.925	895.781.486	192.229.287	407.385.776	599.615.063
I.	GUARANTEES AND WARRANTIES	(1),(3)	56.163.538	206.409.718	262.573.256	43.026.229	99.712.498	142.738.727
1.1	Letters of Guarantee		53.164.164	131.292.450	184.456.614	41.847.184	68.894.235	110.741.419
1.1.1	Guarantees Subject to State Tender Law		1.725.374	24.260.049	25.985.423	1.272.900	14.813.606	16.086.506
1.1.2	Guarantees Given for Foreign Trade Operations		44.923.837	76.456.270	121.380.107	35.485.457	37.881.934	73.367.391
1.1.3	Other Letters of Guarantee		6.514.953	30.576.131	37.091.084	5.088.827	16.198.695	21.287.522
1.2	Bank Acceptances		211.032	11.723.519	11.934.551	122.254	7.079.894	7.202.148
1.2.1	Import Letter of Acceptance		211.032	11.720.128	11.931.160	122.254	7.079.001	7.201.255
1.2.2	Other Bank Acceptances		-	3.391	3.391	-	893	893
1.3	Letters of Credit		845.948	59.326.676	60.172.624	957.791	22.316.906	23.274.697
1.3.1	Documentary Letters of Credit		845.948	59.296.678	60.142.626	957.791	22.300.016	23.257.807
1.3.2	Other Letters of Credit		-	29.998	29.998	-	16.890	16.890
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		1.942.394	4.067.073	6.009.467	99.000	1.421.463	1.520.463
1.5.1	Endorsements to the Central Bank of Turkey		1.942.394	4.067.073	6.009.467	99.000	1.421.463	1.520.463
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS		112.493.520	25.614.771	138.108.291	77.686.779	21.081.703	98.768.482
2.1	Irrevocable Commitments	(1),(3)	112.493.520	25.614.771	138.108.291	77.686.779	21.081.703	98.768.482
2.1.1	Asset Purchase Commitments		5.931.540	18.329.423	24.260.963	38.855	14.044.527	14.083.382
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		3.150	-	3.150	3.150	-	3.150
2.1.4	Loan Granting Commitments		22.868.861	19.212	22.888.073	14.666.903	2.087	14.668.990
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		6.609.633	-	6.609.633	4.830.167	-	4.830.167
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		61.707.772	-	61.707.772	44.590.857	-	44.590.857
2.1.10	Commitments for Credit Cards and Banking Services Promotions		101.762	-	101.762	68.631	-	68.631
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		15.270.802	7.266.136	22.536.938	13.488.216	7.035.089	20.523.305
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(2)	69.276.503	425.823.436	495.099.939	71.516.279	286.591.575	358.107.854
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

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

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

	III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 December 2021			Prior Period 31 December 2020		
			TL	FC	Total	TL	FC	Total
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		69.276.503	425.823.436	495.099.939	71.516.279	286.591.575	358.107.854
3.2.1	Forward Foreign Currency Buy/Sell Transactions		4.835.428	7.257.118	12.092.546	2.339.701	4.721.385	7.061.086
3.2.1.1	Forward Foreign Currency Transactions-Buy		2.421.698	3.628.653	6.050.351	1.513.056	2.052.594	3.565.650
3.2.1.2	Forward Foreign Currency Transactions-Sell		2.413.730	3.628.465	6.042.195	826.645	2.668.791	3.495.436
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		64.441.075	408.569.888	473.010.963	68.512.430	281.234.260	349.746.690
3.2.2.1	Foreign Currency Swap-Buy		4.980.360	193.274.290	198.254.650	3.546.255	144.492.912	148.039.167
3.2.2.2	Foreign Currency Swap-Sell		59.090.715	131.020.654	190.111.369	63.436.175	83.846.042	147.282.217
3.2.2.3	Interest Rate Swap-Buy		185.000	42.137.472	42.322.472	765.000	26.447.653	27.212.653
3.2.2.4	Interest Rate Swap-Sell		185.000	42.137.472	42.322.472	765.000	26.447.653	27.212.653
3.2.3	Foreign Currency, Interest rate and Securities Options		-	9.996.430	9.996.430	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	4.998.463	4.998.463	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	4.997.967	4.997.967	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	664.148	635.930	1.300.078
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	635.930	635.930
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	664.148	-	664.148
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		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		1.952.713.000	584.318.513	2.537.031.513	2.514.798.633	307.290.933	2.822.089.566
IV.	ITEMS HELD IN CUSTODY		263.653.975	121.563.137	385.217.112	1.174.846.935	62.800.731	1.237.647.666
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		14.933.991	53.322.559	68.256.550	13.994.359	31.286.338	45.280.697
4.3	Cheques Received for Collection		23.819.347	5.134.211	28.953.558	16.337.960	2.323.861	18.661.821
4.4	Commercial Notes Received for Collection		21.450.680	1.632.830	23.083.510	14.290.083	1.139.348	15.429.431
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		178.476.218	811.746	179.287.964	1.100.163.673	2.864	1.100.166.537
4.7	Other Items Under Custody		24.963.274	60.661.791	85.625.065	30.050.395	28.048.320	58.098.715
4.8	Custodians		1.649	-	1.649	1.649	-	1.649
V.	PLEDGES RECEIVED		1.687.499.546	454.506.906	2.142.006.452	1.338.428.515	240.139.806	1.578.568.321
5.1	Marketable Securities		2.699.422	2.790.764	5.490.186	2.552.857	1.488.478	4.041.335
5.2	Guarantee Notes		23.434.768	5.116.179	28.550.947	15.030.031	2.143.619	17.173.650
5.3	Commodity		919.910	205.378	1.125.288	919.910	119.673	1.039.583
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.362.885.844	281.957.707	1.644.843.551	1.072.212.605	154.124.910	1.226.337.515
5.6	Other Pledged Items		297.554.393	164.388.763	461.943.156	247.707.903	82.235.495	329.943.398
5.7	Pledged Items-Depository		5.209	48.115	53.324	5.209	27.631	32.840
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		1.559.479	8.248.470	9.807.949	1.523.183	4.350.396	5.873.579
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		2.190.646.561	1.242.166.438	3.432.812.999	2.707.027.920	714.676.709	3.421.704.629

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2021

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

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

	Note (Section Five IV)	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS			
I. INTEREST INCOME	(1)	101.997.560	69.476.028
1.1 Interest on Loans		72.794.604	52.330.087
1.2 Interest on Reserve Requirements		1.380.521	229.750
1.3 Interest on Banks		136.647	58.101
1.4 Interest on Money Market Transactions		1.785	33
1.5 Interest on Marketable Securities Portfolio		27.440.109	16.695.965
1.5.1 Fair Value Through Profit or Loss		341.089	173.658
1.5.2 Fair Value Through Other Comprehensive Income		23.592.214	14.268.773
1.5.3 Measured at Amortised Cost		3.506.806	2.253.534
1.6 Financial Lease Interest Income		-	-
1.7 Other Interest Income		243.894	162.092
II. INTEREST EXPENSE (-)	(2)	62.229.826	34.861.528
2.1 Interest on Deposits		41.199.247	22.812.078
2.2 Interest on Funds Borrowed		1.169.834	1.191.042
2.3 Interest Expense on Money Market Transactions		17.261.237	5.728.076
2.4 Interest on Securities Issued		2.118.052	1.595.972
2.5 Interest on Leases		113.971	100.242
2.6 Other Interest Expenses		367.485	3.434.118
III. NET INTEREST INCOME (I - II)		39.767.734	34.614.500
IV. NET FEES AND COMMISSIONS INCOME		5.450.874	3.092.735
4.1 Fees and Commissions Received		7.697.860	4.816.628
4.1.1 Non-cash Loans		1.267.429	969.668
4.1.2 Other		6.430.431	3.846.960
4.2 Fees and Commissions Paid (-)		2.246.986	1.723.893
4.2.1 Non-cash Loans		731	971
4.2.2 Other		2.246.255	1.722.922
V. DIVIDEND INCOME	(3)	137.900	1.119.253
VI. TRADING PROFIT/(LOSS) (Net)	(4)	(11.043.777)	(7.743.467)
6.1 Trading Gains/(Losses) on Securities		649.507	3.971.898
6.2 Gains/(Losses) on Derivative Financial Transactions		(11.746.582)	(5.137.039)
6.3 Foreign Exchange Gains/(Losses)		53.298	(6.578.326)
VII. OTHER OPERATING INCOME	(5)	4.444.305	5.181.957
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		38.757.036	36.264.978
IX. EXPECTED CREDIT LOSS (-)	(6)	14.956.143	10.690.951
X. OTHER PROVISION EXPENSES (-)	(6)	374.148	2.648.397
XI. PERSONNEL EXPENSE (-)		5.195.130	4.396.112
XII. OTHER OPERATING EXPENSES (-)	(7)	9.318.173	7.695.395
XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)		8.913.442	10.834.123
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(9)	8.913.442	10.834.123
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	(2.622.133)	(3.009.104)
18.1 Current Tax Provision		(2.793.348)	(3.189.501)
18.2 Deferred Tax Expense Effect (+)		(3.449.154)	(6.178.034)
18.3 Deferred Tax Income Effect (-)		3.620.369	6.358.431
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	(11)	6.291.309	7.825.019
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from Non-current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
20.3 Income from Other Discontinued Operations		-	-
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Expenses from Other Discontinued Operations		-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-
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)		-	-
XXV. NET PROFIT/(LOSS) (XVIII+XXII)	(12)	6.291.309	7.825.019
Earnings/(Loss) per share (in TL full)		0,480	0,752

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

	V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
I. PROFIT (LOSS)		6.291.309	7.825.019
II. OTHER COMPREHENSIVE INCOME		(2.551.255)	4.960.006
2.1 Other Comprehensive Income That will Not Be Reclassified To Profit or Loss		4.132.870	3.753.808
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment		(98.994)	1.215.617
2.1.2 Gains (losses) on revaluation of Intangible Assets		-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans		270.098	86.170
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss		4.525.995	3.242.666
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		(564.229)	(790.645)
2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss		(6.684.125)	1.206.198
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		(8.348.810)	1.497.153
2.2.3 Income (Loss) Related with Cash Flow Hedges		-	-
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 to Other Profit or Loss		-	-
2.2.6 Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss		1.664.685	(290.955)
III. TOTAL COMPREHENSIVE INCOME (I+II)		3.740.054	12.785.025

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Reserves	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(Loss)	Total Equity
					1	2	3 ⁽¹⁾	4	5	6				
CURRENT PERIOD														
31 December 2021														
I. Prior Period End Balance	13.100.000	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	13.100.000	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
IV. Total comprehensive income (loss)	-	-	-	-	(89.000)	216.078	4.005.792	-	(6.684.125)	-	-	-	6.291.309	3.740.054
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	-	-	-	17.745	-	-	-	-	-	-	-	63.700	-	81.445
XI. Profit distribution	-	-	-	-	-	-	2.114.374	-	-	-	9.228.615	(11.342.989)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	8.577.454	(8.577.454)	-	-
11.3 Other	-	-	-	-	-	-	2.114.374	-	-	-	651.161	(2.765.535)	-	-
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	-	4.760.771	203.462	10.889.174	-	(5.835.815)	-	67.627.159	63.699	6.291.309	97.099.759

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss))

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

⁽¹⁾ Corporate Tax Law, 5. 1. e. The exemption amounts of the gains arising from the sale of immovables and affiliate shares amounting to TL 2.114.374 related to the article are followed.

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
					1	2	3	4	5	6				
PRIOR PERIOD														
31 December 2020														
I. Prior Period End Balance	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542
IV. Total comprehensive income	-	-	-	-	1.100.959	68.936	2.583.913	-	1.206.198	-	-	-	7.825.019	12.785.025
V. Capital increase by cash	7.000.000	-	-	-	-	-	-	-	-	-	-	-	-	7.000.000
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	-	-	-	(17.174)	-	-	-	-	-	-	-	3.445.867	-	3.428.693
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	6.288.168	(6.288.168)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	6.137.985	(6.137.985)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	150.183	(150.183)	-	-
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	3.517.969	7.825.019	93.278.260

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss)

4. Exchange Differences on Translation,

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2021

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

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

	Note (Section Five)	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
VII. STATEMENT OF CASH FLOWS			
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	8.923.763	14.474.641
1.1.1	Interest Received	87.832.669	65.352.951
1.1.2	Interest Paid	(60.537.999)	(34.636.969)
1.1.3	Dividend Received	137.900	1.119.253
1.1.4	Fees and Commissions Received	7.969.148	5.655.572
1.1.5	Other Income	1.886.653	5.952.590
1.1.6	Collections from Previously Written-off Loans and Other Receivables	3.872.985	2.274.824
1.1.7	Cash Payments to Personnel and Service Suppliers	(5.847.526)	(4.995.077)
1.1.8	Taxes Paid	(3.577.299)	(3.505.624)
1.1.9	Other	(22.812.768)	(22.742.879)
1.2	Changes in Operating Assets and Liabilities	78.572.840	54.512.138
1.2.1	Net (Increase)/Decrease in Financial Assets At Fair Value Through Profit Or Loss	(3.457.057)	(8.707.973)
1.2.2	Net (Increase)/Decrease in Due From Banks And Other Financial Institutions	(67.748.522)	(29.163.414)
1.2.3	Net (Increase)/Decrease in Loans	(96.586.900)	(123.060.931)
1.2.4	Net (Increase)/Decrease in Other Assets	22.801	(6.779.884)
1.2.5	Net Increase/(Decrease) in Bank Deposits	15.745.502	2.666.179
1.2.6	Net Increase/(Decrease) in Other Deposits	168.851.070	151.128.952
1.2.7	Net Increase/(Decrease) in Financial Liabilities At Fair Value Through Profit Or Loss	-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed	(3.970.974)	(5.134.167)
1.2.9	Net Increase/(Decrease) in Payables	-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	65.716.920	73.563.376
I.	Net Cash Provided from Banking Operations	87.496.603	68.986.779
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from Investing Activities	(27.431.826)	(67.434.305)
2.1	Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)	(910.404)	(1.118.431)
2.2	Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)	-	-
2.3	Purchases of Property and Equipment	(806.841)	(612.547)
2.4	Disposals of Property and Equipment	1.320.001	1.059.375
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(64.365.341)	(106.216.722)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	38.092.046	47.372.661
2.7	Purchase of Financial Assets Measured at Amortized Cost	(3.551.118)	(8.771.752)
2.8	Sale of Financial Assets Measured at Amortized Cost	2.789.831	853.111
2.9	Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities	(476.871)	5.543.638
3.1	Cash Obtained from Funds Borrowed and Securities Issued	5.634.457	4.241.178
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	(5.818.042)	(5.439.618)
3.3	Issued Equity Instruments	-	7.000.000
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	(293.286)	(257.922)
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(1)	(411.229)
V.	Net Increase in Cash and Cash Equivalents (I+II+III+IV)	60.820.364	6.684.883
VI.	Cash and Cash Equivalents at Beginning of the Period	(1)	28.162.539
VII.	Cash and Cash Equivalents at End of the Period	(1)	34.847.422

The accompanying explanations and notes form an integral part of these financial statements.

NOTES TO THE UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2021

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

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

		Current Period 31 December 2021	Prior Period 31 December 2020
VIII. PROFIT DISTRIBUTION STATEMENT ⁽¹⁾			
I. DISTRIBUTION OF CURRENT YEAR INCOME			
1.1	Current Year Income	8.913.442	10.834.123
1.2	Taxes And Duties Payable (-)	(2.622.133)	(3.009.104)
1.2.1	Corporate Tax (Income tax)	(2.793.348)	(3.189.501)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	171.215	180.397
A.	NET INCOME FOR THE YEAR (1.1-1.2)	6.291.309	7.825.019
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	391.251
1.5	Other Statutory Reserves (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	7.433.768
1.6	First Dividend to Shareholders (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
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 Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit And Loss Sharing Certificates	-	-
1.10	Statutory Reserves (-)	-	-
1.11	Extraordinary Reserves	-	7.433.768
1.12	Other Reserves	-	-
1.13	Special Funds	-	-
II. DISTRIBUTION OF RESERVES			
2.1	Appropriated Reserves	-	-
2.2	Dividends to Shareholders (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Privileged Shares	-	-
2.3.3	To Owners of Preferred Shares	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders of Profit and Loss Sharing Certificates	-	-
2.3	Dividends to Personnel (-)	-	-
2.4	Dividends to Board of Directors (-)	-	-
III. EARNINGS PER SHARE			
3.1	To Owners of Ordinary Shares	-	0,5973
3.2	To Owners of Ordinary Shares (%)	-	59,73
3.3	To Owners of Privileged Shares	-	-
3.4	To Owners of Privileged Shares (%)	-	-
IV. DIVIDEND PER SHARE			
4.1	To Owners of Ordinary Shares	-	-
4.2	To Owners of Ordinary Shares (%)	-	-
4.3	To Owners of Privileged Shares	-	-
4.4	To Owners of Privileged Shares (%)	-	-

⁽¹⁾ Profit distribution is decided by the Ordinary General Assembly of the Bank. As of the date the financial statements were prepared, the General Assembly meeting for 2021 has not been held yet.

The accompanying explanations and notes form an integral part of these financial statements.

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SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) related with Banking Law numbered 5411 published in the Official Gazette no. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

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” published in the Official Gazette No. 28337, dated 28 June 2012 and “Communiqué on Public Disclosures on Risk Management”, published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these 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 under the historical cost convention, except for the financial assets and liabilities carried at fair value.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgments and estimates are explained in related notes.

Unless otherwise specified, all balances in the financial statements and related disclosures are expressed in Thousand Turkish Lira (“TL”).

The COVID-19 pandemic, which has emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the pandemic. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and it is still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

While preparing the financial statements dated 31 December 2021, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. Fair value measurements are revised within the scope of TFRS 13 Fair Value Measurement standard, with the expected credit loss provisions reflected in the financial statements and the assumptions and judgments used in estimating these losses.

As of 31 December 2021, due to the adverse effects of the COVID-19 pandemic, the Bank reviewed the valuation of financial assets whose fair value difference was reflected to other comprehensive income and whose fair value difference was reflected to profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the Bank evaluated the effects of the COVID-19 pandemic with regard to the financial instruments whose fair value hierarchy was determined as Level 3 due to the fact that it involves significant estimates and judgments and there are no changes that require any correction as of the reporting date. As of 31 December 2021, the Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment due to COVID-19.

The Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 December 2021, by taking into account the change in probability of default and loss given default.

In this context, the Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters. The Bank increased the weight of the adverse scenario in the expected credit loss calculation.

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On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards. Accordingly, it has been stated that companies applying TFRS are not required to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

Changes in Accounting Policies

The Benchmark Interest Rate Reform, which brings amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, has been implemented. With the amendments made, certain exceptions are provided for the basis used in determining contractual cash flows and hedge accounting provisions. The Bank has participated in international protocols within the scope of IBOR transformation. The Benchmark Interest Rate Reform process continues and the Bank has been continuing to work within the scope of adaptation to the changes.

a. Explanation for convenience translation to English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

Main activity of the Bank comprises of banking services, such as launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Bank’s main funding sources are deposits denominated in Turkish Lira, repurchase agreements, issued securities and shareholders’ equity. The Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Bank’s liquidity structure is considered the financing of all liabilities at due date. Although most of the sources in the Bank’s balance sheet are with fixed interest rate, some of the securities in assets return have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts higher return principle for its long-term placements.

Loans and securities are instruments from which the Bank gets returns above the average returns within its activity. Letter of guarantees, bank loans, commercial letter of credits, commitments for cheque payments and commitments for credit card limits are the most important risk areas within the off-balance sheet accounts.

Since the Bank’s total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as Borsa Istanbul (“BIST”), Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from liquidity risk since the Bank is a public bank with an extensive branch network.

Cost and return of foreign currency assets are subject to a close follow up. Positive margin of profit is sustained by adjusting deposit interest rates in line with the market interest rates.

Foreign currency operations are valued by Bank’s prevailing counter currency buying rate at transaction date and reflected to records. At period ends, foreign currency asset and liability balances are valued at the Bank’s period end counter currency buying rates and converted to Turkish currency and the resulting exchange differences are recognized as a “foreign exchange profit or loss”.

USD-denominated capital amounts and valuation differences sent to partnerships operating abroad are converted into Turkish currency at the exchange rate valid as of the valuation date and presented in the financial statements. For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Bank’s subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information on fair value hedge accounting applied in order to hedge the said total capital amount of EUR 288.527 thousand (31 December 2020: EUR 268.075 thousand), which is associated with this purpose, from exchange rate risk effects arising from changes in foreign exchange rates, is presented in Section Four, article no VIII. Assets and liabilities of the overseas branches of the Bank are converted into Turkish Lira with the Bank’s prevailing counter currency buying rates at the balance sheet date.

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III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES

Investments related to joint ventures and financial subsidiaries are monitored with their fair values in the unconsolidated financial statements according to “Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)” and the scope of TFRS 9 Financial Instruments Standard. The fair values were determined with the valuation reports prepared for the mentioned partnerships and the changes in the fair values were accounted under equity as of the valuation date.

Subsidiaries are accounted for at their cost value within the scope of TAS 27 and are reflected in the unconsolidated financial statements after the provision for depreciation is deducted, if any.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENT

The Bank’s derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, full indemnity options and forward foreign currency buy/sell transactions. The Bank has no embedded derivative instruments separated from the articles of association.

Derivative financial instruments of the Bank are classified under “TFRS 9 Financial Instruments Standard” (“TFRS 9”), “Derivative Financial Assets Measured at Fair Value Through Profit or Loss”.

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and profit/loss from foreign exchange transactions in the commercial profit/loss item in the profit or loss statement.

The fair value of derivative instruments is calculated by taking into account the market values or by applying the cash flow model discounted with market rates.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts with their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are recognized according to the effective interest method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities).

Interest income from financial assets is recognized as gross carrying amount according to the effective interest rate method except for interest income from purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The Bank has started to calculate rediscount as of 1 January 2018 for its non-performing loans. Rediscount is calculated over the net book value (Gross Book Value - Expected Credit Losses) of the non-performing loans.

If the expectations for the cash flows in the financial asset are revised for reasons other than the credit risk, the amendment is reflected in the carrying amount of the asset and in the related profit or loss statement line and is amortized over the estimated life of the financial asset.

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VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Income and expenses from banking, agency and intermediary services are recognized as income/expense and conformant with TFRS 15 Revenue from Contracts with Customers on the date they are collected.

Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

Commission income from consumer, corporate and entrepreneurial loans are transferred to income accounts according to periodicity principle using effective interest rate method on an accrual basis.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 “Recognition and Derecognition”. Financial assets are measured at fair value at initial recognition in the financial statements. They are included in the balance sheet of the Bank if the Bank is a legal party to these instruments.

The Bank classifies and recognizes its financial assets as “Financial Assets Measured at Fair Value Through Profit/Loss”, “Financial Assets Measured at Fair Value Through Other Comprehensive Income” or “Financial Assets Measured at Amortized Cost”. This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

Financial assets mainly constitute the Bank’s commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

Classification and Measurement Within the Scope of TFRS 9

In accordance with TFRS 9 Financial Instruments Standard, financial assets are measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss by;

“Business Model Assessment” and “Contractual Cash Properties Test” are performed to determine the classification of financial assets.

Financial Assets at Fair Value Through Profit or Loss

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 the fair value through profit or loss are initially recognized at fair value. All gains and losses arising from these valuations are reflected in the profit or loss statement. Earned interests are included in interest income and dividends received are included in dividend income.

Among the financial assets at fair value through profit or loss, Government Bonds and Treasury Bills traded in the BIST, the weighted average clearing prices formed in the BIST on the balance sheet date, and the financial assets not traded in the BIST, with the prices of the Central Bank of the Republic of Turkey, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank’s portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

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Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as 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 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 and dividend income from equity instruments are reflected in the statement of profit or loss. “Unrealized profits and losses”, the difference between the fair value of debt instruments at fair value through other comprehensive income and their amortized cost, are not reflected in the statement of profit or loss for the period until the corresponding financial asset is collected, sold, disposed of or weakened and is followed in the “Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss” account under equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

Securities representing a share in the capital are recognized at fair value if they are traded in organized markets and/or their fair value can be determined reliably, and if they are not traded in organized markets, they are reflected in the financial statements with their values found using other valuation models. The valuation differences of the said securities are followed in the “Other Accumulated Comprehensive Income or Expenses Not to be Reclassified in Profit or Loss” account under equity.

Financial Assets at Measured at Amortized Cost

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

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

Financial assets measured at fair value through other comprehensive income” and “measured at amortized cost” portfolios of the Bank include Consumer Price Index (CPI) indexed bonds. Mentioned securities are valued and accounted according to the effective interest rate method which is calculated according to the real coupon rate and the reference inflation index on the issue date. The actual coupon payment amounts of these securities, purchase and sale transactions and year-end valuations are calculated by using the index announced by the treasury. Index calculations related to CPI indexed bonds are made by the method specified in Ministry of Treasury and Finance’s CPI Indexed Bonds Investor Guide.

The Bank also updates the estimated inflation rate used throughout the year in case of necessity. At the end of the year, the actual inflation rate is used.

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Loans

Loans consist of financial assets which are created by providing money, goods or services to the debtor. Loans are initially recognized at acquisition cost presenting their fair value and thereafter measured at amortized cost using the “Effective Interest Rate Method”.

Cash loans are accounted with their original balances in the accounts specified in Uniform Chart of Accounts and Prospectus according to their type, maturity, and collateral structures. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. The repayments of foreign exchange indexed loans, which were extended in TL at the Bank’s counter foreign exchange buying rate valid on the date of use, are collected in TL equivalents calculated over the Bank’s counter foreign exchange selling rate valid on the installment collection date.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

The Bank sets aside the expected loss provision for its loans and receivables by taking into consideration the “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside” published in the Official Gazette dated 22 June 2016 and numbered 29750. In this context, the Bank takes into consideration the general structure of the loan portfolio, the financial structure of the customers, the non-financial data, and the economic conjuncture in line with the credit risk policies and prudence principle when determining its estimates.

The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial instruments. The amount of expected credit losses known as loss provision or provision varies according to the degree of increase in credit risk. There are two measurements according to the general approach:

- 12-Month Expected Loss Provision (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (Stage 2 and Stage 3) is applied when there is a significant increase in credit risk.

In addition, using expert opinion, the Bank has made provision on the model outputs for customer groups that it believed that the model did not statistically respond to credit risk factors and/or were affected by the COVID-19 outbreak. The reserve will be reviewed in the following reporting periods, considering the impact of the pandemic, the loan portfolio, and changes in future expectations.

Impairment

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans, and securities) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument and the following aspects are important for the measurement:

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of the money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions at the time of reporting.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

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12 Month Expected Credit Losses (Stage 1)

These are the financial assets that do not have a significant increase in credit risk at the time of recognition or since initial recognition. For such assets, impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the credit quality.

The expected 12-month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of lifetime loss expectancy.

Significant Increase in Credit Risk (Stage 2)

Financial assets are transferred to stage 2 if there is a significant increase in credit risk. While 1-year expected credit, loss is calculated for at stage 1, all remain maturity expected credit loss is calculated for loans at stage 2.

The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the stage 2 are, having day-past-due more than and equal to 30 days, and the Bank's internal early warning system note.

Credit-Impaired Losses (Stage 3)

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Bank considers the debt to be in default in the following two cases:

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be proved otherwise in the light of supportable information.
- Subjective Default Definition: It means it is considered as unlikeliness to pay. Whenever it is considered 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.

Collective assessment of financial instruments is based on homogeneous group assets referring to portfolio segmentation including similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods for the expected loss calculation approach on a common basis for each stage.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected Effective Interest Rate value and discounted cash flows.

When cash flows are estimated, the following situations are considered:

- All contractual terms of the financial instrument during the expected life,
- Cash flows expected to be obtained from collateral sales.

In the calculation of the expected credit loss, the basic parameters which are expressed as probability of default, loss in default and default amount are used.

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Probability of Default (PD)

Probability of default refers to the likelihood that a loan will default at a certain time.

In default probability models, sectorial information for the corporate portfolio and product information for the individual portfolio are taken as the basis.

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.

Loss Given Default (LGD)

Loss given default refers to the ratio of the economic net loss resulting from the default of a loan to the default amount. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

Future Expectations

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. The Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during this estimation are the Gross Domestic Product (GDP) and the consumer price index (CPI), and risk parameters are updated if deemed necessary, taking into account their compatibility with the portfolio. In addition to macroeconomic indicators, the Bank takes into account the future expectations of its portfolio and the possible effects of COVID-19 in its models by using its best estimations in the presence of model variables and taking expert opinion.

The Methodology of Behavioral Maturity Calculation

The loans in Stage 1, expected loss provision is calculated until their maturity for the ones which have less than one year to due date and for 1 year which have more than one year to due date. The loans in Stage 2, expected loss provision is calculated for lifetime (until maturity date) of the loan. In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing historical data for products with no maturity information. Expected loss provisions are calculated based on these maturities depending on the type of loan.

Write-off Policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on 27 November 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable. Within the scope of this amendment, no credit has been written-off by the Bank as of the reporting date.

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IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

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 there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities sold under agreements for repurchase agreements ("Repos") are classified as "Fair Value Through Profit or Loss", "Fair Value Through Other Comprehensive Income" and "Financial Asset Measured at Amortized Cost" in the portfolio of the bank, according to the purposes of the Bank, and they are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in "Money Markets Receivables" account and interest expense accruals for the period are calculated with the effective interest rate method.

Securities purchased with Resale commitment ("Reverse Repo") are accounted in "Money Markets Receivables" on the balance sheet and interest income accruals for the period are calculated with the effective interest rate method.

XI. INFORMATION ON NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS

The assets acquired by the Bank due to its receivables are accounted for in accordance with "TFRS 5 Turkish Financial Reporting Standard for Non-current Assets Held for Sale and Discontinued Operations" in financial statement of the Bank.

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, and depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. In order to have a high probability of sales, a plan for the sale of the asset (or group of assets to be disposed of) must have been prepared by an appropriate management team and an active program has been initiated to identify buyers and complete the plan. Various events or circumstances may extend the completion time of the sale transaction beyond one year. Assets are continued to be classified as held for sale if there is sufficient evidence that the delay is due to events or conditions beyond the Bank's control and that the Bank's plan to sell the related asset (or disposal group) is in progress.

The properties acquired by the Bank due to receivables are shown in the line of held for sale purpose in the financial statements depending on the termination of the term sales contract.

A discontinued operation is a division of a business that is classified as disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The Bank does not have any discontinued operations.

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XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, there is no goodwill in the financial statements of the Bank.

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were revalued over their remaining amounts after deducting the accumulated depreciation and, if any, the accumulated depreciation from the cost value in the period following their recording.

Other intangible assets are amortized using the straight-line method based on their useful lives. Useful lives of other intangible assets are determined with assessments such as the expected life of the asset, technical, technological, or other types of aging and the maintenance costs required to obtain the economic benefit expected from the asset. There is no change in the depreciation method applied in the current period. Expenditures for other intangible assets are amortized with equal amounts within the lease period, and if the lease period is not certain or is more than five years, the redemption period is accepted as five years (depreciation rate 20%).

The Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33,3% to 6,7%.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. As of 31 January 2014 the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. Valuation differences arising as a result of the valuation made by independent expertise firms for real estates are accounted under the tangible and intangible fixed asset revaluation differences account under equity.

Property and equipment (except for immovables) are presented in the financial statements over their remaining cost after deducting accumulated depreciation from cost amounts, if any, and after deducting accumulated depreciation from their fair values. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The amortization method applied in the current period has not been changed.

Estimated useful lives and amortization rates of property and equipment are below:

	Estimated Useful Lives (Year)	Amortization Rate
Buildings	50	2%
Safe-deposit boxes	50	2%
Other movable properties	3-25	4%-33,33%
Assets held under leases	4-5	20%-25%

Gains or losses arising from the disposal of property and equipment are reflected in the profit or loss accounts as the difference between the net disposal revenue of the tangible asset and the net book value.

Ordinary maintenance and repair expenses incurred for tangible assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of property and equipment are capitalized. The investment expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

There are no mortgages, pledges or similar precautionary measures on tangible assets or commitments given for the purchase or any restrictions designated for the use of those tangible assets.

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XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Leases in TFRS 16

The Bank measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date of lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank’s incremental borrowing rate. 2-year government bond indicator interest rates are used for Turkish Lira rentals, and Eurobond indicator interest rates are used for foreign currency leasing transactions for ongoing contracts.

After the lease actually started, the Bank; Increases the carrying amount to reflect the interest in the lease obligation, reduce the carrying value to reflect the lease payments made, and re-measure the carrying value to reflect reassessments and changes to the lease, or to reflect fixed lease payments in revised core.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

Leases in TFRS 16

After the date of lease actually started, the Bank remeasures the lease liability to reflect the changes in lease payments. The Bank reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

The Bank uses a revised discount rate that reflects changes in the interest rate if there is a change in the initial lease period or the use of the purchase option.

The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

The Bank does not apply the standard provisions for leases shorter than 1 year in line with the exception provisions of the relevant standard. The Bank reflects the lease payments associated with these leases linearly throughout the lease period and reflects them in the financial statements.

Tangible assets that are acquired under leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under leases are recognized under the tangible assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under leasing are charged to liability account “Lease Liabilities”, whereas interests are recognized in “Deferred Leasing Expenses” account. At installment payments, principal and interest amount of installment amount is debited to “Lease Liabilities” account, whereas interest is credited in “Deferred Leasing Expenses” account and recorded to the “Other Interest Expenses”.

The Bank does not perform financial operations as “Lessor”.

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XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

Provisions other than provisions for impairment set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 “Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding”.

The Bank provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit, and the liability is measurable. When a reliable estimate of the amount of obligation from the Bank cannot be made, it is considered that a “contingent” liability exists, and it is disclosed in the related notes to the financial statements

For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

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

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Employment Termination and Vacation Benefits

The Bank recognizes its liabilities of employment terminations and vacation benefits in accordance with TAS 19 “Turkish Accounting Standard about Benefits for Employee” and estimates the net present value of future liabilities arising from employment terminations and vacation benefits and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, retirement bonus pension/severance payments are calculated for the time that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 31 December 2021, retirement benefit obligation is TL 1.355.145 (31 December 2020: TL 1.230.590).

	Current Period	Prior Period
Discount Rate	19,20%	12,96%
Inflation	14,30%	9,37%

Communiqué on “Turkish Accounting Standard (“TAS19”) about Benefits for Employee (No: 9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial gain amounting to TL 203.462 was classified under shareholders’ equity in the financials. (31 December 2020: TL 12.616 loss).

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days.

The Bank is not employing its personnel by means of limited-period contracts.

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Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN)

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees’ Pension Fund (“Fund”) which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 31 March 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33. As of 31 December 2021, the number of people benefiting from the Fund is 24.973 (31 December 2020: 24.212), excluding dependents. 20.978 of these people are active and 3.995 of them are passive members (31 December 2020: 20.297 active members, 3.915 passive members).

With the publication of the reasoning of the decision, the Grand National Assembly of Turkey (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

According to the new law bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years.

Based on the Council of Ministers’ decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Besides, the phrase of “two years” in Clause (2), Article 1 of the temporary 20th provision of the law numbered 5510 is revised as “four years” with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012.

Based on the Council of Ministers’ decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

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Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Bank and Insurance Funds to Social Security Institution; “Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 31 December 2021 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

XVII. EXPLANATIONS ON TAXATION

Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings. (between 1 January 2018-31 December 2020 it was applied as 22% according to law No. 7061.) The Corporate Tax rate, which is 20% in accordance with Article 11 of the Law on the Procedure of Collection of Public Receivables and the Law on the Amendment of Certain Laws, published in the Official Gazette on 22 April 2021, and the Provisional Article 13 added to the Corporate Tax Law, 25% for the corporate earnings for the period will be applied as 23% for 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 has started with the second corporate tax declaration period and has been valid for the corporate earnings for the taxation period starting from 1 January 2021.

The corporate tax rate is applied to the tax base to be found as a result of the addition of the non-deductible expenses in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Turkey or to resident corporations are not subject to withholding tax. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations calculate advance tax quarterly on their financial profits at the corporate tax rate valid for that year and declare and pay until the 17th day of the second month following that period. Advance tax paid by corporations for the current period is offset against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be used to offset any other financial liabilities to the government.

According to 5.1.e. article of Corporation Tax Law which is important tax exemption that is applied by banks, corporations’ 50% of revenues that occur from selling of their real estates, are in assets, that belong to the corporations at least two years (730 days), 75% of revenues that occur from selling their founding bonds that are belong to the corporations as long as time of participation stocks, redeemed shares and option to call are exempted from corporation tax (It was changed with 89th article of code 7061 that entries into force in 5 December 2017).

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This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

Taxes which do not accrue on time because the applying exemption for the transfer of the exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warranters’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, 50% of the profits arising from the sale of the said assets obtained by the banks in this way, and 75% of the profits arising from the sale of others are exempted from corporation tax.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

Tax returns are required to be filled and delivered to the related tax office until the end of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings. As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met, It has been enacted that the 2023 financial statements will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years’ profit/loss account.

Deferred Tax

In accordance with TAS 12 “Turkish Accounting Standards Relating to Income Tax” and taking into account the additional regulation introduced by the Law No. 7316 of 22 April 2021, the Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation. In accordance with the relevant law, the Corporate Tax rate has been increased to 25% for the taxation period starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021, and this rate will be applied as 23% for the period of 2022. As of 31 December 2020, deferred tax is calculated over 20%.

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Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. In the deferred tax calculation, the Bank estimates the time when temporary differences will be taxable/deductible and uses the legal tax rates valid as of the balance sheet date in accordance with the current tax legislation. As deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) effective or almost certain to come into effect as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, the Bank has as of 31 December 2021, deferred tax calculations were made based on rates varying between 20% and 23% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. Carrying amount of a deferred tax asset can be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled, or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is associated directly with equity.

Deferred tax asset and deferred tax liability are presented as net in these unconsolidated financial statements.

According to 8 December 2004 BRSA.DZM.2/13/1-a-3 notice, there is no deferred tax assets on general provision and free provision. In addition to this, deferred tax asset calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles, beginning from 1 January 2018. Deferred rate calculation for free provisions is not calculated.

XVIII. EXPLANATIONS ON BORROWING

The Bank recognizes its debt instruments in accordance with TFRS 9 “Financial Instruments” and all financial liabilities are carried at amortized cost by using effective interest rate method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods. The Bank has issued no convertible bonds to shares and has no instruments representing its own borrowings.

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XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by The Bank.

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

Commitments regarding bill guarantees and acceptances of the Bank are presented in the “Off-Balance Sheet” commitments.

XXI. EXPLANATIONS ON GOVERNMENT GRANTS

There are no government incentives utilized by the Bank as of the balance sheet date.

XXII. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change. The book values of these assets represent their fair values. FC cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, “Cash” includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXIII. EXPLANATIONS ON SEGMENT REPORTING

Information about operating segments which are determined in line with TFRS 8 “Turkish Accounting Standard Operating Segments” together with organizational and internal reporting structure of the Bank, are disclosed in Note IX of Section Four.

XXIV. EXPLANATIONS ON OTHER MATTERS

None.

SECTION FOUR

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY

Shareholders equity and capital adequacy ratio were calculated within the framework of “Regulation on Banks’ Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the following regulations of the BRSA.

In the calculation of the amount subject to credit risk within the framework of the regulation dated 16 September 2021 and numbered 9795; When 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 calculation date can be used.

- Within the framework of the regulation dated 21 December 2021 No. 9996, if the net valuation differences of the securities held by banks in the portfolio of “Financial Assets at Fair Value through Other Comprehensive Income” are negative, these differences may not be taken into consideration in the calculation of equity amount.

As of 31 December 2021, Bank’s total regulatory capital has been calculated as TL 131.051.873 (31 December 2020: TL 111.583.042), capital adequacy ratio is 16,52% (31 December 2020: 18,22%). This ratio is well above the minimum ratio required by the legislation.

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1. Information Related to The Components of Shareholders’ Equity

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	67.627.159	-
Gains recognized in equity as per TAS	21.005.831	-
Profit	6.355.008	-
Current Period Profit	6.291.309	-
Prior Period Profit	63.699	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	138.703	-
Common Equity Tier 1 Capital Before Deductions	108.226.701	-
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	5.329.097	-
Improvement costs for operating leasing	10.219	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.365.095	1.365.095
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 valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4 th clause of the 56 th Article of the Law	-	-
Portion of the total of net long positions of investments made in 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	-	-
Portion of the total of net long positions of investments made in 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 exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-

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	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
Amount exceeding 15% of the common equity as per the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments 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	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the 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 I Capital	6.704.411	-
Total Common Equity Tier I Capital	101.522.290	-
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	20.710.200	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	20.710.200	-
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
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 above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
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 Banks' Own Funds (-)	-	-
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 Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	20.710.200	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	122.232.490	-
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	8.833.639	-
Tier II Capital Before Deductions	8.833.639	-
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in 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(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item 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	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	8.833.639	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	131.066.129	-

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	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	131.066.129	-
Deductions from Capital Loans granted contrary to the 50 th and 51 st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	14.256	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences 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 Banks' Own Funds (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	131.051.873	-
Total Risk Weighted Assets	793.370.100	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	12,80	-
Tier I Capital Ratio (%)	15,41	-
Capital Adequacy Ratio (%)	16,52	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,538	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,038	-
c) Higher bank buffer requirement ratio (%) ^(*)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	8,30	-
Amounts Lower than Excesses as per Deduction Rules	-	-
Remaining 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	255.802	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	95.387	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	1.519.079	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand)	18.998.909	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	8.833.639	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

^(*) Amounts considered within transition provisions.^(*) The systemic significant bank buffer ratio has been shown as "-" in the unconsolidated financial report since it is necessary to fill in the systematic significant banks that are not required to prepare financial statements in the context of the 4th paragraph of Article 4 of the "Regulation on Systemic Significant Banks".

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	Current Period 31 December 2020	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	58.398.544	-
Gains recognized in equity as per TAS	11.472.959	-
Profit	11.342.988	-
Current Period Profit	7.825.019	-
Prior Period Profit	3.517.969	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	17.388	-
Common Equity Tier 1 Capital Before Deductions	94.331.879	-
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.003.700	-
Improvement costs for operating leasing	10.044	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.002.206	1.002.206
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 valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4 th clause of the 56 th Article of the Law	-	-
Portion of the total of net long positions of investments made in 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	-	-
Portion of the total of net long positions of investments made in 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 exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments 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	-	-
Excess amount arising from mortgage servicing rights	-	-

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	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the 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 I Capital	2.015.950	-
Total Common Equity Tier I Capital	92.315.929	-
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	12.611.340	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	12.611.340	-
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
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 above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
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 Banks' Own Funds (-)	-	-
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 Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	12.611.340	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	104.927.269	-
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	6.675.614	-
Tier II Capital Before Deductions	6.675.614	-
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in 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 (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item 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	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	6.675.614	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	111.602.883	-

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	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	111.602.883	-
Deductions from Capital Loans granted contrary to the 50 th and 51 st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	19.841	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences 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 Banks' Own Funds (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	111.583.042	-
Total Risk Weighted Assets	612.418.790	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	15,07	-
Tier I Capital Ratio (%)	17,13	-
Capital Adequacy Ratio (%)	18,22	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,53	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,032	-
c) Higher bank buffer requirement ratio (%) ^(*)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	10,57	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining 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	199.294	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	54.586	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	247.408	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand)	9.697.213	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	6.675.614	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 01 January 2018-01 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(*) Amounts considered within transition provision.

(*) She systemic significant bank buffer ratio has been shown as "-" in the unconsolidated financial report since it is necessary to fill in the systematic significant banks that are not required to prepare financial statements in the context of the 4th paragraph of Article 4 of the "Regulation on Systemic Significant Banks".

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2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period	
Issuer	T.C. Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	20.710
Nominal value of instrument (TL million)	20.710
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
Interest/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital
If bond can be written-down, full or partial	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature
If temporary write-down, description of write-up mechanism.	Has-write up mechanism
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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3. Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholders' Equity and Balance-Sheet Amounts

	Current Period	Prior Period
Balance Sheet - Equity	97.099.759	93.278.260
Operational Leasing Development Costs	(10.219)	(10.044)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(1.365.095)	(1.002.206)
TIER 2 Capital (Provisions)	8.833.639	6.675.614
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	20.710.200	12.611.340
Other deductions from common equity	(14.256)	(19.841)
Other regulations	5.797.845	49.919
Amount recognized in regulatory capital	131.051.873	111.583.042

II. EXPLANATIONS ON CREDIT RISK

1. Information on Credit Risk

Credit risk is the possibility of loss that the bank may be exposed due to the partial or complete default of the debtor by not complying to the obligations of the agreement made, or due to the decrease in credit worthiness.

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, Group Presidencies, Department Presidencies, Assistant General Management, General Manager, Credit Committee and Board of Directors.

In order to prevent the risk intensity on the commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered. The bank's credit authority limits on given consumer loans are defined with the separation of type and guarantee and these limits are updated according to economic conjuncture and demands of Regional Directorates/Branches.

The limits, subjects, collateral structure, maturities, accounts booked, outstanding balances of the loans allocated by the branches are periodically analyzed depending on the number of customers and monitored on customer and regional basis.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (financial structure, market, collateral, etc.).

The Bank is assessing credibility of the customer as the essential factor in issuing credits and creditors' credit worthiness are ascertained during credit application and limit allocation/renewal. Documents to be obtained during the application are evidently mentioned in regulations and appropriateness of the documents obtained during application is controlled by internal audit departments. The Bank considers guarantees as important in minimization and elimination of the risk. As a result of policies and process based on obtaining reliable and robust guarantees, the Bank's credit risk significantly declines.

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On August 2012 the Bank started applying internal ratings processes as a decision support system for analyzing credit worthiness and determining credit allocation for Corporate/Commercial consumer loans.

The Bank makes provision in conformity with the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries. When banks and/or countries are financially or economically risky, identified limits can be restricted with maturity, amount or type of transaction or use of credit is called off.

Since the Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, the Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Bank are generally taken on financial institutions and countries which are rated by international rating institutions. Treasury operations are executed in the frame of pre-determined authorization and limits, these authorization and limits are monitored. Client transactions within the context of Fund Management are done in the frame of general loan limits determined for the client.

The Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits within the framework of the authorities and limits determined by the Board of Directors. These are not considered to generate material risk given the amount of these transactions in the balance sheet.

Non-cash risks of customers classified as non-performing loans in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" are subjected to expected loss provision (Stage 3) under the same regulation, when the related risks are reimbursed and transformed into cash receivables, they are followed up in the same risk group as the cash loan which was previously classified as non-performing loans and the expected losses provision (Stage 3) continues to be provided.

Restructured and rescheduled loans are also booked in line with procedures and under accounts defined by the related regulation. Furthermore, they are monitored by the bank in line with credit risk policies. In this context, financial situation and commercial operations of related customers are analyzed and in terms of restructured plan, whether principal and interest payments have been paid is being checked and necessary measures are taken.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 32% and 37% respectively (31 December 2020: 25% and 29%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 56% and 68% respectively (31 December 2020: 53% and 65%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 33% and 41% respectively (31 December 2020: 26% and 32%).

IFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TL 18.949.601 (31 December 2020: 9.632.189).

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2. The Profile of Important Risks of Important Regions

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	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 organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other receivables	Total
Current Period																		
Domestic	445.768.541	463.257	5.739.677	-	-	21.632.241	398.190.634	274.052.661	99.577.244	2.889.710	12.533.001	-	-	-	1.073.762	300.920	28.146.108	1.290.367.756
European Union Countries	403.034	-	-	-	-	52.338.879	2.414.749	289.379	145.032	6.269	33.953	-	-	-	-	15	-	55.631.310
OECD Countries ⁽¹⁾	-	-	-	-	-	1.058.287	90.061	37.947	17.369	477	4.295	-	-	-	-	-	-	1.208.436
Off-shore Banking Regions	37	-	-	-	-	1.202.275	-	850	2.557	4	134	-	-	-	-	-	-	1.205.857
USA, Canada	-	-	-	-	-	1.420.052	434.135	24.952	17.271	487	1.356	-	-	-	-	-	-	1.898.253
Other Countries	2.078.183	17.051	24	-	-	5.043.391	4.461.284	828.170	204.785	3.795	2.394.577	-	-	-	-	32.322	16.630	15.080.212
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.346.317	9.593.380	-	19.939.697
Unallocated Assets/Liabilities ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	448.249.795	480.308	5.739.701	-	-	82.695.125	405.590.863	275.233.959	99.964.258	2.900.742	14.967.316	-	-	-	11.420.079	9.926.637	28.162.738	1.385.331.521

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction

⁽¹⁾ OECD Countries other than EU countries, USA and Canada.⁽²⁾ Assets and liabilities that could not be distributed on a consistent basis.

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	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 organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other receivables	Total
Prior Period																		
Domestic	218.424.011	536.900	495.327	-	-	28.878.040	295.396.657	246.334.699	96.464.471	2.977.102	30.829	-	-	-	2.077.864	228.992	32.582.882	924.427.774
European Union Countries	324.326	-	-	-	-	47.174.552	1.970.782	281.617	151.392	4.665	286	-	-	-	-	12	21.546	49.929.178
OECD Countries ⁽¹⁾	-	-	-	-	-	559.428	6.588	16.867	10.761	107	4	-	-	-	-	-	574	594.329
Off-shore Banking Regions	10	-	-	-	-	423.837	-	250	1.607	2	-	-	-	-	-	-	6	425.712
USA, Canada	-	-	-	-	-	685.270	510.295	25.237	18.363	682	-	-	-	-	-	-	357	1.240.204
Other Countries	1.447.401	11.170	26	-	-	2.178.448	2.842.748	761.953	192.906	78.242	1.443.487	-	-	-	-	134.896	9.045	9.100.322
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.295.527	7.898.409	-	14.193.936
Unallocated Assets/Liabilities ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	220.195.748	548.070	495.353	-	-	79.899.575	300.727.070	247.420.623	96.839.500	3.060.800	1.474.606	-	-	-	8.373.391	8.262.309	32.614.410	999.911.455

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction

⁽¹⁾ OECD Countries other than EU countries, USA and Canada.⁽²⁾ Assets and liabilities that could not be distributed on a consistent basis.

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3. Risk Profile by Sectors or Counterparties

Current Period Sectors/Counter Parties	Risk Classes																	TL	FC	Total
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	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 organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term from banks, brokerage houses and corporate	Investments similar to collective investment funds	Investments in Equity Instruments	Other receivables			
Agriculture	82	1.078	10.880	-	-	-	14.349.978	88.015.250	5.241.046	262.916	1.938	-	-	-	-	-	107.270.485	612.683	107.883.168	
Farming and Stockbreeding	5	1.078	10.880	-	-	-	13.735.564	87.639.819	5.216.572	261.428	1.846	-	-	-	-	-	106.644.189	223.003	106.867.192	
Forestry	77	-	-	-	-	-	47.659	295.242	14.275	407	2	-	-	-	-	-	344.130	13.532	357.662	
Fishing	-	-	-	-	-	-	566.755	80.189	10.199	1.081	90	-	-	-	-	-	282.166	376.148	658.314	
Manufacturing	1.608.905	585	7.707	-	-	-	163.405.542	21.735.411	934.618	311.435	11.431	-	-	-	-	-	89.033.741	98.981.893	188.015.634	
Mining and Quarrying	-	-	-	-	-	-	8.581.238	322.201	17.617	3.724	28	-	-	-	-	-	1.832.799	7.092.009	8.924.808	
Production	1.608.897	7	5	-	-	-	116.651.262	21.214.076	903.418	304.222	11.383	-	-	-	-	-	79.028.012	61.665.258	140.693.270	
Electric, Gas and Water	8	578	7.702	-	-	-	38.173.042	199.134	13.583	3.489	20	-	-	-	-	-	8.172.930	30.224.626	38.397.556	
Construction	-	-	-	-	-	-	52.386.108	7.647.554	988.322	166.047	36.906	-	-	-	-	-	29.505.648	31.935.958	61.441.606	
Services	243.991.187	18.767	388.257	-	-	82.602.802	159.913.080	50.241.106	3.197.297	488.726	1.580.794	-	-	216.669	-	9.757.512	241.769.617	349.776.018	591.545.635	
Wholesale and Retail Trade	-	20	7.423	-	-	-	38.755.050	36.482.739	2.176.737	363.652	6.700	-	-	-	-	-	65.791.808	12.000.513	77.792.321	
Hotel Food and Beverage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Services	6.711	35	1.256	-	-	-	11.800.613	3.382.396	285.618	40.292	3.301	-	-	-	-	-	5.602.371	9.917.851	15.520.222	
Transportation and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Telecommunication	-	25	328.705	-	-	-	56.318.074	4.668.385	304.968	31.124	1.683	-	-	-	-	-	9.333.122	52.319.842	61.652.964	
Financial Institutions	243.669.268	-	9.769	-	-	78.410.985	2.993.501	24.526	-	3	1.567.413	-	-	10.862.532	8.221.808	28.162.738	130.497.340	243.425.203	373.922.543	
Real Estate and Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Services	236.571	18.686	2.647	-	-	4.191.817	47.218.371	4.204.670	375.587	37.368	1.664	-	-	-	340.837	1.535.704	26.824.918	31.339.004	58.163.922	
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Education Services	77.122	-	28.461	-	-	-	1.250.693	587.496	19.607	9.555	26	-	-	-	-	-	1.457.759	515.201	1.972.960	
Health and Social Services	1.515	1	9.996	-	-	-	1.576.778	890.894	34.780	6.732	7	-	-	-	-	-	2.262.299	258.404	2.520.703	
Other	202.649.621	459.878	5.332.857	-	-	92.323	15.536.155	107.594.638	89.602.975	1.671.618	13.336.247	-	-	41	169.125	-	301.208.455	135.237.023	436.445.478	
Total	448.249.795	480.308	5.739.701	-	-	82.695.125	405.590.863	275.233.959	99.964.258	2.900.742	14.967.316	-	-	11.420.079	9.926.637	28.162.738	768.787.946	616.543.575	1.385.331.521	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction

Prior Period Sectors/Counter Parties	Risk Classes																	TL	FC	Total
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	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 organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term from banks, brokerage houses and corporate	Investments similar to collective investment funds	Investments in Equity Instruments	Other receivables			
Agriculture	92	356	4.612	-	-	-	6.861.007	64.227.579	15.883.177	310.323	1.050	-	-	-	-	-	1.823.019	88.592.183	519.032	89.111.215
Farming and Stockbreeding	5	356	4.612	-	-	-	6.210.002	63.266.262	15.672.055	303.515	280	-	-	-	-	-	1.805.739	87.022.180	240.646	87.262.826
Forestry	87	-	-	-	-	-	49.548	350.924	77.273	1.772	7	-	-	-	-	-	12.855	486.880	5.586	492.466
Fishing	-	-	-	-	-	-	601.457	610.393	133.849	5.036	763	-	-	-	-	-	4.425	1.083.123	272.800	1.355.923
Manufacturing	109.312	683	12.955	-	-	-	127.519.125	25.830.930	11.894.751	425.477	11.746	-	-	-	-	38.948	356.927	88.799.888	77.400.966	166.200.854
Mining and Quarrying	-	-	2.736	-	-	-	6.819.619	318.817	112.733	2.193	45	-	-	-	-	-	134	1.703.772	5.552.505	7.256.277
Production	109.305	4	1.928	-	-	-	87.316.713	25.347.848	11.568.074	373.693	11.437	-	-	-	-	-	355.661	80.737.550	44.347.113	125.084.663
Electric, Gas and Water	7	679	8.291	-	-	-	33.382.793	164.265	213.944	49.591	264	-	-	-	-	38.948	1.132	6.358.566	27.501.348	33.859.914
Construction	-	-	71.547	-	-	-	39.513.369	7.017.198	4.585.850	811.905	198.123	-	-	-	243.923	-	32.507	29.813.984	22.660.438	52.474.422
Services	79.142.024	1.329	178.553	-	-	78.804.547	122.268.300	63.205.510	21.834.661	1.236.059	739.995	-	-	8.129.468	-	8.101.625	26.750.661	196.598.656	213.794.076	410.392.732
Wholesale and Retail Trade	4	20	8.098	-	-	-	34.796.016	44.348.295	13.558.575	703.046	7.472	-	-	-	-	69.981	95.061	83.409.629	10.176.939	93.586.568
Hotel Food and Beverage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	5.800	35	1.676	-	-	-	8.981.673	4.917.249	2.424.068	123.948	260	-	-	-	-	-	17.096	8.850.659	7.621.146	16.471.805
Transportation and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication	4.226	163	105.714	-	-	-	41.028.167	7.180.201	3.050.681	80.950	136	-	-	-	-	-	38.513	12.485.584	39.003.167	51.488.751
Financial Institutions	78.628.423	-	6.088	-	-	69.939.763	1.974.150	14.003	1.823	13	730.535	-	-	-	6.617.821	6.808.100	26.592.322	57.650.345	133.662.696	191.313.041
Real Estate and Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	423.838	1.089	2.827	-	-	8.864.784	33.240.319	4.950.745	2.249.920	280.676	1.529	-	-	1.511.647	1.223.544	6.413	30.034.739	22.722.592	52.757.331	
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	78.241	-	38.632	-	-	-	793.446	631.094	156.023	19.308	43	-	-	-	-	-	599	1.297.878	419.508	1.717.386
Health and Social Services	1.492	22	15.518	-	-	-	1.454.529	1.163.923	393.571	28.118	20	-	-	-	-	-	657	2.869.822	188.028	3.057.850
Other	140.944.320	545.702	227.686	-	-	1.095.028	4.565.269	87.139.406	42.641.061	277.036	523.692	-	-	-	121.736	-	3.651.296	214.907.531	66.824.701	281.732.232
Total	220.195.748	548.070	495.353	-	-	79.899.575	300.727.070	247.420.623	96.839.500	3.060.800	1.474.606	-	-	8.373.391	8.262.309	32.614.410	618.712.242	381.199.213	999.911.455	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

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4. Analysis of maturity-bearing exposures according to remaining maturities

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	107.918.975	7.932.960	3.126.402	17.839.512	311.431.946
Conditional and unconditional exposures to regional governments or local authorities	7.863	1.839	9.991	91.227	369.388
Conditional and unconditional receivables from administrative units and non-commercial enterprises	6.957	3.194	506.657	39.393	5.183.500
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	32.168.691	14.850.932	3.821.060	2.632.186	29.222.256
Conditional and unconditional exposures to corporates	9.553.107	25.673.411	25.447.574	94.313.464	250.603.307
Conditional and unconditional retail exposures	2.990.690	9.500.834	10.322.280	84.069.990	168.350.165
Conditional and unconditional exposures secured by real estate property	143.280	546.484	700.697	5.039.352	93.534.445
Past due receivables	566.757	100.478	94.399	166.813	1.972.295
Receivables defined in high risk category by BRSA	735.540	97.660	1.060.931	1.372.828	11.700.357
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	-	68.611	-	89.640	11.261.828
Investments in Equity Instruments	-	-	-	-	9.926.637
Grand Total	154.091.860	58.776.403	45.089.991	205.654.405	893.556.124

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Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	3.908.743	3.658.163	3.596.356	6.358.039	202.674.447
Conditional and unconditional exposures to regional governments or local authorities	3.611	6.970	22.078	22.473	492.938
Conditional and unconditional receivables from administrative units and non-commercial enterprises	11.701	1.589	1.463	104.307	376.293
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	47.086.540	9.535.956	1.655.089	681.672	20.940.318
Conditional and unconditional exposures to corporates	8.263.595	15.085.585	15.220.764	51.055.562	211.101.564
Conditional and unconditional retail exposures	3.552.279	5.884.584	7.268.438	50.672.452	180.042.870
Conditional and unconditional exposures secured by real estate property	435.815	977.208	1.115.129	9.611.155	84.700.193
Past due receivables	1.055.468	52.610	75.175	112.406	1.765.141
Receivables defined in high risk category by BRSA	654.355	6.494	17.894	31.655	764.208
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	28.760	54.334	398.802	248.402	7.643.093
Investments in Equity Instruments	-	-	-	-	8.262.309
Grand Total	65.000.867	35.263.493	29.371.188	118.898.123	718.763.374

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

For the foreign banks, the ratings of the Fitch Ratings International Rating Agency is used for determining the risk weights for the risk classes by using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counterparties residing domestically are accepted as "Gradeless" and take the risk weight which is appropriate for the "Gradeless" category in the related risk class.

In order to determine the risk weight of regarding items that export, or issuer rating not included to purchase/sale accounts is firstly considered to export rating, and also issuer's credit rating is considered in the absence of export rating.

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Fitch Rating's and the Islamic International Rating Agency's (IIRA) risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

Credit Quality Grade	Fitch Ratings Long Term Credit Rating	Exposure to Banks and Brokerage Houses	
		Exposures with Original Maturities Less Than 3 Months	Exposures with Original Maturities More Than 3 Months
1	AAA to AA-	20%	20%
2	A+ to A-	20%	50%
3	BBB+ to BBB-	20%	50%
4	BB+ to BB-	50%	100%
5	B+ to B-	50%	100%
6	CCC+ and below	150%	150%

Credit Quality Grade	IIRA Long Term Credit Rating	Receivables from the Central Governments and the Central Banks	
1	AAA to AA-		0%
2	A+ to A-		20%
3	BBB+ to BBB-		50%
4	BB+ to BB-		100%
5	B+ to B-		100%
6	CCC+ and below		150%

5. Exposures by risk weights:

Current Period

Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions from Equity
1 Exposures before Credit Risk Mitigation	457.650.614	-	26.461.893	-	-	66.549.351	338.419.070	466.670.826	14.958.246	-	14.621.521	1.389.570
2 Exposures after Credit Risk Mitigation	542.451.633	-	10.925.059	-	67.433.214	67.098.685	243.695.409	437.738.924	14.861.274	-	1.127.323	1.389.570

Prepared with the numbers after conversion rate to credit

Prior Period

Risk Weights	0%	2% ⁽¹⁾	10%	20%	35%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1 Exposures before Credit Risk Mitigation	237.078.387	21.067.850	-	23.164.974	-	34.775.574	334.467.738	347.904.991	1.451.941	-	-	1.032.091
2 Exposures after Credit Risk Mitigation	332.945.771	1.581.631	-	11.732.817	68.654.475	53.102.842	215.060.782	315.383.210	1.449.927	-	-	1.032.091

Prepared with the numbers after conversion rate to credit.

⁽¹⁾ In accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy risk weights of 2% and 4% have been added to the Calculation of the Capital Liability for Risks Arising from Central Counterparties as of the current period.

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6. Information in terms of major sectors and type of counterparties

Current Period	Loans		Provisions for Expected Credit Loss (TFRS)
	Impaired (TFRS 9)	Non-performing loans	
	Significant Increase in Credit Risk (Stage 2)	(Stage 3)	
Agriculture	6.074.157	1.215.883	1.121.100
Farming and Stockbreeding	6.048.428	1.203.780	1.110.151
Forestry	15.727	5.715	5.541
Fishery	10.002	6.388	5.408
Manufacturing	27.854.774	2.257.735	10.986.178
Mining and Quarrying	37.009	24.633	21.572
Production	23.028.819	2.006.337	9.641.240
Electricity, Gas and Water	4.788.946	226.765	1.323.366
Construction	8.567.566	2.831.458	4.531.229
Services	24.007.396	4.884.961	7.510.888
Wholesale and Retail Trade	6.891.231	2.937.089	2.662.642
Accommodation and Dining	5.394.559	349.715	1.003.543
Transportation and Telecom.	950.901	172.218	150.279
Financial Institutions	21.548	6.518	5.229
Real Estate and Rental Services	9.215.940	1.301.381	3.337.717
Professional Services	-	-	-
Educational Services	556.663	81.944	74.958
Health and Social Services	976.554	36.096	276.520
Other	13.438.558	3.950.594	2.763.874
Total	79.942.451	15.140.631	26.913.269

Prior Period	Loans		Provisions for Expected Credit Loss (TFRS)
	Impaired (TFRS 9)	Non-performing loans	
	Significant Increase in Credit Risk (Stage 2)	(Stage 3)	
Agriculture	2.706.356	1.978.838	1.210.344
Farming and Stockbreeding	2.691.307	1.959.833	1.194.518
Forestry	4.590	8.443	7.419
Fishery	10.459	10.562	8.407
Manufacturing	16.529.626	2.286.024	5.841.766
Mining and Quarrying	17.134	22.656	21.402
Production	13.350.077	2.030.137	5.151.020
Electricity, Gas and Water	3.162.415	233.231	669.344
Construction	4.371.157	2.847.696	2.542.556
Services	9.502.630	5.204.123	4.953.801
Wholesale and Retail Trade	3.255.516	3.015.631	2.611.077
Accommodation and Dining	2.708.036	405.318	401.869
Transportation and Telecom.	206.203	264.089	201.441
Financial Institutions	7.278	6.091	5.391
Real Estate and Rental Services	2.388.685	1.354.029	1.362.558
Professional Services	-	-	-
Educational Services	38.421	89.097	72.353
Health and Social Services	898.491	69.868	299.112
Other	4.828.521	1.578.438	1.677.320
Total	37.938.290	13.895.119	16.225.787

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7. Information about Value Adjustment and Change in Provisions

	Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	10.264.236	4.305.116	(2.420.591)	-	12.148.761
2	Stage 1 and 2 Expected Loss Provisions	8.488.482	9.178.605	(743.479)	-	16.923.608

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	8.264.044	3.562.300	(1.562.108)	-	10.264.236
2	Stage 1 and 2 Expected Loss Provisions	4.744.208	6.060.919	(2.316.645)	-	8.488.482

8. Risks Included Capital Capacity Buffer Calculations

Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Bosnia and Herzegovina	2.358.063	-	2.358.063
Turkish Republic of Northern Cyprus	2.307.722	-	2.307.722
Germany	2.242.136	-	2.242.136
Azerbaijan	1.436.524	-	1.436.524
Holland	1.230.351	-	1.230.351
Iraq	1.130.892	422.709	1.553.601
Uzbekistan	853.583	-	853.583
Kazakhstan	828.168	-	828.168
Kosovo	723.870	155.577	879.447
Russia	640.660	-	640.660
Other	2.924.331	957.428	3.881.759

Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Bosnia and Herzegovina	1.858.760	-	1.858.760
Germany	1.683.550	-	1.683.550
Turkish Republic of Northern Cyprus	1.592.874	-	1.592.874
Holland	900.983	-	900.983
Azerbaijan	833.729	-	833.729
Iraq	676.683	190.941	676.683
Italy	474.833	-	474.833
Kosovo	470.667	92.763	470.667
Kazakhstan	437.796	-	437.796
USA	428.515	527.070	428.515
Other	2.023.507	-	2.023.507

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III. EXPLANATIONS ON THE CURRENCY RISK

1. Whether the Bank is Exposed to Foreign Currency Risk, Whether The Effects of This Matter are Estimated, Whether Limits for The Daily Followed Positions are Determined by The Board of Director

The Bank's policy is to avoid carrying significant position by means of foreign currency management. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, Value at Risk (VAR) is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit approved by the Board of Directors is also monitored on daily basis. Additionally, dealer's position and operational limits for foreign exchange transactions are under the authorization of the Board of Directors.

2. Hedge Against Foreign Exchange Debt Instruments and Net Foreign Exchange Investments by Hedging Derivative Instruments, if Material

None.

3. Management Policy for Foreign Currency Risk

Periodic “Liquidity Gap Analysis” and “Repricing Gap Analysis” to determine the liquidity and structural interest rate risks in the US Dollar and Euro, which are the most important foreign currencies in which the Bank operates, and the historical renewal rates of foreign exchange deposit accounts. “Structural Liquidity Gap Analysis” is performed. In addition, daily VAR analysis for the follow-up of the currency risk and within the scope of legal reporting, Foreign Currency Net General Position/Equity Standard Ratio and Foreign Currency Liquidity Position are regularly monitored. The Bank manages the Turkish Lira or foreign currency risks that may occur in domestic and international markets and follow the transactions that create these risks and manages these risks at the optimum level within the framework of market expectations and within the scope of its strategies by considering the balance with other financial risks. Sensitivity analysis regarding the currency risk that the Group is exposed to is explained in Note 6.

4. Current Foreign Exchange Bid Rates of The Bank for The Last 5 Business Days Prior to The Financial Statement Date

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.12.2021	11,6027	13,1354	8,3830	1,7669	1,2743	12,6295	9,0547	1,3132	15,5569	3,0899	10,1467
27.12.2021	11,3014	12,7989	8,1687	1,7215	1,2396	12,3123	8,8217	1,2761	15,1744	3,0097	9,8496
28.12.2021	11,7363	13,2608	8,4959	1,7838	1,2943	12,7832	9,1704	1,3327	15,7712	3,1250	10,2205
29.12.2021	12,5456	14,2342	9,0893	1,9150	1,3890	13,7155	9,7905	1,4270	16,9039	3,3428	10,9339
30.12.2021	12,9903	14,7271	9,4465	1,9809	1,4387	14,2219	10,1653	1,4768	17,5538	3,4606	11,2880
31.12.2021	13,0427	14,7930	9,4690	1,9897	1,4374	14,2745	10,2803	1,4770	17,6193	3,4745	11,3326

5. Simple Arithmetic Average of The Bank's Current Foreign Exchange Bid Rates for The Last 30 Days Prior to The Balance Sheet Date

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
13,5272	15,2892	9,6790	2,0565	1,4878	14,6958	10,5750	1,5067	17,9950	3,6048	11,8897

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6. Information on The Foreign Currency Risk of The Bank

	EUR	USD	Other FC	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	70.229.311	90.797.839	24.439.425	185.466.575
Banks ⁽⁶⁾	3.796.066	4.916.351	3.522.968	12.235.385
Financial Assets at Fair Value Through Profit and Loss	-	971.696	23.751.780	24.723.476
Money Markets Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	10.716.180	139.081.799	201.417	149.999.396
Loans ⁽¹⁾	102.895.758	137.613.425	320.275	240.829.458
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	3.532.107	2.491.761	-	6.023.868
Financial Assets Measured at Amortised Cost	23.709.041	6.460.590	54.878	30.224.509
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	27.029	4.561	29.205	60.795
Intangible Assets	9.245	6.660	20.802	36.707
Other Assets ⁽³⁾	1.402.282	2.328.786	159.807	3.890.875
Total Assets ⁽⁴⁾	216.317.019	384.673.468	52.500.557	653.491.044
Liabilities				
Interbank Deposits	23.083.172	2.660.059	790.577	26.533.808
Foreign Currency Deposits	248.966.345	211.475.906	80.872.632	541.314.883
Money Market Borrowings	-	37.053.037	-	37.053.037
Funds Provided from Other Financial Institutions	18.871.849	39.015.702	1.034.830	58.922.381
Issued Marketable Securities ⁽⁵⁾	21.427.602	25.151.350	-	46.578.952
Miscellaneous Payables	1.364.842	708.535	21.077	2.094.454
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	1.146.966	2.991.883	305.864	4.444.713
Total Liabilities	314.860.776	319.056.472	83.024.980	716.942.228
Net Balance Sheet Position	(98.543.757)	65.616.996	(30.524.423)	(63.451.184)
Net Off-Balance Sheet Position ⁽²⁾	100.143.416	(69.826.336)	31.937.240	62.254.320
Financial Derivative Assets	113.697.053	92.098.223	38.243.602	244.038.878
Financial Derivative Liabilities	13.553.637	161.924.559	6.306.362	181.784.558
Non-Cash Loans	71.771.602	118.836.410	15.801.706	206.409.718
Prior Period				
Total Assets	116.710.858	204.482.758	30.538.370	351.731.986
Total Liabilities	173.493.271	190.527.094	51.436.530	415.456.895
Net Balance Sheet Position	(56.782.413)	13.955.664	(20.898.160)	(63.724.909)
Net Off-Balance Sheet Position ⁽²⁾	57.139.395	(22.147.912)	25.675.120	60.666.603
Financial Derivative Assets	65.979.466	80.811.919	26.837.704	173.629.089
Financial Derivative Liabilities	8.840.071	102.959.831	1.162.584	112.962.486
Non-Cash Loans	41.442.739	50.275.804	7.993.955	99.712.498

⁽¹⁾ TL 26.812 (31 December 2020: TL 26.213) equivalent of loans granted is USD and TL 13.291 (31 December 2020: TL 9.709) equivalent of EUR balance is caused by foreign currency indexed loans

⁽²⁾ Indicates the net balance of receivables and payables on derivative financial instruments.

⁽³⁾ Prepared expenses in other assets amounting to TL 11.405 are not included in the table.

⁽⁴⁾ Expected loss provisions for financial assets and other assets are reflected in related items.

⁽⁵⁾ Includes subordinated debt instruments.

⁽⁶⁾ Includes the guarantees given for derivative and repo transactions with foreign banks.

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Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the year ending on 31 December 2021 and 31 December 2020 is shown in the table below.

This analysis has been prepared with the assumption that all other variables, especially interest rates, remain constant.

	Current Period - 31 December 2021		Prior Period - 31 December 2020	
	Profit/Loss Statement	Equity ^(*)	Profit/Loss Statement	Equity ^(*)
USD	(284.757)	(533.933)	(320.959)	(447.442)
EUR	(61.023)	(414.234)	15.858	(196.273)
Other currencies	32.427	32.427	60	60
Total (Net) ^(**)	(313.353)	(915.740)	(305.041)	(643.655)

^(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the TL against the relevant foreign currencies.

^(**) Associates, subsidiaries, and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

The effect of 10% appreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the year ending on 31 December 2021 and 31 December 2020 is shown in the table below:

	Current Period - 31 December 2021		Prior Period - 31 December 2020	
	Profit/Loss Statement	Equity ^(*)	Profit/Loss Statement	Equity ^(*)
USD	284.757	533.933	320.959	447.442
EUR	61.023	414.234	(15.858)	196.273
Other currencies	(32.427)	(32.427)	(60)	(60)
Total (Net) ^(**)	313.353	915.740	305.041	643.655

^(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% appreciation of the TL against the relevant foreign currencies.

^(**) Associates, subsidiaries, and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

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IV. EXPLANATIONS ON THE INTEREST RATE RISK

1. Information Related to Interest Rate Sensitivity of Assets, Liabilities and Off-Balance Sheet Items

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	20.747.759	-	-	-	-	188.035.974	208.783.733
Banks ⁽⁷⁾	3.304.258	66.892	197.651	26.674	-	9.400.283	12.995.758
Financial Assets at Fair Value Through Profit and Loss	52.804	6.091.471	3.044.935	14.694.397	13.883	2.762.222	26.659.712
Money Markets Receivables	281.931	-	-	-	-	-	281.931
Financial Assets at Fair Value Through Other Comprehensive Income	42.215.186	18.916.429	58.076.657	89.769.490	60.482.373	697.022	270.157.157
Loans Given ⁽³⁾	250.585.887	76.865.425	146.926.458	213.152.913	58.808.968	2.991.869	749.331.520
Financial Assets Measured at Amortised Cost	813.083	1.110.034	10.183.161	26.068.356	6.403.163	-	44.577.797
Other Assets ⁽²⁾	4.467.502	4.321.012	2.853.665	563.769	357.272	45.539.440	58.102.660
Total Assets ⁽¹⁾⁽⁵⁾	322.468.410	107.371.263	221.282.527	344.275.599	126.065.659	249.426.810	1.370.890.268
Liabilities							
Interbank Deposits	30.528.589	5.066.998	16.050.940	-	-	3.708.562	55.355.089
Other Deposits	367.327.135	116.204.261	70.541.419	2.277.210	1.804	336.979.697	893.331.526
Money Market Borrowings	149.756.072	21.374.101	2.553.454	3.015.469	-	-	176.699.096
Miscellaneous Payables	-	-	-	-	-	17.351.965	17.351.965
Issued Marketable Securities ⁽⁶⁾	97.988	231.881	8.629.634	38.630.139	-	-	47.589.642
Funds Provided from Other Financial Institutions	2.548.228	21.139.126	24.584.477	10.468.740	576.090	-	59.316.661
Other Liabilities ⁽⁴⁾	338.368	804.943	1.964.271	668.174	636.602	116.833.931	121.246.289
Total Liabilities ⁽¹⁾	550.596.380	164.821.310	124.324.195	55.059.732	1.214.496	474.874.155	1.370.890.268
Balance Sheet Long Position	-	-	96.958.332	289.215.867	124.851.163	-	511.025.362
Balance Sheet Short Position	(228.127.970)	(57.450.047)	-	-	-	(225.447.345)	(511.025.362)
Off-Balance Sheet Long Position	7.299.963	2.263.522	-	10	-	-	9.563.495
Off-Balance Sheet Short Position	-	-	(408.869)	-	(1.015.345)	-	(1.424.214)
Total Position	(220.828.007)	(55.186.525)	96.549.463	289.215.877	123.835.818	(225.447.345)	8.139.281

⁽¹⁾ Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.⁽²⁾ Deferred tax asset is shown under the "Non-Interest Bearing" column.⁽³⁾ Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.⁽⁴⁾ Total shareholders' equity is shown under the "Non-Interest Bearing" column.⁽⁵⁾ Allowance for expected losses for financial assets and other assets are reflected in the related items.⁽⁶⁾ Includes subordinated debt instruments.⁽⁷⁾ Includes the guarantees given for derivative and repo transactions with foreign banks.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	5.830.015	-	-	-	-	82.212.849	88.042.864
Banks	1.079.605	104.894	112.877	-	-	1.491.234	2.788.610
Financial Assets at Fair Value Through Profit and Loss	250.900	4.396.058	6.723.384	2.398.967	9.077	527.066	14.305.452
Money Markets Receivables	206.435	-	-	-	-	-	206.435
Financial Assets at Fair Value Through Other Comprehensive Income	26.009.961	16.164.458	38.157.150	58.375.032	42.531.283	391.046	181.628.930
Loans Given ⁽³⁾	122.011.018	71.398.275	119.619.314	212.051.697	53.196.055	3.630.883	581.907.242
Financial Assets Measured at Amortised Cost	2.778.965	60.954	7.786.418	15.217.930	3.838.421	-	29.682.688
Other Assets ⁽²⁾	830.466	2.178.911	964.216	138.986	1.135.581	38.790.883	44.039.043
Total Assets ⁽¹⁾⁽⁵⁾	158.997.365	94.303.550	173.363.359	288.182.612	100.710.417	127.043.961	942.601.264
Liabilities							
Interbank Deposits	21.112.800	5.321.633	5.335.367	-	-	2.224.762	33.994.562
Other Deposits	257.500.079	91.543.192	48.934.500	1.783.318	1.136	196.117.421	595.879.646
Money Market Borrowings	109.114.222	5.135.012	849.452	1.302.783	-	-	116.401.469
Miscellaneous Payables	-	-	-	-	-	13.178.530	13.178.530
Issued Marketable Securities ⁽⁶⁾	-	54.086	4.197.437	23.151.207	-	-	27.402.730
Funds Provided from Other Financial Institutions	2.505.516	13.857.820	13.773.586	6.268.843	544.448	-	36.950.213
Other Liabilities ⁽⁴⁾	1.838.258	683.454	924.266	1.137.094	5.779.625	108.431.417	118.794.114
Total Liabilities ⁽¹⁾	392.070.875	116.595.197	74.014.608	33.643.245	6.325.209	319.952.130	942.601.264
Balance Sheet Long Position	-	-	99.348.751	254.539.367	94.385.208	-	448.273.326
Balance Sheet Short Position	(233.073.510)	(22.291.647)	-	-	-	(192.908.169)	(448.273.326)
Off-Balance Sheet Long Position	-	2.499.236	94.500	-	-	-	2.593.736
Off-Balance Sheet Short Position	(779.445)	-	-	-	(1.015.345)	-	(1.794.790)
Total Position	(233.852.955)	(19.792.411)	99.443.251	254.539.367	93.369.863	(192.908.169)	798.946

⁽¹⁾ Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.⁽²⁾ Deferred tax asset is shown under the "Non-Interest Bearing" column.⁽³⁾ Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.⁽⁴⁾ Total shareholders' equity is shown under the "Non-Interest Bearing" column.⁽⁵⁾ Allowance for expected losses for financial assets and other assets are reflected in the related items.⁽⁶⁾ Includes subordinated debt instruments.

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2. Average Interest Rate Applied to the Monetary Financial Instruments (%)

	EUR	USD	JPY	TL
Current Period ⁽⁴⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	8,50
Banks	4,30	-	-	17,63
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	17,31
Financial Assets at Fair Value Through Other Comprehensive Income	3,72	4,83	-	14,70
Loans Given ⁽²⁾	4,74	5,68	6,00	13,42
Financial Assets Measured at Amortised Cost	4,76	7,47	-	14,33
Liabilities				
Interbank Deposits	0,22	0,25	-	14,14
Other Deposits	0,27	0,93	-	14,15
Money Market Borrowings	-	1,78	-	14,22
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities ⁽³⁾	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	1,69	2,38	-	15,67

⁽¹⁾ The rate on TL column denotes the interest rates applied for required reserve at CBRT.⁽²⁾ Credit card loan balances are not included.⁽³⁾ Subordinated debt instruments are included.⁽⁴⁾ Foreign branches are excluded

	EUR	USD	JPY	TL
Prior Period ⁽⁴⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	12,00
Banks	1,79	-	-	18,02
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,88
Money Market Receivables	-	-	-	15,89
Financial Assets at Fair Value Through Other Comprehensive Income	2,86	4,76	-	11,17
Loans Given ⁽²⁾	4,70	5,93	5,95	11,03
Financial Assets Measured at Amortised Cost	4,87	7,47	-	15,86
Liabilities				
Interbank Deposits	0,20	0,26	-	17,94
Other Deposits	0,56	1,91	-	13,73
Money Market Borrowings	-	2,34	-	17,25
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities ⁽³⁾	5,08	4,87	-	16,99
Funds Provided from Other Financial Institutions	1,61	2,57	-	14,90

⁽¹⁾ The rate on TL column denotes the interest rates applied for required reserve at CBRT.⁽²⁾ Credit card loan balances are not included.⁽³⁾ Subordinated debt instruments are included.⁽⁴⁾ Foreign branches are excluded

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V. EXPLANATIONS ON THE POSITION RISK OF EQUITY INSTRUMENTS

1. Equity Instruments Position Risk Derived from Banking Books

Comparison with the market value if the market value is significantly different from the fair value for balance sheet, fair and market values of equity share

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	1.742.260	1.742.260	1.742.260
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	7.538.625	7.538.625	7.538.625
Traded on Stock Exchange	7.538.625	7.538.625	7.538.625
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other ⁽¹⁾	347.431	347.431	-

⁽¹⁾ Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries of the Bank was offered to the public and its shares started to be traded on Borsa İstanbul AŞ on 6 May 2021.⁽²⁾ The said stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

Investments in Equity Instruments - Prior Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other ⁽¹⁾	257.435	257.435	-

⁽¹⁾ The said stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

The breakdown of capital requirements on the basis of related investments in equity instruments depending on the method of the calculation of capital requirement which is chosen by Bank among approaches that are allowed to be used within the Communiqué regarding Credit Risk Standard Method or the Calculation of Counterparty Credit Risk based upon Internal Rating Approaches.

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 347.431 and all of them are 100% risk weighted (31 December 2020: are amounted TL 257.435 and all of them are 100% risk weighted)

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Total unrealized gains or losses, total revaluation value increases and their amounts included in principal and contribution capital

Portfolio	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss		
		Total	Included in Supplementary Capital	Total	Included in Supplementary Capital	Included in Contribution Capital
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	5.017.395	5.017.395	-	-	-
3. Other Stocks	-	89.973	89.973	-	-	-
Total	-	5.107.368	5.107.368	-	-	-

VI. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Matters related to liquidity and financial emergency management are determined in the Liquidity and Financial Emergency Management-Liquidity Funding Plan Approved by the Board of Directors.

The Bank conducts the remaining maturity analysis in order to observe the maturity structure of its balance sheet, liquidity gap and structural liquidity gap analysis to monitor the liquidity need by periods, and Liquidity Stress Test in order to evaluate the liquidity need of the Bank in the worst possible situation. Core deposit analysis is carried out to determine the stable part of the deposit, which is the most important fund resource of the Bank. In addition, the Bank-sector maturity structures and legal liquidity ratios are monitored in order to compare the Bank's liquidity risk level with the sector.

1. Liquidity Risk

Explanations related to the liquidity risk management including the Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines

The Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and sharing of issues related to liquidity risk management with the bank network are explained in Bank's "Regulations of Risk Management, Stress Test Program and ICAAP Regulations" of the Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Bank's senior management. The analysis and reports made within this scope are handled at the Asset-Liability Committee meetings and the Board of Directors is informed through the Audit Committee.

Liquidity management and the degree of centralization of fund strategies, the information about the procedure between Bank and the subsidiaries of Bank

Continuously the information exchange is actualized about the liquidity need and surpluses between the Bank and its subsidiaries, the necessary guidance and procedures are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

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Information on the Bank's funding strategy, including policies on diversity of funding sources and duration

The Bank's main funding resource is deposit and the strategy of preserving the granular deposit structure is sustained. Moreover, within the diversification of funding strategy, long-term and cost-effective non-deposit funding is also targeted. In the non-deposit funding; repurchase agreements, post finance, syndication loan facility, loans from international financial institutions, marketable securities issuances, subordinated debt instruments and bilateral loan agreements are at the forefront.

Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate liabilities of the Bank

The Bank's total liabilities are consisted of mostly TL, USD and EUR currencies. Besides these currencies, for other currencies, daily and long-term cash flows are monitored, and future projections are made for effective liquidity management purposes.

Information related to the techniques about the reduction of current liquidity risk

The Bank's source of funds is mainly formed of deposits. The Bank's deposits do not fluctuate considerably in line with the broadly dispersed customer network and the granular structure of the deposits. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed.

Explanation regarding the usage of the stress test

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the bank. These actions have been shared with key management of the Bank and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Bank's estimated financial position for the next period, the progress of legal ratios and the liquidity need in short and long term as part of budget practices.

General information on liquidity urgent and unexpected situation plan

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and within the frame of "Regulation on Risk Management, Stress Test Program and ICAAP Regulations". In addition, matters related to liquidity and financial emergency management have been identified.

2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the unconsolidated lowest ratios are as follows: For FC 360,79 in the week of 19 November 2021; and for the total 164,49 in the week of 5 November 2021. The highest ratios that took place were for FC as 590,73 in the week of 15 October 2021 and for the total as 211,97 in the week of 17 December 2021 (31 December 2020: Within the last 3 months the unconsolidated lowest ratios are as follows: For FC as 300,59 in the week of 30 October 2020; and for the total 128,26 in the week of 27 November 2020. As for the highest ratios that took place were for FC as 494,83 in the week of 27 November 2020 and for the total as 145,69 in the week of 30 October 2020.)

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Current Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			300.736.856	200.714.763
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	581.812.451	332.382.725	51.406.715	33.238.272
Stable deposits	135.490.601	-	6.774.530	-
Less stable deposits	446.321.850	332.382.725	44.632.185	33.238.272
Unsecured wholesale funding, of which;	282.060.859	128.934.723	131.806.306	63.046.713
Operational deposit	21.302.776	1.054.124	5.325.694	263.531
Non-operational deposits	211.440.349	115.759.087	96.058.640	50.798.731
Other unsecured funding	49.317.734	12.121.512	30.421.972	11.984.451
Secured funding			-	-
Other cash outflows, of which;	122.992.761	21.838.758	12.973.546	12.897.830
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3.394.483	9.552.971	3.394.483	9.552.971
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	119.598.278	12.285.787	9.579.063	3.344.859
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	72.709.422	52.737.203	4.156.946	2.636.860
TOTAL CASH OUTFLOWS			200.343.513	111.819.675
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	53.225.618	24.182.269	32.425.321	15.797.790
Other cash inflows	3.807.508	50.122.404	3.807.508	50.122.404
Total Cash Inflows	57.033.126	74.304.673	36.232.829	65.920.194
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			300.736.856	200.714.763
TOTAL NET CASH OUTFLOWS			164.110.684	45.960.150
LIQUIDITY COVERAGE RATIO (%)			183,25	436,71

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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Prior Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			176.160.109	94.505.452
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	421.696.662	232.573.780	36.591.414	23.257.378
Stable deposits	111.565.029	-	5.578.251	-
Less stable deposits	310.131.633	232.573.780	31.013.163	23.257.378
Unsecured wholesale funding, of which;	220.191.646	80.840.972	101.957.530	40.475.036
Operational deposit	14.973.485	508.825	3.743.371	127.206
Non-operational deposits	182.217.900	71.969.102	81.687.319	32.046.125
Other unsecured funding	23.000.261	8.363.045	16.526.840	8.301.705
Secured funding			-	-
Other cash outflows, of which;	88.521.841	12.494.819	11.819.381	6.084.029
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.619.402	3.255.634	4.619.402	3.255.634
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	83.902.439	9.239.185	7.199.979	2.828.395
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	50.702.605	34.645.449	3.004.196	1.732.272
TOTAL CASH OUTFLOWS			153.372.521	71.548.715
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	38.144.659	15.775.744	24.364.039	12.321.110
Other cash inflows	1.465.124	38.153.600	1.465.124	38.153.600
Total Cash Inflows	39.609.783	53.929.344	25.829.163	50.474.710
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			176.160.109	94.505.452
TOTAL NET CASH OUTFLOWS			127.543.358	23.781.414
LIQUIDITY COVERAGE RATIO (%)			138,12	397,39

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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3. Explanations on Liquidity Coverage Ratio

Important points affecting the results of liquidity coverage ratio and the changes of the considered items in the course of time to calculate this ratio

Bank deposits, which constitute a significant part of its resources and cash outflows in the liquidity coverage ratio, have a non-fluctuating structure, but may cause periodic changes in total deposits compared to public deposits and other deposits. While considering the previous periods, the amount of the total deposits has an increasing trend.

Although they have low conversion into cash rate, non-cash loans also have a remarkable extent in proportion to financial statement, they have an impact on the calculation of liquidity coverage ratio. Comparing to previous periods, non-cash loans are in increasing trend.

Bonds and bills in the securities portfolio are being used in repo transactions as collateral. Since the securities used in repo transactions lose the characteristic of being free, in accordance with that securities can be used as collateral, liquidity coverage ratio is affected.

The content of high-quality liquid assets

All of the high-quality liquid assets in the calculation of liquidity coverage ratio are first quality liquid assets. These are cash, the accounts in Central Bank, reserve requirements and securities portfolio (the important part of bonds and T-bills issued by Ministry of Treasury and Finance and other bonds).

The content of funds and their share in the total liabilities and funding

A major part of the resources of funds in Bank is comprised of deposits, the remaining is divided according to their share in the balance sheet as repo, funds borrowed, and issued securities.

Information about cash out-flows arising from derivative operations and margin operations likely to processing

Derivative operations in Bank are carried out on the purpose of protection from the risks that may exist or occur in the balance sheet, liquidity management, or meeting customer demand. Customer operations are carried out under the "Framework Agreement on Purchase and Sale of Derivative Instruments" or ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex), as well as transactions with banks are performed again under ISDA and CSA agreements signed. Operations performed under the said contracts in the determined periods are subject to daily market valuation and additional cash margining. Operations could create additional collateral inflow or outflow depending on market valuation.

The concentration limits regarding collateral and counterparty and product-based fund resources

For the counterparty and product-based concentration limits are determined under Regulation on Risk Management, Stress Test Program, and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") with the approval of Senior Management. These limits are followed in particular frequency. Besides, it is being reported to the relevant units and senior management. There is no excess regarding the limits during operating period.

Liquidity risk and needed funding on the basis of the bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer

The needed and surplus of liquidity of the branches in foreign countries of the bank and partnerships consolidated are followed and managed regularly. There is no constraint of operational and legal factors preventing liquidity transfer. In the analysis made, it is observed that the impact of the foreign branches and subsidiaries on the Bank's liquidity structure remain limited comparing to the size of the balance sheet. The need and surplus of the liquidity is encountered properly between partnerships, as well as the branches abroad.

Explanations of cash in-flow and cash out-flow items that are considered to be related to liquidity profile of the Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template

All items on the calculation of liquidity coverage ratio are included in calculation in aggregated form on the table. In this context, there is no point included in the calculation of liquidity coverage ratio and not included in the disclosure template.

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4. Presentation of Assets and Liabilities According to Their Remaining Maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ⁽¹⁾	Total
Current Period								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	88.439.263	120.344.470	-	-	-	-	-	208.783.733
Banks ⁽⁴⁾	9.400.283	3.304.258	66.892	197.651	26.674	-	-	12.995.758
Financial Assets at Fair Value Through Profit and Loss	-	52.804	6.091.471	3.044.935	14.694.397	13.883	2.762.222	26.659.712
Money Market Receivables	-	281.931	-	-	-	-	-	281.931
Financial Assets at Fair Value Through Other Comprehensive Income	-	9.533.960	5.446.574	33.519.274	136.123.868	85.185.078	348.403	270.157.157
Loans Given	-	32.092.477	73.985.897	297.711.411	266.006.819	76.543.047	2.991.869	749.351.520
Investments Held-to-Maturity	-	280.189	167.106	2.694.296	23.680.990	17.755.216	-	44.577.797
Other Assets	6.446.955	4.169.878	4.433.510	2.751.142	563.769	644.922	39.092.484	58.102.660
Total Assets⁽²⁾	104.286.501	170.059.967	90.191.450	339.918.709	441.096.517	180.142.146	45.194.978	1.370.890.268
Liabilities								
Interbank Deposits	3.708.562	30.528.589	5.066.998	16.050.940	-	-	-	55.355.089
Other Deposits	336.979.697	367.317.828	116.186.479	70.459.594	2.382.117	5.811	-	893.351.526
Funds Provided from Other Financial Institutions	-	539.631	1.253.517	24.259.636	27.368.658	5.895.219	-	59.316.661
Money Market Borrowings	-	149.756.072	21.374.101	2.553.454	3.015.469	-	-	176.699.096
Issued Marketable Securities ⁽³⁾	-	97.988	231.881	8.629.634	38.630.139	-	-	47.589.642
Miscellaneous Payables	3.480.268	13.871.697	-	-	-	-	-	17.351.965
Other Liabilities	8.910.297	1.464.601	883.321	2.032.092	668.174	2.359.850	104.927.954	121.246.289
Total Liabilities	353.078.824	563.576.406	144.996.297	123.985.350	72.064.557	8.260.880	104.927.954	1.370.890.268
Liquidity Gap	(248.792.323)	(393.516.439)	(54.804.847)	215.933.359	369.031.960	171.881.266	(59.732.976)	-
Net Off-Balance Sheet Position								
Financial Derivative Assets	-	6.986.546	307.117	(408.868)	10	1.267.128	-	8.151.933
Financial Derivative Liabilities	-	148.284.721	33.587.880	23.589.508	1.558.882	2.282.473	-	209.303.464
Non-cash Loans	80.872.752	10.955.329	32.527.108	83.606.042	46.844.385	7.767.640	-	262.573.256
Prior Period								
Total Assets	40.060.689	85.495.268	63.937.326	194.530.140	360.683.190	161.273.133	36.621.518	942.601.264
Total Liabilities	209.261.081	400.550.856	107.927.866	74.104.310	40.521.416	11.067.335	99.168.400	942.601.264
Liquidity Gap	(169.200.392)	(315.055.588)	(43.990.540)	120.425.830	320.161.774	150.205.798	(62.546.882)	-
Net Off-Balance Sheet Position								
Financial Derivative Assets	-	(963.027)	1.397.741	94.499	-	269.733	-	798.946
Financial Derivative Liabilities	-	110.395.898	32.821.678	7.736.121	1.972	1.285.078	-	152.240.747
Non-cash Loans	45.889.502	5.141.023	12.280.900	40.839.942	32.670.733	5.916.627	-	142.738.727

⁽¹⁾ Assets which are required for banking operations and could not be converted into cash in short-term, such as; property and equipment, associates, subsidiaries and entities under common control, office supply inventory, prepaid expenses and net under follow-up loans as well as securities representing a share in capital; and other liabilities such as provisions which are not considered as payables and equity are classified as undistributed.

⁽²⁾ Expected Loss Provision for financial assets and other assets are recognized in the related account.

⁽³⁾ Includes subordinated debt instruments.

⁽⁴⁾ Includes the guarantees given for derivative and repo transactions with foreign banks.

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5. Presentation of Liabilities According to Their Remaining Maturities

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Current Period						
Bank deposits	34.264.005	5.154.651	16.198.252	-	-	55.616.908
Other deposits	705.211.430	117.597.035	71.683.234	2.434.178	9.938	896.935.815
Funds borrowed from other financial institutions	545.387	1.343.834	25.016.138	28.677.604	6.425.511	62.008.474
Funds borrowed from Interbank money market	149.998.075	21.574.464	2.564.750	3.024.105	-	177.161.394
Total	890.018.897	145.669.984	115.462.374	34.135.887	6.435.449	1.191.722.591
Prior Period						
Bank deposits	23.366.698	5.329.325	5.384.479	-	-	34.080.502
Other deposits	454.420.735	92.431.719	49.879.163	2.006.588	6.693	598.744.898
Funds borrowed from other financial institutions	1.987.808	4.431.903	14.492.862	14.410.459	4.490.189	39.813.221
Funds borrowed from Interbank money market	109.266.494	5.153.953	849.585	1.303.700	-	116.573.732
Total	589.041.735	107.346.900	70.606.089	17.720.747	4.496.882	789.212.353

VII. EXPLANATIONS ON LEVERAGE RATIO

1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Bank's leverage calculated by force of the regulation "Regulation on Measurement and Assessment of Leverage Ratios of Banks" is 6,70% (31 December 2020: 8,43%). The decrease on leverage results occurs from the increase in Tier 1 capital amount. The regulation sentenced the minimum leverage as 3%.

Balance sheet assets	Current Period ^(*)	Prior Period ^(*)
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1.270.737.165	944.433.692
(Assets deducted in determining Tier 1 capital)	(10.259.737)	(3.944.023)
Total on-balance sheet risks (sum of lines 1 and 2)	1.260.477.428	940.489.669
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	10.774.720	6.430.645
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	2.681.655	1.955.716
Total risks of derivative financial instruments and credit derivatives	13.456.375	8.386.361
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets	18.956.230	15.485.935
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	18.956.230	15.485.935
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	364.362.353	231.183.107
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	364.362.353	231.183.107
Capital and total risks		
Tier 1 capital	110.958.241	100.839.255
Total risks	1.657.252.386	1.195.545.072
Leverage ratio		
Leverage ratio %	6,70	8,43

(*) Three-month average of the amounts in the table are taken into account.

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VIII. EXPLANATIONS ON 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.

1. Explanations on Risk Management and Risk Weighted Amount

1.1. Bank's Risk Management Approach

How the business model determines the Bank's risk profile; how it interacts with it (e.g., key risks related to the business model and how each of these risks is reflected on explanations); and how the Bank's risk profile interacts with the risk appetite approved by the board of director

While risk appetite determines the Bank's risk level, risk capacity determines its risk appetite and, therefore, risk profile. Local and international conjuncture is also considered to determine the risk level. Establishment of forward-looking strategies and policies is also considered in this regard. The Bank's risk level is restricted to the limits consistent with its risk appetite.

Risk limits are determined in accordance with the level of risks that may be assumed by the Bank, its activities, size and complexity of its products and services. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Bank's strategy, and risk appetite.

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters regarding signal and limit structure as well as limit values of parameters are determined in coordination with the relevant units and implemented upon approval of the Audit Commission and Board of Directors.

Risk weighted asset-based signal and limit values are regularly monitored by the Bank Risk Management Department, and actual values are periodically reported to the Bank's Senior Management.

Risk management structure: Responsibilities distributed at the Bank (e.g., supervision and delegation of authority); segregation of duties by risk type, business unit, etc.; relations between structures included in risk management processes (e.g., board of directors, top management, separate risk committee, risk management unit, compliance and internal audit function)

The Bank's Top Management and relevant units perform their risk management duties, authorities and responsibilities in line with the relevant legal legislation and internal Bank regulations.

Structure of the Bank's risk management is compliance with the Regulation on Internal Systems and Internal Capital Adequacy Assessment Processes of Banks. Accordingly, internal system units consisting of the Inspection Board, the Internal Audit Department, the Compliance Department, and the Risk Management Department, report to the Audit Committee and the Board of Directors through the Head of Group responsible for internal systems, which operates separately from the executive units.

Risk measurement and monitoring activities are conducted as part of risk management and the results are considered in strategic decision-making process by relevant units and bodies. Risk management operations are conducted in accordance with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks, issued by the BRSA, within the scope of Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") approved by the Bank's Board of Directors.

Organizational structure of the Bank's Risk Management Department consists of credit risk management, market risk management, operational risk management, balance sheet risks management and Credit Risk Control Unit (KRKB) and validation unit services. Duties of risk management:

- Ensuring identification, measurement, reporting, monitoring, and control of risks exposed through policies, practices and limits established to monitor, control and revise, when necessary, the risk-return structure of the Bank's cash flows in the future, quality, and level of its associated activities
- Preparing ICAAP reports periodically.
- Conducting stress tests and scenario analyses

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- Establishing and maintaining a system that will ensure determination of capital required to cover significant risks that are or may be exposed and the evaluation of the level of capital adequacy/requirement in line with strategic objectives
- Developing internal models of our Bank’s Probability of Default (PD), Loss at Default (THK) Default Amount (TT) within the scope of TFRS 9 expected credit risk loss calculation, monitoring their performance, developing scenario-based macroeconomic models of parameters regarding future expectations
- Ensuring the accuracy, consistency and adequacy of the analytical models and processes used in decision-making processes and to evaluate their performance and to report the results at regular intervals

The analyzes and studies carried out at ICAAP, including the validation studies, are examined by the Inspection Board and an Analysis Report is prepared regarding the results.

Channels used for disseminating and implementing risk culture within the Bank (e.g., codes of conduct, manuals including operational limits or procedures to be performed when risk thresholds are exceeded, procedures for identifying and sharing risk issues between business units and risk units)

The Bank exercises maximum efforts to perceive both risks and returns accurately during its activities and maintain its perspective for disseminating risk culture across the Bank. Accordingly, goals, vision and strategic approaches are shared in large group meetings held by the Bank’s Top Management with employees.

Signal and limit structure established based on risk weighted assets is one of the channels used to disseminate risk culture within the Bank. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units and approved by the Board of Directors.

It is ensured that risk signal and limit structure is forwarded to relevant units in the Bank and the structure is understood by the staff. Utilization levels for signal and risk parameters are reported submitted to the Top Management.

If limits are exceeded, the Bank’s Top Management is notified. In such a case, matters such as risk mitigation, risk transfer or risk-averse, increasing collaterals and similar issues can be considered as part of required actions. If limits are exceeded, forward-looking strategies and policies of the Bank including budget figures - can be reviewed or, where necessary, revised.

Another channel used to disseminate the risk culture is in the scope of ICAAP activities. It is essential to include assessment results for capital adequacy in the ICAAP Report covering all significant risks of the Bank. The report is prepared in coordination with risk management and with participation from other relevant units. Similarly, the Bank’s budget goals for the upcoming years are also established with the participation of relevant units. The Bank’s Top Management and relevant units conduct their ICAAP duties, authorities, and responsibilities in line with the Bank regulations and relevant legal legislation.

Principal elements and scope of risk measurement system

The Bank’s risk measurement system functions in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way. Regarding the inclusion of risk measurement results in decision-making processes, reports are elaborated with extensive explanations and assumptions to avoid any misinterpretation that may arise from errors and deficiencies.

Required activities are performed to engage in design, selection, implementation and pre-approval processes for risk measurement models; review accuracy, reliability and performance of models regularly through various methodologies and make required revisions; accordingly, and report results of analyses conducted with such models.

The Bank’s capital adequacy ratio is calculated in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, Communiqué on Credit Risk Mitigation Techniques, and other relevant legal regulations.

Counter parties/operations related to the credit risk are separated on the basis of risk classes mentioned in Appendix-1 of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, and each of them is assigned by the weight of risk in line with the matters specified for relevant risk class. Then, they are subject to risk mitigation in accordance with the principles of Communiqué on Credit Risk Mitigation Techniques and weighted based on the risk weights.

After deduction of expected loss provisions for the loans for the stage 3 in accordance with Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves, non-cash loans and commitments are included in the calculation of credit-risk-weighted amount with loan conversion rates presented in article 5 of Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

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Trading accounts and the values deducted from the capital base in the shareholders’ equity computation are excluded from calculation of credit risk-weighted assets.

Calculations regarding to the counter party credit risk are made for repurchase agreement and derivative transactions. These transactions are added to the calculations after applying the rates presented in the amendments of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and Communiqué on Credit Risk Mitigation Techniques.

Calculations regarding counter parties credit risks are made with the basic financial collateral method and extensive collateral method for banking accounts and trading accounts respectively.

The amount subject to the total market risk is calculated through the standard method. Furthermore, value at risk forecasts is made on a daily basis and backward testing is performed so as to measure performance of the model.

Liquidity Coverage Ratio and Liquidity Risk Analysis reports for the liquidity risk are prepared in accordance with the relevant regulations. Furthermore, stress test is performed to assess maturity mismatch between sources and uses, contractual maturities as well as behavioral maturities of assets and liabilities, the Bank’s liquidity requirement in a worst-case scenario and relevant damages that may be incurred based on scenario and sensitivity analysis activities.

Control of interest rate risk on banking accounts entails monitoring rate and maturity mismatch between sources and uses of fixed and variable interest rates, contractual maturities as well as behavioral maturities assets and liabilities and the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend.

Explanations provided to the Board of Directors and Top Management on risk reporting processes, particularly scope and main contents of reporting

It is essential to inform the Top Management about developments and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing Top Management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis. Reports issued contain, at minimum, information on risk amount and development, legal capital requirement, legal ratios for liquidity and interest rate risks, stress test analysis results, effect of such results on capital adequacy level and ratios, realization level of risk limits and limitations, and assumptions of risk measurement method used.

As part of the reporting system, an information systems infrastructure is established for external reporting and required actions are taken to fulfill legal obligations fully in a timely manner in this regard.

Explanations on stress test (e.g., assets subject to stress test, scenarios applied, methodologies used and the use of stress test in risk management)

Stress test is intended to pre-assess the effect of negative developments in specified risk factors on amounts subject to risk and capital adequacy/requirement level.

Conducting the stress test periodically is essential, and test result must be included in internal reporting and considered in strategic decision-making process or capital management. Results of stress test analysis are considered while establishing risk management policies.

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In stress test activities, shock is applied to risk factors determined (factors specific to debtor or transaction or macroeconomic variables such as exchange rate, price, interest and so on), and the effects of results on risk-weighted asset amount and capital adequacy ratio are identified. Accordingly, risk factors are identified first and then assumptions to be implemented are determined and possible losses in the future are estimated. Stress test activities include creating scenarios, which are unlikely, if not impossible, and which may affect the Bank's risk level significantly.

The results of stress test are subject to internal Bank reporting and ICAAP Report. The results of stress test may be used in processes to determine the Bank's risk appetite or risk limits and identify new and current business strategies as a planning instrument and their effect on capital utilization.

Analyses of credit risk based on internal and external risk factors, counter party credit risk, liquidity risk, interest rate risk, operational risk and market risk are conducted in the case of stress tests which are subject to internal reporting.

The Board of Directors is responsible for assessing the results of the Stress Test Program and taking actions based on the results. Accordingly, actions such as revision of risk appetite, strategy and risk limits or restriction of activities to specific sectors or portfolios can be taken.

The Bank's risk management, aversion and mitigation strategies and processes based on business model and monitoring processes for continuous efficiency of safeguards and mitigants

Amounts subject to credit risk can be mitigated by using one or more risk mitigation techniques in line with the legal regulations.

Funded or unfunded credit safeguard instruments are considered while using the risk mitigation technique. Whether credit safeguard instruments meet minimum compulsory conditions specified in legal regulations is checked via the system.

The Bank performs risk mitigation through simple financial method. Credibility of guarantors are monitored and assessed in the scope of credit revision maturity.

All Bank employees are responsible for control and mitigation of operational risks based on their job definitions and business processes. All Bank units are obliged to take risk mitigation measures for mitigation of operational risks that may occur in their respective fields of activity through insurance and other risk transfer mechanisms.

The Bank's market risk is mitigated through derivatives or other financial products by considering current conjuncture and risk appetite, risk capacity and risk level. Long term liabilities are obtained and the interest rate risk arising from liquidity and banking accounts is limited through the transactions performed.

Diversification of fund is deemed important for managing the liquidity risk that may occur. While the Bank's main funding sources are deposits, the strategy of preserving the granular structure of deposits is sustained. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed as for the asset side of the Bank, policies are pursued as part of measures to improve short term cash cycle and minimize maturity mismatch between assets and liabilities. As part of management of interest rate risk, measures are taken to reduce repricing maturity mismatch of interest sensitive assets and liabilities.

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Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (excluding counterparty credit risk)	684.077.782	515.397.894	54.726.223
2	Standardised approach	684.077.782	515.397.894	54.726.223
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	11.260.224	10.286.294	900.818
5	Standardised approach for counterparty credit risk	11.260.224	10.286.294	900.818
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8	Investments made in collective investment companies-look through approach	-	-	-
9	Investments made in collective investment companies-mandate-based approach	11.353.137	8.364.963	908.251
10	Investments made in collective investment companies-1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB Supervisory Formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	39.765.354	38.928.246	3.181.228
17	Standardised approach	39.765.354	38.928.246	3.181.228
18	Internal model approaches	-	-	-
19	Operational risk	46.913.603	39.441.393	3.753.088
20	Basic Indicator approach	46.913.603	39.441.393	3.753.088
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	793.370.100	612.418.790	63.469.608

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2. Connections Between Financial Statements and the Risk Amounts

Differences Between Accounting Consolidation and Legal Consolidation and Matching of the Subject

	Carrying values of items					Not subject to capital requirements or subject to deduction from capital
	Valued amount according to TAS within legal consolidation ⁽¹⁾	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	
Current Period						
Assets						
Cash and Balances at Central Bank	208.783.733	208.783.733	-	-	-	-
Banks	12.995.758	12.995.758	-	-	-	-
Receivables from Money Markets	281.931	281.931	-	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	26.659.712	-	-	-	26.659.712	-
Financial Assets Measured at Fair Value to Other Comprehensive Income	270.157.157	200.944.032	170.822.248	-	69.213.060	-
Financial Assets Measured at Amortized Cost	44.577.797	44.577.797	4.600.734	-	-	-
Derivative Financial Assets	12.048.564	-	12.048.564	-	-	-
Loans (Net)	749.331.520	766.240.872	-	-	-	14.256
Investments in Associates (Net)	152.904	152.904	-	-	-	-
Investments in Subsidiaries (Net)	20.610.313	20.610.313	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	224.673	224.673	-	-	-	-
Receivables Form Leasing Transactions	-	-	-	-	-	-
Tangible Assets (Net)	6.654.792	6.644.573	-	-	-	10.219
Intangible Assets (Net)	1.365.095	-	-	-	-	1.365.095
Investment Properties (Net)	-	-	-	-	-	-
Tax Asset	1.519.079	1.519.079	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.118.932	5.118.932	-	-	-	-
Other Assets	10.408.308	10.408.308	-	-	-	-
Total Assets	1.370.890.268	1.278.502.905	187.471.546	-	95.872.772	1.389.570
Liabilities						
Deposits	948.686.615	-	-	-	-	-
Funds Borrowed	59.316.661	-	11.795.858	-	-	-
Money Markets	176.699.096	-	157.258.969	-	-	-
Securities Issued (Net)	26.162.041	-	-	-	-	-
Funds	31.956	-	-	-	-	-
Derivative Financial Liabilities	3.590.919	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-
Other Liabilities	26.753.694	-	-	-	-	-
Factoring Liabilities	789.483	-	-	-	-	-
Provisions	9.060.012	-	-	-	-	-
Tax Liability	1.272.431	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	21.427.601	-	-	-	-	-
Equity	97.099.759	-	-	-	-	-
Total Liabilities	1.370.890.268	-	169.054.827	-	-	-

⁽¹⁾ It represents the Bank's unconsolidated financial statements.

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Prior Period	Carrying values of items					Not subject to capital requirements or subject to deduction from capital
	Valued amount according to TAS within legal consolidation ⁽¹⁾	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization on framework	Subject to the market risk framework	
Assets						
Cash and balances at central bank	88.042.864	88.042.864	-	-	-	-
Banks	2.788.610	2.788.610	-	-	-	-
Receivables from Money Markets	206.435	206.435	-	-	-	-
Financial assets measured at fair value to profit or loss	14.305.452	-	-	-	14.305.452	-
Financial assets measured at fair value to other comprehensive income	181.628.930	115.192.656	52.130.594	-	66.436.253	-
Financial assets measured at amortized cost	29.682.688	29.682.688	5.118.323	-	-	-
Derivative financial assets	5.027.200	-	5.027.200	-	-	-
Loans (Net)	581.907.242	590.375.883	-	-	-	19.841
Investments in associates (Net)	152.904	152.904	-	-	-	-
Investments in subsidiaries (Net)	14.067.273	14.067.273	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	105.745	105.745	-	-	-	-
Receivables Form Leasing Transactions	-	-	-	-	-	-
Tangible Assets (net)	6.748.355	6.738.311	-	-	-	10.044
Intangible Assets (net)	1.002.206	-	-	-	-	1.002.206
Investment Properties (Net)	-	-	-	-	-	-
Tax Asset	248.730	248.730	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.260.879	5.260.879	-	-	-	-
Other Assets	11.425.751	11.425.751	-	-	-	-
Total Assets	942.601.264	864.288.729	62.276.117	-	80.741.705	1.032.091
Liabilities						
Deposits	629.874.208	-	-	-	-	-
Funds Borrowed	36.950.213	-	6.096.622	-	-	-
Money Markets	116.401.469	-	46.280.017	-	-	-
Securities Issued (Net)	14.354.533	-	-	-	-	-
Funds	6.053.060	-	-	-	-	-
Derivative Financial Liabilities	3.487.652	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-
Other Liabilities	19.612.536	-	-	-	-	-
Factoring Liabilities	821.985	-	-	-	-	-
Provisions	7.058.634	-	-	-	-	-
Tax Liability	1.660.517	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	13.048.197	-	-	-	-	-
Equity	93.278.260	-	-	-	-	-
Total Liabilities	942.601.264	-	52.376.639	-	-	-

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The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	1.370.890.268	1.278.512.781	187.471.546	95.872.772
Liabilities carrying value amount under regulatory scope of consolidation	-	-	169.054.827	-
Total net amount under regulatory scope of consolidation	1.370.890.268	1.278.512.781	18.416.719	95.872.772
Differences in valuations	640.240.343	165.871.734	263.807.849	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Amount of Risk	2.011.130.611	1.444.384.515	282.224.568	95.872.772
Prior Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	942.601.264	864.288.729	62.276.117	80.741.705
Liabilities carrying value amount under regulatory scope of consolidation	-	-	52.376.639	-
Total net amount under regulatory scope of consolidation	942.601.264	864.288.729	9.899.478	80.741.705
Differences in valuations	413.922.509	90.277.256	186.498.675	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Amount of Risk	1.356.523.773	954.565.985	196.398.153	80.741.705

Explanations on differences between risk amounts and valued amounts in accordance with the Turkish Accounting Standards

There is no significant difference between financial statement values of assets and liabilities and values included in capital adequacy calculation.

3. Credit Risk Explanations

3.1. Transformation of bank's business model into components in credit risk profile

The banks must allocate risk limits approved by board of directors of the banks and monitor limit utilization pursuant to Article 38 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks issued by the BRSA and published in the Official Gazette no. 29057 dated 11 July 2014. Furthermore, pursuant to paragraph 5 of the same article, it is expected to establish a signal structure that will serve as an early warning mechanism in addition to the limit structure.

Additionally, principle 5 of the Guideline for Counter Party Credit Risk Management announced to the public by the BRSA with the Agency Decision no. 6827 dated 31 March 2016 States that banks must allocate a limit for counter party credit risk (CCR).

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Pursuant to aforementioned regulations, to what extent the Bank gets closer to allocated limits approved by the board of directors or to what extent these levels were exceeded must be monitored by the risk management unit which was structured independent from executive units. This practice that was included in monitoring function of the risk management unit is significant as it presents a legal obligation, and it helps optimization of resource utilization.

In accordance with the changing organizational structure of the Bank, the signal and limit with risk of change in customer segmentation are on corporate and individual segment basis in accordance with the customer segment structure and are updated according to the changes in the segmentation structure. Signal and limit values for counter party credit risk transactions were determined separately for banking accounts and trading accounts based on portfolio type. Calculations were made based on ratio of risk weighted asset amounts calculated for relevant parameters to total credit and market risk weighted asset amounts and they are reported to the Bank's Top Management periodically through relevant units.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to market risk, it is essential to restrict risk level to the limits in line with the Bank's risk appetite. Market risk limits were determined as interest rate risk and currency risk limits. Current values for such limits are calculated daily with market data and reported to the Bank's Top Management through relevant units. Market risk signal and limit values are monitored dynamically in the light of market developments and, if necessary, updated based on the developments in the Bank's strategy and risk appetite.

3.2. Criteria and approach adopted for determining credit risk policy and credit risk limits

As part of credit risk management, the Bank's risk management team conducts the functions of identification, measurement, monitoring and controlling of credit risk in line with the structure, size, complexity and growth rate of products and activities and reports the analysis, including stress test, and its results to the Bank's Top Management.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to credit risk, credit risk level was restricted to the limits in line with the Bank's risk appetite. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Bank's strategy, and risk appetite.

There is a signal and limit structure in place, indicating that credit risk limits are almost reached because of internal and external developments. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units. The approval of Audit Committee and Board of Directors is sought in order to implement parameters and signal/limit threshold values within the Bank. It is ensured that risk signal and limit structure is forwarded to relevant units in the Bank and the structure is understood by the relevant staff. Actual values are monitored closely by the risk management. Actual values regarding signal and limit parameters are reported to the Bank's Top Management.

3.3. Structure and organization of credit risk management and control function

The Bank's internal system units consist of the Inspection Board, Internal Audit Department, Compliance Department and Risk Management Department. Credit risk management is one of the six services under the Risk Management Department.

Activities conducted at the credit risk management unit, which is subject to inspection and controlling activities periodically, aim to establish and maintain a credit risk management infrastructure that is structured enough to meet legal obligations and flexible enough to accommodate the best practices. Accordingly, capital amount that should be reserved for credit risk is calculated; risk mitigation techniques are implemented; stress tests are conducted; credit risk signal and limit structures are monitored; activities are conducted to calculate credit risk with advanced methods and developments that may affect the Bank's credit risk are monitored. Analyses conducted are reported to the Top Management and relevant units periodically.

3.4. Relationship between credit risk management, risk control, legal compliance, and internal audit functions

Risk Management Department goes through inspection and control activities periodically. In case of any findings, they are reported and required activities are performed.

In addition, audit and control units are also involved in the ICAAP studies, which constitute an important part of risk management activities. Accordingly, the analyzes and studies carried out at ICAAP, including the validation studies, are examined by the Inspection Board and an Investigation Report is prepared regarding the results.

The controls on Risk Management Disclosures are carried out within the scope of Risk Management Department activities. Two separate control processes are carried out periodically in the related unit, Capital Adequacy Calculation process and other Risk Management processes control and are carried out within the scope of capital adequacy check points and guide and control points and guidance related to other risk management activities.

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All activities, new transactions and products planned by the Bank; compliance with relevant laws, regulations, internal policies, and banking practices are controlled. In this context, the compliance of the legislative regulations regarding the Risk Management Disclosures with the intra-bank practices is also checked.

The control activities carried out in the Head Office Units are carried out in accordance with the control periods determined by taking into account the functions and the risks of the units, the duties of the units and their effects on the Bank's balance sheet. The control processes of the Head Office Units are carried out through the control points determined according to the processes, duties and powers of the unit and the control techniques are detailed in the General Directorate Control Manual.

3.5. Scope and Main Content for Reporting to Top Management and Board Members on Credit Risk Management Function and Credit Risk Exposed

It is essential to inform the Bank's Top Management about developments in credit risk management and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing the Bank's Top Management on credit risk management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis.

Reports issued contain, at a minimum, information on risk amount and development, legal capital requirement, stress test analysis results, effect of such results on capital adequacy level, actualization level of risk limits and limitations and assumptions of risk measurement method used.

3.6. Credit Quality of Assets

Current Period	Defaulted	Non-defaulted	Allowances/Amortization and impairments	Net values
Loans	15.140.631	763.263.258	29.072.369	749.331.520
Debt Securities	-	255.715.754	8.388.604	247.327.150
Off-balance sheet exposures	1.222.526	399.459.021	3.285.225	397.396.322
Total	16.363.157	1.418.438.033	40.746.198	1.394.054.992

Prior Period	Defaulted	Non-defaulted	Allowances/Amortization and impairments	Net values
Loans	13.895.119	586.764.841	18.752.718	581.907.242
Debt Securities	-	148.406.416	921.721	147.484.695
Off-balance sheet exposures	690.362	240.816.847	1.852.945	239.654.264
Total	14.585.481	975.988.104	21.527.384	969.046.201

3.7. Changes on Defaulted Loans and Debt Securities

Current Period

1	Defaulted loans and debt securities at end of the previous reporting period	13.895.119
2	Loans and debt securities that have defaulted since the last reporting period	6.433.514
3	Returned to non-defaulted status	1.053.332
4	Amounts written off	-
5	Other changes	(4.134.670)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) ⁽¹⁾ definitions	15.140.631

⁽¹⁾ Provisions for non-cash loans are not included in the table.

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Prior Period

1	Defaulted loans and debt securities at end of the previous reporting period	12.690.487
2	Loans and debt securities that have defaulted since the last reporting period	4.061.472
3	Returned to non-defaulted status	582.016
4	Amounts written off	-
5	Other changes	(2.274.824)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) ⁽¹⁾ definitions	13.895.119

⁽¹⁾ Provisions for non-cash loans are not included in the table.

3.8. Additional Explanations on Credit Quality of Assets

Differences between definitions and explanations of "deferred" receivables and receivables for which "provision was allocated", and definitions of "deferred" and "provision of allocation", if any

The Bank classifies its credits and other receivables and allocates expected loss provisions pursuant to the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions" published in the Official Gazette no. 29750 dated 22 June 2016. The term "Deferred Receivables" is used for credits named "Loans under Close Monitoring" whose maturity is deferred for up to 90 days as of the end of period without any impairments as well as for credits named "Non-Performing Loans" whose maturity is deferred for more than 90 days or subject to impairment. In practice, the Bank sets expected credit loss provisions for the stage 1 and stage 2 for credits classified as "Standard Credits" and "Under Close Monitoring" and expected loss provisions for the loans for the stage 3 for credits classified as "Non-Performing Loans".

The portion that is not considered within the scope of "allocation of provision" among deferred receivables (over 90 days) and reasons for this practice

The Bank automatically transfers the loans over 90 days past due to the follow-up accounts in accordance with the provisions of the Regulation on Provisions and allocates the provision for the relevant class. The Bank has not set aside any provision for expected loss for funds originating loans that were classified as "Non-Performing Receivables" in the previous period, in accordance with Article 13 of the Provisions Regulation titled "Exceptions" and since the said risk does not belong to the Bank. Fund originating loans classified as "Non-Performing Receivables" in accordance with the Uniform Chart of Accounts amendment of the BRSA started to be monitored off-balance sheet in the current period.

Definitions of methods used for determining provision amount

The Bank sets expected loss provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 29750 and dated 22 June 2016 on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

Definitions of restructured receivable

Real/legal persons using credit may, from time to time, face usual risks of business life such as failure to include the excessive cost increases in sales prices, loss of market share and turnover, unexpected expenses, problems in collection of receivables due to some factors that are beyond reasonable control of its own businesses or other businesses worked with. They may therefore have temporary liquidity difficulties. It involves setting new loan repayment maturities in line with cash flows for businesses which have no significant problem in credit worthiness and sustain their income-generating activities but fail, or priorly imply failure, to make their loan repayment in a timely manner due to temporary liquidity problems.

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Breakdown of receivables by geographic regions, sectors, and remaining maturity; receivable amounts subject to allocation of provision by geographic regions and sectors and their respective provisions; amounts removed from the assets

	Loans and Receivables	Non-Performing Loans	Expected Loss Provisions	Total
Domestic	755.441.797	15.046.116	28.932.632	741.555.281
European Union Countries	1.261.063	47.919	52.539	1.256.443
USA, Canada	7.738	4.239	4.273	7.704
OECD Countries ⁽¹⁾	867.770	-	1.081	866.689
Off-Shore Banking Regions	-	-	-	-
Other	5.684.890	42.357	81.844	5.645.403
Total	763.263.258	15.140.631	29.072.369	749.331.520

⁽¹⁾ OECD countries other than EU countries, USA, and Canada.

	Loans and Receivables	Non-Performing Loans	Expected Loss Provisions	Total
Agriculture	124.879.765	1.215.883	1.362.308	124.733.340
Farming and Stockbreeding	124.110.691	1.203.780	1.349.866	123.964.605
Forestry	314.241	5.715	6.460	313.496
Fishing	454.833	6.388	5.982	455.239
Manufacturing	166.528.292	2.257.735	11.431.122	157.354.905
Mining and Quarrying	11.196.061	24.633	50.378	11.170.316
Production	110.976.105	2.006.337	9.873.148	103.109.294
Electric, Gas and Water	44.356.126	226.765	1.507.596	43.075.295
Construction	89.246.535	2.831.458	4.716.905	87.361.088
Services	184.835.190	4.884.961	8.572.584	181.147.567
Wholesale and Retail Trade	68.298.304	2.937.089	2.819.304	68.416.089
Hotel Food and Beverage Services	19.553.619	349.715	1.305.445	18.597.889
Transportation and Telecommunication	20.600.295	172.218	192.807	20.579.706
Financial Institutions	8.033.416	6.518	15.631	8.024.303
Real Estate and Leasing Services	64.114.275	1.301.381	3.862.075	61.553.581
Self-Employment Services	-	-	-	-
Education Services	1.996.996	81.944	98.421	1.980.519
Health and Social Services	2.238.285	36.096	278.901	1.995.480
Other	197.773.476	3.950.594	2.989.450	198.734.620
Total	763.263.258	15.140.631	29.072.369	749.331.520

Information regarding breakdown of receivables according to remaining maturities is given in Note II-4.

Aging Analysis for Overdue Receivables

Day Past Due	Current Period	Prior Period
1-30 Days	3.410.714	820.464
31-60 Days	2.227.979	747.871
61-90 Days	1.054.843	746.327
90 +	165.405	2.182.795
Total	6.858.941	4.497.457

Loans under close monitoring amounting to TL 73.083.510 (31 December 2020: TL 33.440.833) are not overdue.

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Breakdown of restructured receivables by allocation of provision

Out of the Bank's total restructured loans amounting to TL 56.682.835, a portion of TL 54.595.239 consists of performing loans and remaining portion of TL 2.087.596 consists of non-performing loans. The total amount of first and second stage expected loss provision allocated for structured loans is TL 13.532.973 and third stage expected loss provision amount allocated for non-performing loans is TL 1.580.914. (31 December 2020: Out of the Bank's total restructured loans amounting to TL 18.801.914, a portion of TL 17.675.031 consists of performing loans and remaining portion of TL 1.126.883 consists of non-performing loans. The total amount of first and second stage expected loss provision allocated for structured loans is TL 2.473.158 and third stage expected loss provision amount allocated for non-performing loans is TL 558.700. No expected loss provision is reserved for non-performing loans amounting to TL 65.200 whose risk does not belong to the Bank.)

3.9. Credit risk mitigation

3.9.1. Qualitative requirements to be disclosed to public regarding credit risk mitigation techniques

Basic characteristics of policies and processes on the extent of utilization of on-balance sheet and off-balance sheet netting

The practice of on-balance sheet and off-balance sheet netting is not used while mitigating credit risk within the Bank.

3.10. Credit risk mitigation techniques - Overview

Current Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans	538.224.704	153.309.865	52.175.656	145.862.713	49.627.733	-	-
Debt Securities	200.984.844	-	-	-	-	-	-
Total	739.209.548	153.309.865	52.175.656	145.862.713	49.627.733	-	-
Of which defaulted	14.129.917	990.865	281.821	973.812	280.901	-	-

Prior Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans	442.585.377	137.829.011	63.999.252	133.793.943	61.864.854	-	-
Debt Securities	140.154.459	-	-	-	-	-	-
Total	582.739.836	137.829.011	63.999.252	133.793.943	61.864.854	-	-
Of which defaulted	13.003.112	887.419	247.846	881.293	247.239	-	-

3.11. Credit risk if standard approach is used

3.11.1. Qualitative explanations on ratings used by banks while calculating credit risk with standard approach

Names of Credit Rating Agencies (CRA) and Export Rating Agencies (ERA) used by the Bank and the reasons in case of any change during the reporting period

The Bank uses ratings of Fitch Ratings International Rating Agency and Islamic International Rating Agency (IIRA) while calculating the amount subject to credit risk through standard approach. The country risk classification published by the Economic Cooperation and Development Organization (OECD) is taken as basis for the unrated central government and central banks.

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Risk classes using CRA and ERA ratings

For the risk class received from banks and intermediary institutions, the ratings of the Fitch Ratings International Rating Agency are used for determining the risk weights for the risk classes using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counterparties residing domestically are accepted as "unrated" and take the risk weight which is appropriate for the "unrated" category in the related risk class.

Explanation on how credit rating of debtor is used for other assets of debtor in banking accounts

In order to determine the risk weight of the items subject to issuance or issuer rating among the items included in the banking accounts, the issue rating is first examined, and in the absence of an issue rating, the credit rating of the issuer is taken into account.

Matching rating grades on the basis of risk

Rating assigned by a credit rating agency that is not listed in the BRSA's matching table is not used in calculations.

3.12. Standard Approach - Loan risk Exposure and the Effects of Loan Risk Reduction Technique

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	448.448.814	513.114	496.650.060	665.485	9.543.672	1,9%
Exposures to regional and local governments	485.866	74.499	421.360	104.362	234.769	44,7%
Exposures to administrative bodies and non-commercial entities	5.817.265	566.846	5.159.064	566.846	5.704.900	99,6%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	82.505.805	9.057.008	74.259.520	10.138.734	16.432.472	19,5%
Exposures to corporates	379.851.827	100.591.550	281.490.310	99.441.099	378.199.467	99,3%
Retail exposures	360.370.732	11.630.728	238.056.751	11.517.405	186.524.904	74,7%
Exposures secured by residential property	67.845.397	477.136	66.963.648	477.136	23.602.123	35,0%
Exposures secured by commercial property	31.527.592	1.922.107	30.405.544	1.922.107	18.867.278	58,4%
Past-due items	2.900.742	-	2.619.845	-	2.191.142	83,6%
Exposures in high-risk categories	14.975.081	32.426	14.934.885	32.238	22.304.678	149,0%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	11.420.172	75.916	11.339.832	75.916	11.353.137	99,5%
Other exposures	28.162.738	-	28.162.737	-	21.459.602	76,2%
Equity share investments	9.926.637	-	9.926.637	-	5.742.774	57,9%
Total	1.444.238.668	124.941.330	1.260.390.193	124.941.328	702.160.918	50,7%

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Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	219.764.031	971.770	280.720.393	629.214	8.100.952	2,9%
Exposures to regional and local governments	512.473	76.717	546.847	52.924	289.778	48,3%
Exposures to administrative bodies and non-commercial entities	273.604	544.063	252.292	221.750	455.801	96,2%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	73.308.862	15.265.210	74.135.136	7.297.190	12.792.804	15,7%
Exposures to corporates	231.391.436	121.009.420	203.352.407	68.560.875	269.777.426	99,2%
Retail exposures	240.188.677	78.056.528	209.766.226	7.096.140	161.445.182	74,4%
Exposures secured by residential property	68.384.435	931.854	68.287.311	373.123	24.029.916	35,0%
Exposures secured by commercial property	27.304.024	1.414.687	24.321.461	769.143	16.580.085	66,1%
Past-due items	3.060.800	-	2.813.566	-	2.054.051	73,0%
Exposures in high-risk categories	1.304.451	307.414	1.304.447	168.195	2.186.159	148,5%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	8.308.004	131.594	8.300.709	65.388	8.364.963	100,0%
Other exposures	32.614.409	-	32.614.409	-	21.849.821	67,0%
Equity share investments	8.262.309	-	8.262.309	-	3.885.432	47,0%
Total	914.677.515	218.709.257	914.677.513	85.233.942	531.812.370	53,2%

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3.13. Standard Approach: Receivables related with Risk Classes and Risk Weights

Current Period Risk Classes/Risk Weight	0%	10%	20%	25%	35% secured by property mortgage	50% secured by property mortgage	50% ^(*)	75%	100%	150%	250%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	479.872.931	-	270.902	-	-	-	15.364.442	-	1.807.270	-	-	-	497.315.545
Exposures to regional and local government	58.780	-	24.081	-	-	-	425.818	-	17.043	-	-	-	525.722
Exposures to administrative bodies and non-commercial entities	20.841	-	212	-	-	-	-	-	5.704.857	-	-	-	5.725.910
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	48.262.942	-	9.185.815	-	-	-	22.501.096	-	3.322.238	-	-	1.126.163	84.398.254
Exposures to corporates	1.602.202	-	783.308	-	-	-	1.003.914	-	377.540.825	-	-	1.160	380.931.409
Retail exposures	1.599.739	-	654.718	-	-	-	3.772	243.695.409	3.620.518	-	-	-	249.574.156
Exposures secured by residential property	5.075	-	2.495	-	67.433.214	-	-	-	-	-	-	-	67.440.784
Exposures secured by commercial property	-	-	-	-	-	26.920.745	-	-	5.406.906	-	-	-	32.327.651
Past-due items	797	-	21	-	-	-	855.778	-	1.763.249	-	-	-	2.619.845
Exposures in high-risk categories	78.736	-	3.482	-	-	-	23.120	-	511	14.861.274	-	-	14.967.123
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	62.611	-	-	-	-	-	-	-	11.353.137	-	-	-	11.415.748
Equity share investments	4.183.863	-	-	-	-	-	-	-	5.742.774	-	-	-	9.926.637
Other exposures	6.703.116	-	25	-	-	-	-	-	21.459.596	-	-	-	28.162.737
Total	542.451.633	-	10.925.059	-	67.433.214	26.920.745	40.177.940	243.695.409	437.738.924	14.861.274	-	1.127.323	1.385.331.521

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property"

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Prior Period Risk Classes/Risk Weight	0%	10%	20%	35% secured by property mortgage	50% secured by property mortgage	50% ^(*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	266.172.918	-	263.864	-	-	13.729.292	-	1.183.533	-	-	-	281.349.607
Exposures to regional and local government	31.359	-	34	-	-	557.217	-	11.161	-	-	-	599.771
Exposures to administrative bodies and non-commercial entities	18.194	-	58	-	-	-	-	455.790	-	-	-	474.042
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	49.437.564	-	10.060.548	-	-	19.207.182	-	1.145.472	-	-	1.581.560	81.432.326
Exposures to corporates	1.047.989	-	639.747	-	-	1.152.138	-	269.073.408	-	-	-	271.913.282
Retail exposures	1.059.620	-	737.840	-	-	4.053	215.060.782	-	-	-	71	216.862.366
Exposures secured by residential property	1.711	-	4.248	68.654.475	-	-	-	-	-	-	-	68.660.434
Exposures secured by commercial property	32.912	-	26.454	-	16.912.887	-	-	8.118.351	-	-	-	25.090.604
Past-due items	551	-	9	-	-	1.517.914	-	1.295.092	-	-	-	2.813.566
Exposures in high-risk categories	361	-	7	-	-	22.159	-	188	1.449.927	-	-	1.472.642
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	1.134	-	-	-	-	-	-	8.364.963	-	-	-	8.366.097
Equity share investments	4.376.876	-	-	-	-	-	-	3.885.433	-	-	-	8.262.309
Other exposures	10.764.582	-	8	-	-	-	-	21.849.819	-	-	-	32.614.409
Total	332.945.771	-	11.732.817	68.654.475	16.912.887	36.189.955	215.060.782	315.383.210	1.449.927	-	1.581.631	999.911.455

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property."

3.14. Credit risk under Internal Ratings-Based (IRB) Approach

Standard approach is used in the Bank's credit risk calculations.

3.15. Counter Party Credit Risk Explanations

Risk management goals and policies for CCR

As part of the Bank's counter party credit risk management, the functions of identification, measurement, monitoring and controlling of counter party credit risk are conducted in line with the structure, size, complexity and growth rate of products and activities, and the analysis, including stress test, and its results are reported to the Top Management.

As part of capital adequacy ratio calculations, activities for counter party credit risk are an integral part of planning, monitoring, and controlling of total risk profile, and counter party credit risk management is integrated to periodic risk management process.

In the scope of counter party risk management, it is aimed to meet legal obligations and to establish and maintain counter party credit risk management infrastructure that is flexible and structured enough to accommodate the best practices. Accordingly, it is planned to conduct stress test activities, improve counter party credit risk signal, and limit structure and conduct relevant monitoring function.

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Operational limit allocation method specified in the scope of internal capital calculated for CCR and CCP risk

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters for signal and limit structure and limit values of parameters are determined by consulting the relevant units and implemented at the Bank upon approval of the Audit Committee and Board of Directors.

Internal limits are determined by considering the Bank's budget, strategy and expectations for upcoming years, developments in Turkey and abroad and historical realization of risks.

Policies for establishing guarantee and other risk mitigation and CCR, including CCP risk

In an attempt to identify the counter party credit risk that the Bank may face, risk measurement and monitoring activities are performed, and their results are considered in strategic decision-making process.

Our risk management structure involves activities to ensure that counter party credit risk measurement system functions and is maintained in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable, and integrated way.

As part of counter party credit risk management, stress test scenarios were created by anticipating any unfavorable developments in macroeconomic conditions and the Bank's balance sheet. Results of stress test analysis are considered while establishing risk management policies.

Amount subject to counter party credit risk is calculated with appraisal method based on its fair value in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and provisions in Appendix-2 and reported on a monthly basis. Accordingly, replacement cost and potential counter party credit risk amounts are calculated. Furthermore, capital obligation is also calculated for credit appraisal adjustment for all derivatives.

Additionally, compliance of transactions posing counter party credit risk with thresholds within signal and limit structure is monitored and research is conducted for counter party credit risk calculations with advanced methods.

Rules for countertrend risk

Boasting a strong lending and collateralization structure, the Bank avoids collateralization in positive correlation with the debtor's credibility and activities in connection with risk mitigation techniques are performed by considering qualitative criteria specified in legal legislation for calculation of amount subject to credit risk.

Amount of additional collateral that the Bank must submit in case of a decline in credit rating

As the Bank has no transactions in connection with credit rating, there is not any additional collateral amount it must pay.

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3.16. Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

Current Period	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) ^(*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
Valuation Method according to fair value - CCR (for derivatives)	7.543.403	1.966.845			9.510.248	2.292.993
1 Standardized approach - CCR (for derivatives)	-	-		1,4	-	-
2 Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
3 Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					121.364.657	3.246.183
4 Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					20.922.022	1.168.277
5 Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6 Total						6.707.453

(*) Effective Expected Positive Exposure

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	Prior Period	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) ⁽¹⁾	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Valuation Method according to fair value - CCR (for derivatives)	4.223.311	1.820.676			6.043.987	2.402.773
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					39.380.821	2.774.808
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					8.292.166	2.840.299
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	Total						8.017.880

⁽¹⁾ Effective Expected Positive Exposure

3.17. Capital Requirement for Loan Valuation Adjustment

	Current Period	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	9.510.248	4.510.541
4	Total subject to the CVA capital charge	9.510.248	4.510.541

	Prior Period	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	6.043.987	2.236.781
4	Total subject to the CVA capital charge	6.043.987	2.236.781

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3.18. Standardized approach - CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure ⁽¹⁾
Claims from central governments and central banks	98.780.005	-	-	-	-	-	-	-	98.780.005
Claims from regional and local governments	3.736	-	-	215	-	-	-	-	3.951
Claims from administration and non-commercial entity	6.272	-	-	-	-	393	-	-	6.665
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	35.725.103	-	8.256.265	6.343.737	-	222.724	-	1.126.163	51.673.992
Corporates	778.467	-	-	-	-	1.651.846	-	1.160	2.431.473
Retail portfolios	15.817	-	-	-	12.347	-	-	-	28.164
Other claims ⁽²⁾	-	-	-	-	-	-	-	-	-
Total	135.309.400	-	8.256.265	6.343.952	12.347	1.874.963	-	1.127.323	152.924.250

⁽¹⁾ Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.⁽²⁾ Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

Prior Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure ⁽¹⁾
Claims from central governments and central banks	1.492.436	-	-	-	-	-	-	-	1.492.436
Claims from regional and local governments	1.819	-	-	-	-	-	-	-	1.819
Claims from administration and non-commercial entity	7.319	-	-	-	-	-	-	-	7.319
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	31.697.068	-	9.118.589	9.367.950	-	118.886	-	1.581.560	51.884.053
Corporates	510.104	-	-	-	-	1.389.997	-	-	1.900.101
Retail portfolios	11.066	-	-	-	1.740	-	-	71	12.877
Other claims ⁽²⁾	-	-	-	-	-	-	-	-	-
Total	33.719.812	-	9.118.589	9.367.950	1.740	1.508.883	-	1.581.631	55.298.605

⁽¹⁾ Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM technique⁽²⁾ Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

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3.19. Risk classes and counterparty credit risk explanation

None.

Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	14.321.418	-
Cash-foreign currency	-	-	-	-	34.393.015	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	48.714.433	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	22.778.687	-
Cash-foreign currency	-	-	-	-	28.022.665	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	50.801.352	-

Credit Derivatives

None.

Risk Weight changes under CCR on the Internal Modeling Management Methods.

None.

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Risks Related with Central Counterparties

	Exposure at default (post-CRM)	RWA
1 Exposure to Qualified Central Counterparties (QCCPs) (total)	2.111.507	42.230
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3 (i) OTC Derivatives	5.122	102
4 (ii) Exchange-traded Derivatives	-	-
5 (iii) Securities financing transactions	1.122.201	22.444
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	-	-
8 Non-segregated initial margin	-	-
9 Pre-funded default fund contributions	984.184	19.684
10 Unfunded default fund contributions	-	-
11 Exposures to non-QCCPs (total)	-	-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13 (i) OTC Derivatives	-	-
14 (ii) Exchange-traded Derivatives	-	-
15 (iii) Securities financing transactions	-	-
16 (iv) Netting sets where cross-product netting has been approved	-	-
17 Segregated initial margin	-	-
18 Non-segregated initial margin	-	-
19 Pre-funded default fund contributions	-	-
20 Unfunded default fund contributions	-	-

Explanations on Securitization Disclosure

None.

4. Explanations on Market Risk

4.1. The Bank's process and strategies: A disclosure on the Bank's strategic goals for trading activities is made in a manner that includes processes for identification, measurement, monitoring and controlling of the Bank's market risks, hedging processes and strategies/processes for monitoring continuity of hedging efficiency

For the purposes of market risk aversion in line with financial risk management, the Bank has identified market risk management activities in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks and has taken required precautions.

The Bank's market risk management policies and implementation procedures have been specified in the scope of the Regulation on Risk Management, Stress Test Program and ICAAP approved by the Board of Directors.

The Bank ensures that measurement, monitoring, limiting, stress test and scenario analysis activities are conducted in line with the structure and complexity of its positions for market risk management and their results are reported periodically. Activities sustained are conducted over a trading portfolio specified by the Bank's Treasury Management and other activities subject to market risk.

The amount subject to market risk is calculated and monitored with standard method and advanced measurement method at the Bank. Furthermore, scenario analysis and stress tests are also conducted periodically.

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4.2. Organization and structure of market risk management function: Definition of market risk management structure established for implementation of the Bank's strategies and processes as mentioned in line i) and definition of communication mechanism and relationship between different parties involved in market risk management

Market risk management is a subunit of Risk Management Department, one of internal systems units established independently from executive units of the Bank.

Market risk management activities are conducted in line with the Regulation on Risk Management, Stress Test Program and ICAAP approved with the Board Decision no. 15/18 dated 28 April 2015 and performed by aiming the best practices in this structure.

The Bank's trading activities and transactions subject to market risk are monitored and measured regularly and required practices are performed for risk management. Required reports on market risk are submitted to relevant units and the Bank's Top Management regularly.

4.3. Structure and scope of risk reporting and/or measurement systems

The amount subject to the Bank's market risk is calculated on a monthly basis with the standard method and included in the Bank's capital adequacy ratio.

Apart from the standard method, Value at Risk (VaR) estimations are made for trading accounts on a daily basis and reported to relevant units. VaR calculated with Historical Simulation Method is used in daily reporting and limit measurement with a confidence level of 99%. VaR can be calculated with Parametric and Monte Carlo Methods in addition to Historical Simulation Method. Backward testing is performed so as to measure performance of used model and monitor market realization. Also, the Bank performs stress tests and scenario analyses on a daily and monthly basis to observe the effect of excessive market fluctuations that are not covered in the models on the Bank's financial position. Scenario analysis and stress test activities are reviewed and improved regularly in line with the market dynamics.

The market risk exposure is restricted with VaR-based limits (interest rate and currency risk limit) within the context of the Regulation on Risk Management, Stress Test Program and ICAAP. Market risk limits are determined by the Bank's Board of Directors.

Standard approach-Current Period	RWA	
	Current Period	Prior Period
Outright products		
1 Interest rate risk (general and specific)	30.809.989	32.070.975
2 Equity risk (general and specific)	4.312.614	1.056.572
3 Foreign exchange risk	4.642.751	5.800.699
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 Total	39.765.354	38.928.246

Standard method is being used by the Bank to calculate the risk of the sector.

5. Explanations on the Operational Risk

In the Bank, Amount subject to Operational Risk is calculated with Basic Indicator Approach based on yearly. The parameter which determines the amount subject to operational risk in Basic Indicator Approach is gross revenue. Yearly gross revenue is calculated by adding net interest incomes to net fees and commission income, dividend income, trading profit/loss (net) and other operating incomes and by deducting profit/loss gained from sale of securities monitored out of purchase-sale account, extraordinary incomes, operating expense made against support service and amounts compensated from insurance.

Within the scope of the performances for modeling with the Advanced Measurement Approach of operational risk, based on the data in Operational Risk Loss database, Operational Value at Risk (OpVAR) measurements are calculated using Monte Carlo Simulation within the scope of Loss Distribution Method.

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Current Period	31.12.2018	31.12.2019	31.12.2020	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	21.442.915	22.554.539	31.064.310	25.020.588	15	3.753.088
Amount Subject to Operational Risk (Total*12,5)						46.913.603

Prior Period	31.12.2017	31.12.2018	31.12.2019	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	19.108.775	21.442.915	22.554.539	21.035.410	15	3.155.311
Amount Subject to Operational Risk (Total*12,5)						39.441.393

6. Explanations on the Interest Rate Risk for Banking Book

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of "Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP")".

Bank performs scenario analysis with measurements that are suitable for structure and complexity of positions related to the market risk management, limiting, scenario analysis and stress test and reports the findings cyclically. Bank's perform analysis related to interest rate risks for the entire balance sheet. New products and services are also evaluated from the point of interest rate risk that is originated from banking accounts.

In the risk management, the following methods are followed at minimum level: The follow-up of rate and maturity mismatch between sources and uses of fixed and variable interest rates, the analysis and follow-up of the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend on the interest margin and on the current value of assets and liabilities, the analysis and follow-up of contractual maturities as well as behavioral maturities assets and liabilities, monitoring closely of interest margins for provided Turkish Liras and foreign currency, the follow-up of the effects of interest rate changes on Bank's economic value and capital requirement, the follow-up of potential impacts of valuation methods, the calculation and the determination of the size of interest rate shock in Bank's internal applications, the follow-up of yield curve risk. Also, in order to limit the impact of interest rate changes on Bank's financial structure, the interest rate risk limit arising from banking accounts which is approved by the Board of Directors is followed monthly.

Type of Currency-Current Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1. TL	500	(11.867.872)	(9,48%)
2. TL	(400)	11.154.863	8,91%
3. EUR	200	3.274.065	2,61%
4. EUR	(200)	(3.384.407)	(2,70%)
5. USD	200	(6.087.622)	(4,86%)
6. USD	(200)	7.760.534	6,20%
Total (for negative shocks)		15.530.990	12,40%
Total (for positive shocks)		(14.681.429)	(11,72%)

Type of Currency-Prior Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1. TL	500	(19.609.423)	(17,63%)
2. TL	(400)	19.212.179	17,28%
3. EUR	200	2.430.904	2,19%
4. EUR	(200)	(2.346.330)	(2,11%)
5. USD	200	(3.826.830)	(3,44%)
6. USD	(200)	4.724.669	4,25%
Total (for negative shocks)		21.590.518	19,42%
Total (for positive shocks)		(21.005.349)	(18,89%)

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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. As of 31 December 2021, the following notes to be presented on a quarterly and semi-annually basis according to Communiqué have not been presented due to usage of standard approach for the calculation of capital adequacy by the Bank.

RWA flow statements of market risk exposures under an Internal Model Approach (IMA)

RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM)

RWA (Risk Weighted Amounts) flow statements of credit risk exposures under IRB

IX. EXPLANATION ON HEDGE ACCOUNTING

Along with the hedging accounting, it is aimed to protect the capital amounts allocated to foreign partnerships in the unconsolidated financial statements of the Bank from the effects of exchange rate risk arising from changes in foreign exchange rates. Within the scope of fair value hedge accounting, the fair value changes of the hedging instrument are recognized in the income statement together with the fair value changes of the hedged item. Changes in the fair value of the hedged item, changes in the exchange rate risk arising from the capital amounts allocated to foreign partnerships of the Bank are recognized in profit or loss, as long as the hedging is effective.

The efficiency test is performed using the “Dollar off-set method” to compare the changes in fair value of the hedging instrument and the item subject to financial risk. Efficiency tests are performed at the beginning of hedge accounting and as of reporting periods. According to this method, the change in the value of the hedged item between the date when the hedging relationship started, and the end of each reporting period is compared with the value change in the hedging instrument and the effectiveness ratio of the hedging relationship is calculated.

Hedge accounting is terminated when the hedging instrument expires, realizes, is sold or the effectiveness test is ineffective. If efficiency is restored, hedge accounting can be resumed.

Hedging instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(2.195.068)	2.195.068	-

X. EXPLANATIONS ON OPERATING SEGMENTS

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 “Operating Segments”.

The Bank has operations in retail banking, corporate and commercial banking, specialized banking, investment banking and international banking areas.

Known as having the most extensive branch network in retail banking sector, the Bank renders services, such as deposits, consumer loans, loans originated from public funds whose risk does not belong to the Bank, pension payments, credit cards, automatic and regular payment, cheques and notes, money transfer order, foreign exchange transactions, ATM, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing banking products are improved, and new banking products are launched in order to increase profitability and benefit from the services undertaken as being a state bank. By “Anahtar” IT system, which is working in a centralized manner, the Bank has the technical infrastructure required by modern banking to meet its clients’ needs.

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In the context of corporate and commercial banking, the Bank allocates working capital loans, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

As the Bank is the main financial institution that meets the financing needs of agricultural sector in Turkey, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from public funds.

Treasury transactions and international banking activities are conducted by the Treasury Management Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Bank’s liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally, the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers’ trade finance are other responsibilities. The Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and another portfolio management companies. It also provides custody service for these financial instruments and besides, long term financing from banks and international financial institutions, issuing bonds in local and international markets, managing relationship with correspondent banks so as to diversify its funding base are among the responsibilities of the department.

Besides, the Bank has commission revenue from life, non-life and private pension insurance and other finance institutions by rendering agency services through its branches.

As of 31 December 2021, explanations on segment reporting as shown on the following page are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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1. Table for Segment Reporting

	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
Current Period						
OPERATING INCOME/EXPENSE						
Interest Income	19.848.170	32.488.730	13.153.152	36.263.614	243.894	101.997.560
Interest Income from Loans	19.848.170	32.488.730	13.153.152	7.304.552	-	72.794.604
Interest Income from Banks	-	-	-	136.647	-	136.647
Interest Income from Securities	-	-	-	27.440.109	-	27.440.109
Other Interest Income	-	-	-	1.382.306	243.894	1.626.200
Interest Expense	25.228.448	11.695.628	-	24.824.294	481.456	62.229.826
Interest Expense on Deposits	25.228.448	11.695.628	-	4.275.171	-	41.199.247
Interest Expense on Funds Borrowed	-	-	-	1.169.834	-	1.169.834
Interest Expense on Money Market Transactions	-	-	-	17.261.237	-	17.261.237
Interest Expense on Securities Issued	-	-	-	2.118.052	-	2.118.052
Other Interest Expense	-	-	-	-	481.456	481.456
Net Interest Income/Expense	(5.380.278)	20.793.102	13.153.152	11.439.320	(237.562)	39.767.734
Net Fees and Commission Income	3.720.547	3.156.865	190.337	(2.007.086)	390.211	5.450.874
Fees and Commissions Received	3.720.547	3.156.865	190.337	17	630.094	7.697.860
Fees and Commissions Paid	-	-	-	2.007.103	239.883	2.246.986
Dividend Income	-	-	-	137.900	-	137.900
Trading Profit/Loss (Net)	-	-	-	(11.043.777)	-	(11.043.777)
Other Operating Income	32.858	250.915	49.585	6.735	4.104.212	4.444.305
Provision for Expected Loss (-)	3.224.479	9.474.116	2.257.548	-	-	14.956.143
Other Provision Expense	-	-	-	2	374.146	374.148
Personnel Expenses (-)	-	-	-	-	5.195.130	5.195.130
Other Operating Expense	4.079.235	94.600	114.590	-	5.029.748	9.318.173
Net Operating Profit/Loss	(8.930.587)	14.632.166	11.020.936	(1.466.910)	(6.342.163)	8.913.442
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(2.622.133)	(2.622.133)
Net Profit/Loss	(8.930.587)	14.632.166	11.020.936	(1.466.910)	(8.964.296)	6.291.309
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	26.659.712	-	26.659.712
Banks and Receivables from Money Markets	-	-	-	13.277.689	-	13.277.689
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	270.157.157	-	270.157.157
Loans	165.351.499	452.349.808	116.303.978	15.326.235	-	749.331.520
Financial Assets Measured at Amortised Cost (Net)	-	-	-	44.577.797	-	44.577.797
Derivative Financial Assets	-	-	-	12.048.564	-	12.048.564
Associates, Subsidiaries and Entities under Common Control	-	-	-	20.987.890	-	20.987.890
Other Assets	7.334	4.806.870	121.636	200.444.597	28.469.502	233.849.939
Total Segment Assets	165.358.833	457.156.678	116.425.614	603.479.641	28.469.502	1.370.890.268
SEGMENT LIABILITIES						
Deposits	697.033.528	129.831.454	-	55.355.089	66.466.544	948.686.615
Derivative Financial Liabilities Held for Trading	-	-	-	3.590.919	-	3.590.919
Funds Borrowed	-	-	-	59.316.661	-	59.316.661
Money Markets Borrowing	13.812	120.192.120	-	56.493.164	-	176.699.096
Securities Issued (Net)	-	-	-	26.162.041	-	26.162.041
Provisions	-	3.285.225	-	-	5.774.787	9.060.012
Other Liabilities	-	-	-	50.275.165	-	50.275.165
Shareholders' Equity	-	-	-	-	97.099.759	97.099.759
Total Segment Liabilities	697.047.340	253.308.799	-	200.917.874	219.616.255	1.370.890.268

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	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
Prior Period – 31 December 2020						
OPERATING INCOME/EXPENSE						
Interest Income	15.609.761	22.586.520	8.593.354	22.524.301	162.092	69.476.028
Interest Income from Loans	15.609.761	22.586.520	8.593.354	5.540.452	-	52.330.087
Interest Income from Banks	-	-	-	58.101	-	58.101
Interest Income from Securities	-	-	-	16.695.965	-	16.695.965
Other Interest Income	-	-	-	229.783	162.092	391.875
Interest Expense	13.415.612	7.514.616	-	10.396.940	3.534.360	34.861.528
Interest Expense on Deposits	13.415.612	7.514.616	-	1.881.850	-	22.812.078
Interest Expense on Funds Borrowed	-	-	-	1.191.042	-	1.191.042
Interest Expense on Money Market Transactions	-	-	-	5.728.076	-	5.728.076
Interest Expense on Securities Issued	-	-	-	1.595.972	-	1.595.972
Other Interest Expense	-	-	-	-	3.534.360	3.534.360
Net Interest Income/Expense	2.194.149	15.071.904	8.593.354	12.127.361	(3.372.268)	34.614.500
Net Fees and Commission Income/Expense	2.406.118	1.945.614	127.990	(1.153.164)	(233.823)	3.092.735
Fees and Commissions Received	2.406.118	1.945.614	127.990	3.876	333.030	4.816.628
Fees and Commissions Paid	-	-	-	1.157.040	566.853	1.723.893
Dividend Income	-	-	-	1.119.253	-	1.119.253
Trading Profit/Loss (Net)	-	-	-	(7.743.467)	-	(7.743.467)
Other Operating Income	54.387	221.912	29.260	5.465	4.870.933	5.181.957
Provision for Expected Loss (-)	3.109.215	6.029.234	1.552.502	-	-	10.690.951
Other Provision Expense	-	-	-	49	2.648.348	2.648.397
Personnel Expenses (-)	-	-	-	-	4.396.112	4.396.112
Other Operating Expense	3.374.073	80.814	77.763	-	4.162.745	7.695.395
Net Operating Profit/Loss	(1.828.634)	11.129.382	7.120.339	4.355.399	(9.942.363)	10.834.123
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(3.009.104)	(3.009.104)
Net Profit/Loss	(1.828.634)	11.129.382	7.120.339	4.355.399	(12.951.467)	7.825.019
SEGMENT ASSETS 31 December 2020						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	14.305.452	-	14.305.452
Banks and Money Markets	-	-	-	2.995.045	-	2.995.045
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	181.628.930	-	181.628.930
Loans	173.129.897	314.637.857	85.643.924	8.495.564	-	581.907.242
Financial Assets Measured at Amortised Cost (Net)	-	-	-	29.682.688	-	29.682.688
Derivative Financial Assets	-	-	-	5.027.200	-	5,027,200
Associates, Subsidiaries and Entities under Common Control	-	-	-	14.325.922	-	14,325,922
Other Assets	8.689	5,128,416	122,567	83,076,640	24,392,473	112,728,785
Total Segment Assets	173.138.586	319.766.273	85.766.491	339.537.441	24.392.473	942.601.264
SEGMENT LIABILITIES 31 December 2020						
Deposits	433.056.944	118.847.626	-	33.994.562	43.975.076	629.874.208
Derivative Financial Liabilities Held for Trading	-	-	-	3,487,652	-	3,487,652
Funds Borrowed	-	-	-	36,950,213	-	36,950,213
Money Markets Borrowing	9,029	22,701,248	-	93,691,192	-	116,401,469
Securities Issued (Net)	-	-	-	14,354,533	-	14,354,533
Provisions	-	1,852,945	-	-	5,205,689	7,058,634
Other Liabilities	-	-	-	-	41,196,295	41,196,295
Shareholders' Equity	-	-	-	-	93,278,260	93,278,260
Total Segment Liabilities	433.065.973	143.401.819	-	182.478.152	183.655.320	942.601.264

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XI. EXPLANATIONS ON THE FAIR VALUE REALIZATION OF FINANCIAL ASSETS AND LIABILITIES

1. Information Regarding the Fair Value of Financial Assets and Liabilities

Current Period	Book Value	Fair Value
Financial Assets	1.106.424.155	1.069.235.349
Due from Interbank Money Market	281.931	280.148
Banks	12.997.362	12.993.914
Financial Assets Measured at Fair Value Through Other Comprehensive Income	270.157.157	270.157.157
Financial Assets Measured at Amortised Cost	44.583.816	51.723.967
Loans	778.403.889	734.080.163
Financial Liabilities	1.072.944.882	1.064.412.013
Bank Deposits	55.355.089	55.094.669
Other Deposits	893.331.526	882.364.672
Funds Borrowed from Other Financial Institutions	59.316.661	59.871.440
Issued Marketable Securities	47.589.642	49.729.268
Miscellaneous Payables	17.351.964	17.351.964
Prior Period	Book Value	Fair Value
Financial Assets	814.971.018	789.169.183
Due from Interbank Money Market	206.435	204.891
Banks	2.788.997	2.780.486
Financial Assets Measured at Fair Value Through Other Comprehensive Income	181.628.930	181.628.930
Financial Assets Measured at Amortised Cost	29.686.696	27.058.644
Loans	600.659.960	577.496.232
Financial Liabilities	707.405.681	709.536.965
Bank Deposits	33.994.562	33.962.812
Other Deposits	595.879.646	596.031.999
Funds Borrowed from Other Financial Institutions	36.950.213	37.798.335
Issued Marketable Securities	27.402.730	28.565.289
Miscellaneous Payables	13.178.530	13.178.530

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market, the indicator prices calculated by CBRT are taken into account.

The fair value of held to maturity financial assets is calculated by considering market prices. In cases where these prices cannot be determined, the fair value is assessed on the basis of market prices quoted for securities that have the same attributes in terms of interest, maturity and other terms.

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2. Information on Fair Value Measurements Recognized in the Financial Statement

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related notes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below.

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	183.412	26.476.300	-	26.659.712
Government Debt Securities	14.268	23.883.221	-	23.897.489
Marketable Securities	-	-	-	-
Other Marketable Securities	169.144	2.593.079	-	2.762.223
Financial Assets at Fair Value Through Other Comprehensive Income	268.634.416	1.175.310	303.025	270.112.751
Government Debt Securities	268.633.444	-	-	268.633.444
Marketable Securities	972	-	303.025	303.997
Other Marketable Securities	-	1.175.310	-	1.175.310
Derivative Financial Assets	-	12.048.564	-	12.048.564
Subsidiaries and Joint Ventures	-	-	20.834.986	20.834.986
Total Assets	268.817.828	39.700.174	21.138.011	329.656.013
Derivative Financial Liabilities	-	3.590.919	-	3.590.919
Total Liabilities	-	3.590.919	-	3.590.919

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	171.924	14.133.528	-	14.305.452
Government Debt Securities	78.867	13.699.516	-	13.778.383
Marketable Securities	93.057	434.012	-	527.069
Other Marketable Securities	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	180.499.751	871.745	226.364	181.597.860
Government Debt Securities	180.498.534	-	-	180.498.534
Marketable Securities	1.217	-	226.364	227.581
Other Marketable Securities	-	871.745	-	871.745
Derivative Financial Assets	-	5.027.200	-	5.027.200
Subsidiaries and Joint Ventures	-	-	14.173.018	14.173.018
Total Assets	180.671.675	20.032.473	14.399.382	215.103.530
Derivative Financial Liabilities	-	3.487.652	-	3.487.652
Total Liabilities	-	3.487.652	-	3.487.652

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The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
Balances at Beginning of Period	14.399.382	7.625.757
Purchases	867.862	2.555.382
Disposals Through Sale/Redemptions	(69.981)	-
Valuation Effect	5.979.696	4.218.243
Transfers	(38.948)	-
Balances at the End of Period	21.138.011	14.399.382

XII. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT OF OTHER PARTIES

1. Transaction, Custody, Management and Consultancy Services of the Bank on behalf of Third Parties

The Bank acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The bank does not provide consultancy and management services.

2. Transactions with Other Financial Institutions Under Fiduciary Transaction Agreements and Financial Services Rendered to Other Financial Institutions Under the Scope Of Fiduciary Transactions and the Effects of Such Services to the Financial Position of the Bank or The Group

The Bank has no fiduciary transactions.

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT")

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2.631.639	5.664.428	2.202.449	2.594.570
Central Bank of the Republic of Turkey	20.687.772	179.575.342	5.751.620	77.325.020
Other	-	226.805	-	170.140
Total	23.319.411	185.466.575	7.954.069	80.089.730

Explanation on reserve requirements

Banks that are established in Turkey or performing their operations by opening branches in Turkey are subject to Communiqué on Required Reserves of Central Bank of the Republic of Turkey's numbered 2013/15. Based on accounting standards and registration layout for banks and financing companies, the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Turkey of the banks established by international agreements, constitute required reserves liabilities.

Banks are required to maintain reserves with Central Bank of the Republic of Turkey for their TL and FC liabilities that are specified in the aforementioned Communiqué. Required reserves are calculated every two weeks as of Friday and established for 14-day intervals.

Required reserve rates vary according to the maturity structure of the liabilities and are applied between 3%-8% for TL deposits and other liabilities, 5%-26% for FX deposits and for other FC liabilities. Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in US dollars, Euros and British Pounds and participation fund accounts in foreign currency to time deposits and participation funds in Turkish lira as of the obligation date of 15/4/2022 It has been decided not to apply an annual commission of 1.5% to the banks that have reached the 10% level and the 20% level as of the 8/7/2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

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Information on the account of the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	20.125.127	41.371.285	5.542.420	21.462.853
Unrestricted Time Deposit	-	18.403.250	-	-
Restricted Time Deposit	-	682	-	370
Other ⁽¹⁾	562.645	119.800.125	209.200	55.861.797
Total	20.687.772	179.575.342	5.751.620	77.325.020

⁽¹⁾ Includes required reserves and CBRT restricted electronic money funds amounting to TL 16.046. Required reserve of branches abroad amounting to TL 399.329 is presented in this line. TL 3.731.084 of the current period's FC required reserve is the part of the required reserves that are held in FC (31 December 2020: Includes required reserves and CBRT restricted electronic money funds amounting to TL 12.011. Required reserve of branches abroad amounting to TL 265.879 is presented in this line. TL 8.216.847 of the current period's FC required reserve is the part of the required reserves that are held in FC).

2. Information on Financial Assets at Fair Value Through Profit and Loss Given or Blocked as Collateral or Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	23.897.387	13.708.749
Total	23.897.387	13.708.749

3. Positive Differences Statement Regarding Trading Derivative Financial Asset

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	805.568	6.458	68.126	21.750
Swap Transactions	9.632.350	1.531.626	2.845.156	2.086.150
Futures Transactions	-	-	6.018	-
Options	-	72.562	-	-
Other	-	-	-	-
Total	10.437.918	1.610.646	2.919.300	2.107.900

4. Information on Bank Account and Foreign Banks

4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	-	156.451	-	39.671
Foreign Banks ⁽¹⁾	761.150	12.079.761	578.131	2.171.195
Foreign Head Office and Branches	-	-	-	-
Total	761.150	12.236.212	578.131	2.210.866

⁽¹⁾ In accordance with the Uniform Chart of Accounts that entered into force as of 1 January 2021, foreign bank derivative and repo transactions collaterals amounting to TL 5.800.233 as of the balance sheet date, which were included in the previous period's other assets, are reported in the foreign banks line in the current period.

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4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	1.491.062	737.900	4.953.475	-
USA, Canada	685.659	160.242	715.740	-
OECD Countries ⁽¹⁾	181.959	48.376	-	-
Off-shore Banking Regions	-	-	-	-
Other	4.681.998	1.801.547	131.018	1.261
Total	7.040.678	2.748.065	5.800.233	1.261

⁽¹⁾ OECD countries other than EU countries, USA, and Canada.

5. Explanation Regarding to the Comparison of Net Values of Financial Assets at Fair Value Through Other Comprehensive Income or Blocked as Collateral and Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	170.822.248	52.130.594
Assets Blocked/Given as Collateral	52.938.310	83.881.708
Total	223.760.558	136.012.302

6. Information on Financial Assets at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	283.683.100	183.265.822
Quoted in Stock Exchange	283.103.217	182.967.908
Not Quoted in Stock Exchange	579.883	297.914
Share Certificates	403.034	287.293
Quoted in Stock Exchange	1.130	1.216
Not Quoted in Stock Exchange	401.904	286.077
Provision for Impairment (-)	13.928.977	1.924.185
Total	270.157.157	181.628.930

7. Information Related to Loans

7.1. 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	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^{(1) (2)}	680.721	-	596.552	-
Total	680.721	-	596.552	-

⁽¹⁾ Interest rediscount and interest accrual amounting TL 6.094, are not included (31 December 2020: Interest rediscount and interest accrual amounting TL 4.105 are not included).⁽²⁾ Since the balance of overdraft accounts related to employees amounting TL 32.334, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2020: Since the balance of overdraft accounts related to employees amounting TL 20.875, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

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7.2. Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Current Period		Loans Under Close Monitoring ⁽²⁾		
		Not Under the Scope of Restructuring	Loans with revised contract terms	Loans under restructuring Refinancing
Cash Loans	Standard Loans			
Non-Specialized Loans	566.176.396	21.827.316	1.060.894	46.423.145
Commercial Loans	377.447.969	13.878.516	843.686	46.271.295
Export Loans	8.496.269	181.335	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	6.648.631	-	-	-
Consumer Loans	139.705.521	5.242.855	217.208	150.676
Credit Cards	31.310.393	2.369.584	-	1.174
Other	2.567.613	155.026	-	-
Specialized Lending ⁽¹⁾	104.062.560	3.789.550	38.766	1.269.130
Other Receivables	-	-	-	-
Interest Income Accruals	13.081.851	816.949	38.443	4.678.258
Total	683.320.807	26.433.815	1.138.103	52.370.533

⁽¹⁾ Agricultural loans to support farmers are shown in specialized loans.⁽²⁾ It includes a loan amounting to TL 165.405 with a delay of more than 90 days.⁽³⁾ In accordance with the BRSAs's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

Prior Period		Loans Under Close Monitoring ⁽³⁾		
		Not Under the Scope of Restructuring	Loans with revised contract terms	Loans under restructuring Refinancing
Cash Loans	Standard Loans			
Non-Specialized Loans	460.467.346	19.048.049	184.004	13.926.858
Commercial Loans	273.100.542	16.975.575	110.465	13.819.195
Export Loans	3.417.374	494.365	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4.583.825	-	-	-
Consumer Loans	160.435.372	1.342.607	73.539	104.309
Credit Cards	17.660.050	232.321	-	3.354
Other	1.270.183	3.181	-	-
Specialized Lending ^{(1) (2)}	79.035.186	1.188.468	764	1.216.456
Other Receivables	-	-	-	-
Interest Income Accruals	9.324.019	1.631.473	10.378	731.840
Total	548.826.551	21.867.990	195.146	15.875.154

⁽¹⁾ Funds originated agricultural loans are shown in specialized loans.⁽²⁾ Agricultural loans to support farmers are shown in specialized loans.⁽³⁾ It includes a loan amounting to TL 2.182.795 with a delay of more than 90 days.

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	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Expected Credit Loss of Stage 1 and Stage 2				
12 Month Expected Credit Losses	2.159.100	-	2.526.931	-
Significant Increase in Credit Risk	-	14.764.508	-	5.961.551

7.3. Loans According to Maturity Structure

	Standard Loans	Loans under Close Monitoring	
		Loans Not Subject to Restructuring	Restructured or Rescheduled
Current Period ⁽¹⁾			
Short-term Loans	162.117.087	8.598.550	4.178.214
Medium and Long-term Loans	508.121.869	17.018.316	44.613.721

⁽¹⁾ Accruals are not included in the table.⁽²⁾ In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

	Standard Loans	Loans under Close Monitoring	
		Loans Not Subject to Restructuring	Restructured or Rescheduled
Prior Period ⁽¹⁾			
Short-term Loans	88.147.846	3.713.334	1.177.951
Medium and Long-term Loans	451.354.686	16.523.183	14.150.131

⁽¹⁾ Accruals are not included in the table.

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7.4. Information on Consumer Loans, Personal Credit Cards and Personnel Loans and Personnel Credit Card

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	1.160.323	141.206.544	142.366.867
Mortgage Loans	11.624	85.779.706	85.791.330
Automotive Loans	7.212	666.168	673.380
Consumer Loans	1.141.487	54.760.670	55.902.157
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	2.044	113.465	115.509
Mortgage Loans	-	11.511	11.511
Automotive Loans	-	-	-
Consumer Loans	2.044	101.954	103.998
Other	-	-	-
Retail Credit Cards-TL	17.032.219	219.848	17.252.067
With Installment	4.840.781	196.427	5.037.208
Without Installment	12.191.438	23.421	12.214.859
Retail Credit Cards-FC	1.415	-	1.415
With Installment	-	-	-
Without Installment	1.415	-	1.415
Personnel Loans-TL	20.826	425.907	446.733
Mortgage Loans	-	74	74
Automotive Loans	-	-	-
Consumer Loans	20.826	425.833	446.659
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	226.732	7.216	233.948
With Installment	61.138	6.537	67.675
Without Installment	165.594	679	166.273
Personnel Credit Cards-FC	40	-	40
With Installment	-	-	-
Without Installment	40	-	40
Overdraft Accounts-TL (Real Person)	2.387.151	-	2.387.151
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	20.830.750	141.972.980	162.803.730

⁽¹⁾ TL 1.202.131 amounting of interest income rediscount and accrual is not included.

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Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	663.273	159.074.421	159.737.694
Mortgage Loans ⁽²⁾	7.519	90.893.282	90.900.801
Automotive Loans	6.474	891.934	898.408
Consumer Loans ⁽²⁾	649.280	67.289.205	67.938.485
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	975	64.305	65.280
Mortgage Loans	-	7.790	7.790
Automotive Loans	-	-	-
Consumer Loans	975	56.515	57.490
Other	-	-	-
Retail Credit Cards-TL	9.902.518	199.306	10.101.824
With Installment	3.323.580	184.004	3.507.584
Without Installment	6.578.938	15.302	6.594.240
Retail Credit Cards-FC	697	-	697
With Installment	-	-	-
Without Installment	697	-	697
Personnel Loans-TL	13.880	399.400	413.280
Mortgage Loans	-	117	117
Automotive Loans	-	-	-
Consumer Loans	13.880	399.283	413.163
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	176.012	7.237	183.249
With Installment	63.297	6.883	70.180
Without Installment	112.715	354	113.069
Personnel Credit Cards-FC	23	-	23
With Installment	-	-	-
Without Installment	23	-	23
Overdraft Accounts-TL (Real Person)	1.739.573	-	1.739.573
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	12.496.951	159.744.669	172.241.620

⁽¹⁾ TL 1.004.958 of interest income rediscount and accrual is not included.⁽²⁾ Funds originated consumer loans amounting to TL 3.914.794 are included.

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7.5. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	3.636.789	88.457.130	92.093.919
Mortgage Loans	3.577	812.938	816.515
Automotive Loans	128.475	2.621.274	2.749.749
Consumer Loans	3.504.737	85.022.918	88.527.655
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	126.647	70.121.314	70.247.961
Mortgage Loans	-	6.864	6.864
Automotive Loans	-	1.582	1.582
Consumer Loans	126.647	70.112.868	70.239.515
Other	-	-	-
Corporate Credit Cards-TL	15.944.209	247.639	16.191.848
With Installment	7.042.609	247.539	7.290.148
Without Installment	8.901.600	100	8.901.700
Corporate Credit Cards-FC	1.833	-	1.833
With Installment	-	-	-
Without Installment	1.833	-	1.833
Overdraft Account-TL (Legal Entity)	1.463.188	-	1.463.188
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	21.172.666	158.826.083	179.998.749

⁽¹⁾ Accrual and rediscount amounts related to loans are not included in the table.

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Prior Period	Short - Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	2.351.775	105.569.410	107.921.185
Mortgage Loans	676	696.291	696.967
Automotive Loans	48.277	1.676.926	1.725.203
Consumer Loans	2.302.822	103.196.193	105.499.015
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	29.141	44.967.931	44.997.072
Mortgage Loans	-	52.338	52.338
Automotive Loans	-	1.986	1.986
Consumer Loans	29.141	44.913.607	44.942.748
Other	-	-	-
Corporate Credit Cards-TL	7.533.999	75.399	7.609.398
With Installment	3.278.089	75.279	3.353.368
Without Installment	4.255.910	120	4.256.030
Corporate Credit Cards-FC	534	-	534
With Installment	-	-	-
Without Installment	534	-	534
Overdraft Account-TL (Legal Entity)	940.273	-	940.273
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	10.855.722	150.612.740	161.468.462

⁽¹⁾ Accrual and rediscount amounts related to loans are not included in the table.

7.6. Loans According to Types of Borrower

	Current Period ⁽¹⁾	Prior Period
Public	7.936.283	3.624.543
Private	736.711.474	571.442.588
Interest Income Accruals of Loans	18.615.501	11.697.710
Total	763.263.258	586.764.841

⁽¹⁾ In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

7.7. Distribution of Domestic and Foreign Loans

	Current Period ⁽¹⁾	Prior Period
Domestic Loans	736.873.161	570.374.992
Foreign Loans	7.774.596	4.692.139
Interest Income Accruals of Loans	18.615.501	11.697.710
Total	763.263.258	586.764.841

⁽¹⁾ In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

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7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	4.147.452	2.513.483
Indirect loans granted to subsidiaries and associates	-	-
Total	4.147.452	2.513.483

7.9. Credit-Impaired Losses (Stage III/Specific Provision)

	Current Period	Prior Period
Loans and other receivables with limited collectability	352.969	472.234
Loans and other receivables with doubtful collectability	758.849	506.735
Uncollectible loans and other receivables	11.036.943	9.285.267
Total	12.148.761	10.264.236

7.10. Information on Non-performing Loans (net)

7.10.1. Information on Non-performing Loans Restructured or Rescheduled and other Receivables

	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 the provisions	176.132	282.169	1.629.295
Restructured loans	176.132	282.169	1.629.295
Prior Period			
Gross amounts before the provisions	13.582	109.533	1.003.768
Restructured loans	13.582	109.533	1.003.768

7.10.2. Information on the Movement of Total Non-performing Loans

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Prior Period Ending Balance	1.001.292	1.094.338	11.799.489
Additions (+)	2.447.027	2.339.072	1.647.415
Transfers from Other Categories of Loans under Follow-Up (+)	-	1.877.069	2.676.824
Transfers to Other Categories of Loans under Follow-Up (-)	1.877.069	2.676.824	-
Collections (-) ⁽¹⁾	573.594	945.447	3.668.961
Write-offs (-)	-	-	-
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	997.656	1.688.208	12.454.767
Provision (-)	352.969	758.849	11.036.943
Net Balance on Balance Sheet	644.687	929.359	1.417.824

⁽¹⁾ In accordance with the BRSA's Uniform Chart of Accounts amendment it includes transfers to first and second group loans amounting to TL 1.053.332 and portion of non-performing loans from funds amounting to TL 261.685 transferred off balance sheet.

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7.10.3. Information on Non-performing Loans Granted as Foreign Currency Loans

	Group III Loans and other receivables with limited collectability	Group IV Loans and other receivables with doubtful collectability	Group V Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	2.404	7.789	56.684
Provision (-)	673	6.340	54.531
Net Balance on Balance Sheet	1.731	1.449	2.153
Prior Period:			
Period Ending Balance	2.739	2.188	36.279
Provision (-)	1.035	1.681	35.385
Net Balance on Balance Sheet	1.704	507	894

7.10.4. Breakdown of Non-performing Loans According to Their Gross and Net Values

	Group III Loans and other receivables with limited collectability	Group IV Loans and other receivables with doubtful collectability	Group V Uncollectible loans and other receivables
Current Period (Net)	644.687	929.359	1.417.824
Loans to Real Persons and Legal Entities (Gross)	997.656	1.688.208	12.298.052
Provisions (-)	352.969	758.849	10.880.228
Loans to Real Persons and Legal Entities (Net)	644.687	929.359	1.417.824
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	156.715
Provisions (-)	-	-	156.715
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	529.058	587.603	2.514.222
Loans to Real Persons and Legal Entities (Gross)	1.001.292	1.094.338	11.651.023
Provisions (-)	472.234	506.735	9.136.801
Loans to Real Persons and Legal Entities (Net)	529.058	587.603	2.514.222
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.466
Provisions (-)	-	-	148.466
Other Loans and Receivables (Net)	-	-	-

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7.10.5. Information on Interest Accruals, Rediscount and Valuation Effect and Their Provisions Calculated for Non-Performing Loans Banks which Provide Expected Credit Loss According to TFRS 9

	Group III Loans and other receivables with limited collectability	Group IV Loans and other receivables with doubtful collectability	Group V Uncollectible loans and other receivables
Current Period (Net)	24.345	41.925	71.583
Interest Accruals and Valuation Differences	41.171	81.810	660.824
Provisions (-)	16.826	39.885	589.241
Prior Period (Net)	137.864	31.348	142.756
Interest Accruals and Valuation Differences	254.910	74.478	646.891
Provisions (-)	117.046	43.130	504.135

7.11. Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at the Beginning of the Period	2.526.931	5.961.551	10.264.236	18.752.718
Additions during the Period	112.369	8.716.458	2.792.329	11.621.156
Disposals (-)	(349.530)	(208.420)	(743.555)	(1.301.505)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	281.528	(55.399)	(226.129)	-
Transfer to Stage 2	(338.364)	504.103	(165.739)	-
Transfer to Stage 3	(73.834)	(153.785)	227.619	-
Balances at End of Period	2.159.100	14.764.508	12.148.761	29.072.369

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balance at the Beginning of the Period	1.346.524	3.397.684	8.264.044	13.008.252
Additions during the Period	1.712.730	5.506.538	3.153.910	10.373.178
Disposals (-) ⁽¹⁾	(524.724)	(3.002.813)	(1.101.175)	(4.628.712)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	151.201	(96.177)	(55.024)	-
Transfer to Stage 2	(155.724)	240.194	(84.470)	-
Transfer to Stage 3	(3.076)	(83.875)	86.951	-
Balances at End of Period	2.526.931	5.961.551	10.264.236	18.752.718

⁽¹⁾ It includes the provision cancellation of the loan amounting to USD 1.155 million collected during monitoring in the second stage. The amount related to the portion of the provision set aside in previous years has been accounted for in the "Other Operating Income" item, and the amount related to the portion set aside in the current year has been accounted for under the "Expected Loss Provisions Expenses" item.

7.12. Information on Liquidating Policy of Uncollectible Loans and Other Receivables

Execution proceedings are carried out for the collection of receivables from loan services of the Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Bank and assets of the debtor(s) are realized while receivables of the Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels. When the debtor offers exceed authorizations transferred to the Branch/Regional Management or includes matters outside the scope of current legislation agreements and the Branch/Regional Management submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

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7.13. Explanations on Write-Off Policy

The Bank writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

8. Other Financial Assets Measured at Amortized Cost

8.1. Information on Financial Assets Subject to Repurchase Agreements and those Given as Collateral/Blocked

Financial Assets Measured at Amortized Cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1.390.806	3.209.928	3.315.575	1.802.748
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1.390.806	3.209.928	3.315.575	1.802.748

Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	607.105	25.626.356	8.723.020	14.875.540
Other	-	-	-	-
Total	607.105	25.626.356	8.723.020	14.875.540

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	43.952.455	29.445.712
Treasury Bills	-	-
Other Public Sector Debt Securities	290.413	95.224
Total	44.242.868	29.540.936

8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt securities	44.583.816	29.686.696
Quoted at Stock Exchange	44.242.868	29.540.936
Unquoted at Stock Exchange	340.948	145.760
Provision for Impairment (-)	-	-
Total	44.583.816	29.686.696

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8.4. The Movements of Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Beginning Balance	29.686.696	17.550.083
Foreign Currency Differences on Monetary Assets	10.816.560	4.217.972
Purchases During the Year ⁽¹⁾	6.870.391	8.771.752
Disposals through Sales and Redemptions	(2.789.831)	(853.111)
Provision for Impairment (-)	-	-
Period End Balance	44.583.816	29.686.696

⁽¹⁾ Accruals are shown in "Purchases During the Year".

9. Information on Investments in Associates (Net)

9.1. Information about Investment in Associates

Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1 Arap Türk Bankası A.Ş.	İstanbul/Turkey	15,43	15,43
2 Platform Ortak Kartlı Sistemler A.Ş.	İstanbul/Turkey	20,00	20,00
3 Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Turkey	33,34	33,34

⁽¹⁾ Keskinöğlü Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş. within the scope of the BRSA's Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

	Total Assets ⁽²⁾	Shareholders' Equity ⁽²⁾	Total Non-Current Assets ⁽²⁾⁽³⁾	Interest Income ⁽²⁾	Income from Marketable Securities ⁽²⁾	Current Period Profit/Loss ⁽²⁾	Prior Period Profit/Loss ⁽²⁾	Fair Value ⁽¹⁾
1	9.706.492	1.334.796	211.401	242.059	147.409	160.336	96.575	-
2	5.711	5.682	38	-	-	918	(464)	-
3	203.358	151.976	104.098	15.830	-	(1.953)	3.675	-

⁽¹⁾ There is no fair value due to the fact that associates are not traded in the stock exchange.⁽²⁾ Current period financial information has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2020.⁽³⁾ Total fixed assets include tangible and intangible assets.

9.2. Information on Financial Associates

	Current Period	Prior Period
Balance at the Beginning of the Period	88.846	88.846
Movement During the Period		
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	88.846	88.846
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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9.3. Sectoral Information on Financial Associates and the Related Carrying Amounts

	Current Period	Prior Period
Banks	88.846	88.846
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

9.4. Subsidiaries Quoted to the Stock Exchange

None (31 December 2020: None).

10. Information on Subsidiaries (Net)

10.1. Information on Subsidiaries

Financial subsidiaries are followed in the unconsolidated financial statements at fair value within the scope of "Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)" in accordance with IFRS 9 Financial Instruments. Fair values were determined with the valuation reports prepared for these partnerships and were accounted under equity as of the valuation date.

Description	Address (City/Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1 Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99,60	99,60
2 Ziraat Portföy Yönetimi A.Ş.	Istanbul/Turkey	74,90	99,80
3 Ziraat Katılım Bankası A.Ş.	Istanbul/Turkey	100,00	100,00
4 Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	81,06	81,06
5 Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	100,00	100,00
6 Ziraat Teknoloji A.Ş.	Istanbul/Turkey	100,00	100,00
7 Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
8 Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
9 Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	99,91
10 Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	99,75	99,75
11 Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
12 Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
13 JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
14 Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	100,00	100,00

⁽¹⁾ Rinerji Rize Elektrik Üretim A.Ş. within the scope of the BRSA's Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

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	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value	Shareholder's equity amount needed
1	978.371	701.872	4.669	172.856	-	368.107	314.841	1.415.705	-
2	216.637	203.959	4.998	28.974	-	76.170	68.873	240.035	-
3	98.515.638	4.321.735	525.758	5.458.583	801.333	558.689	638.562	2.768.158	-
4	8.643.897	8.372.611	7.155.391	132.704	-	1.320.242	377.764	9.280.885	-
5	1.078.890	1.077.749	906	43.465	-	94.360	136.886	1.054.509	-
6	99.580	19.798	5.942	1.409	50	1.961	2.954	51.826	-
7	18.145.567	4.032.468	48.003	425.410	10.702	122.424	69.669	2.904.896	-
8	9.182.415	1.199.803	70.588	166.550	-	10.962	(231.512)	436.423	-
9	3.538.446	684.987	29.329	86.899	605	53.365	37.340	674.735	-
10	3.977.734	1.073.311	334.721	172.913	-	56.483	53.165	824.418	-
11	2.975.539	607.298	184.000	116.055	10.026	37.582	4.501	414.271	-
12	930.761	205.327	13.565	24.642	2.543	(30.082)	2.198	112.034	-
13	645.240	252.518	25.788	21.567	2.282	7.311	3.204	216.604	-
14	1.914.524	431.912	28.145	88.769	7.559	38.731	34.448	215.812	-

⁽¹⁾ The amounts shown in the interest income column of Ziraat Katılım Bankası include profit share income.

⁽²⁾ Current period financial information has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2020.

	Current Period	Prior Period
Balance at the Beginning of the Period	13.901.878	7.335.025
Movements During the Period	6.656.609	6.566.853
Additions to Scope of Consolidation	-	-
Purchases ⁽¹⁾	767.894	2.499.959
Bonus Shares Obtained	99.967	-
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase ⁽²⁾	7.476.690	4.738.323
Impairment Provision (-)	1.687.942	671.429
Transfer (-)	-	-
Balance at the End of the Period	20.558.487	13.901.878
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

⁽¹⁾ The paid capital increases during the period are shown in the "Purchases" line. The amount of TL 463.531 in the current period is the share repurchase price paid by the Bank within the scope of the repurchase commitment regarding the public offering of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.

⁽²⁾ Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate

⁽³⁾ Non-financial subsidiaries are not included in the table.

10.2. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

	Current Period	Prior Period
Banks	8.567.353	6.558.371
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Associates	11.991.134	7.343.507

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10.3. Subsidiaries Quoted to the Stock Exchange

	Current Period	Prior Period
Quoted at domestic stock exchanges ⁽¹⁾	9.280.885	-
Quoted at international stock exchanges	-	-

⁽¹⁾ The shares of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., a subsidiary of the Bank, were offered to the public and started to be traded on Borsa İstanbul AŞ as of 6 May 2021

11. Information on Entities Under Common Control (Joint Ventures)

Investments on entities under common control are monitored at fair value in the unconsolidated financial statements within the scope of "Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)" according to TFRS 9 Financial Instruments Standard. The fair values were determined with the valuation reports prepared for these joint ventures and were accounted under equity as of the valuation date.

Entities under Common Control (Joint Ventures) ⁽¹⁾	Bank's Share (%)	Bank's Risk Group Share (%)	Current Assets	Non- Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	9.755.646	40.364	13.523	399.554	175.463

⁽¹⁾ Information on entity under joint control is provided from the unaudited financial statements as of 31 December 2021.

12. Information on Lease Receivables

The Bank has no financial lease receivables.

13. Information on Derivative Financial Assets for Hedging Purposes

The Bank has no hedging derivative financial assets.

14. Information on the Investment Property

None.

15. Information on non-currents assets or disposal groups "held for sale" and "from discontinued operations"

Bank does not have any discontinuing operations. The assets held for sale are composed of immovables acquired due to consumer, commercial and agricultural loans and immovables for which has no necessity of usage exists by the Bank. Those immovables considered for sales are announced at the web site of the Bank.

Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was included in subsidiaries and Rinerji Rize Elektrik Üretim A.Ş. which was included in affiliates, are classified under non-current assets held for sale as partnership interests acquired due to receivables in the current period within the scope of BRSA's Uniform Chart of Accounts amendments. The total of the partnership shares acquired by the Bank due to the aforementioned receivables is TL 181.483. (31 December 2020: None). The Bank's immovables acquired amount to TL 4.935.840 (31 December 2020: TL 5.259.672) consisting of TL 7.334 (31 December 2020: TL 8.689) due to consumer loans, TL 4.806.870 (31 December 2020: TL 5.128.416) on its commercial loans and TL 121.636 (31 December 2020: TL 122.567) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 1.609 (31 December 2020: TL 1.207). The net book value of the Bank's fixed assets held for sale acquired through fiduciary rights is TL 1.551.212 (31 December 2020: TL 1.544.625).

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16. Explanations on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Leasing Development Costs	Other Tangibles	Total
Prior Period End							
Cost	6.385.763	819.210	1.448.796	213.585	261.065	-	9.128.419
Accumulated Depreciation (-)	894.097	138.544	1.006.198	88.051	251.021	-	2.377.911
Impairment (-)	2.153	-	-	-	-	-	2.153
Net Book Value	5.489.513	680.666	442.598	125.534	10.044	-	6.748.355
Current Period End							
Net Book Value at the Beginning of the Period	5.489.513	680.666	442.598	125.534	10.044	-	6.748.355
Change During the Period (Net)	(173.674)	(16.523)	146.888	(50.429)	175	-	(93.563)
- Cost	(135.758)	15.008	379.207	5.053	14.687	-	278.197
- Depreciation - net (-)	37.746	31.531	232.319	55.482	14.512	-	371.590
- Impairment (-)	170	-	-	-	-	-	170
Net Currency Translation from Foreign Subsidiaries	-	-	-	-	-	-	-
Cost at Period End	6.250.005	834.218	1.828.003	218.638	275.752	-	9.406.616
Accumulated Depreciation at Period End (-)	931.843	170.075	1.238.517	143.533	265.533	-	2.749.501
Impairment (-)	2.323	-	-	-	-	-	2.323
Closing Net Book Value	5.315.839	664.143	589.486	75.105	10.219	-	6.654.792

17. 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.

18. Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets

None.

19. Explanations on Intangible Assets

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Establishment Costs	5.088	5.088	-	3.098	3.098	-
Goodwill	-	-	-	-	-	-
Intangible Rights	2.045.998	680.903	1.365.095	1.505.790	503.584	1.002.206
Total	2.051.086	685.991	1.365.095	1.508.888	506.682	1.002.206

Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements:

None.

Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None.

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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.

The book value of intangible fixed assets that are pledged or restricted for use:

None.

Amount of purchase commitments for intangible fixed assets:

None.

Information on revalued intangible assets according to their types:

None.

Amount of total research and development expenses recorded in income statement within the period if any:

None.

Positive or negative consolidation goodwill on entity basis:

Not applicable for the unconsolidated financial statements.

Information on Goodwill:

None.

20. Information on Deferred Tax Asset

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in accordance with the Turkish Accounting Standards (TAS 12) “Income Taxes”. In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Calculated deferred tax assets and deferred tax liabilities are net off in the financial statements.

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Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions is shown below.

	Current Period	Prior Period
Deferred Tax Assets	7.554.531	2.880.881
Deferred Tax Liabilities	6.035.452	2.633.473
Net Deferred Tax Assets/(Liabilities)	1.519.079	247.408
Net Deferred Tax Income/(Expense)	171.215	180.397

	Current Period	Prior Period
Deferred Tax Asset	7.554.531	2.880.881
Expected Loss Provisions	3.807.261	1.944.591
Reserve for Employee Benefits	355.693	301.808
Marketable Securities Portfolio	2.673.355	18.720
Other	718.222	615.762
Deferred Tax Liabilities	6.035.452	2.633.473
Financial Assets Valuation Differences	5.502.708	1.907.474
Real Estate Valuation Difference	499.970	509.930
Other	32.774	216.069
Net Deferred Tax Asset	1.519.079	247.408

As of 31 December 2021, deferred tax income amounting to TL 171.215 (31 December 2020: TL 180.397 deferred tax income) in the expense statement, deferred tax income amounting to TL 1.100.456 (31 December 2020: TL 1.081.600), is classified under shareholders' equity.

21. Information on Expected Credit Loss for Financial Assets

	Current Period	Prior Period
Cash and Balances at Central Bank	2.253	935
Banks and Receivables from Money Markets	1.604	387
Financial Assets Measured at Amortized Cost	6.019	4.008
Other assets	39.431	59.695
Total	49.307	65.025

22. Information on Other Assets

As of 31 December 2021, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

1. Information on Deposits/Funds Collected

1.1. Information on Maturity Structure of Deposits

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits ⁽¹⁾	69.081.481	-	12.341.347	106.372.892	23.985.121	2.673.848	7.565.839	181.935	222.202.463
Foreign Currency Deposits	173.028.421	-	49.157.167	160.231.048	25.048.802	15.563.665	51.786.493	15.469	474.831.065
Residents in Turkey	145.652.163	-	47.805.777	140.021.008	17.513.749	7.925.055	23.353.389	13.806	382.284.947
Residents on Abroad	27.376.258	-	1.351.390	20.210.040	7.535.053	7.638.610	28.433.104	1.663	92.546.118
Public Sector Deposits	13.981.623	-	8.730.365	7.609.837	788.442	381.429	12.929	-	31.504.625
Commercial Inst. Deposits	23.812.359	-	31.349.097	15.987.692	625.219	2.164.146	956.357	-	74.894.870
Other Inst. Deposits	2.774.107	-	7.880.478	10.860.196	1.161.427	442.151	313.600	-	23.431.959
Precious Metals Deposit	54.301.706	-	1.279.645	9.197.319	770.292	469.926	447.656	-	66.466.544
Interbank Deposits	3.708.562	-	29.940.583	5.466.808	26.430	9.629.879	6.582.827	-	55.355.089
The CBRT	349.015	-	-	-	-	-	-	-	349.015
Domestic Banks	289.262	-	28.744.372	310.661	-	-	2.662.812	-	32.007.107
Foreign Banks	2.285.699	-	113.667	5.156.147	26.430	9.629.879	3.920.015	-	21.131.837
Participation Banks	784.586	-	1.082.544	-	-	-	-	-	1.867.130
Other	-	-	-	-	-	-	-	-	-
Total	340.688.259	-	140.678.682	315.725.792	52.405.733	31.325.044	67.665.701	197.404	948.686.615

⁽¹⁾ As of 31 December 2021, the balance of savings deposits includes TL 13.001.011 Treasury Currency Protected Deposits and TL 2.696.662 CBRT Currency Protected Deposits.

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	47.445.710	-	7.101.407	86.333.174	20.458.566	2.696.747	5.249.838	209.210	169.494.652
Foreign Currency Deposits	84.598.180	-	22.682.226	97.260.057	15.375.465	10.563.076	33.073.118	10.170	263.562.292
Residents in Turkey	71.987.667	-	21.867.751	85.353.584	10.451.291	5.346.528	13.457.962	8.374	208.473.157
Residents on Abroad	12.610.513	-	814.475	11.906.473	4.924.174	5.216.548	19.615.156	1.796	55.089.135
Public Sector Deposits	9.612.544	-	17.703.596	10.564.284	648.670	96.690	74.892	-	38.700.676
Commercial Inst. Deposits	15.140.391	-	21.299.054	18.021.905	397.778	3.118.357	48.458	-	58.025.943
Other Inst. Deposits	2.869.693	-	2.764.170	15.201.005	605.124	396.468	284.547	-	22.121.007
Precious Metals Deposit	36.450.903	-	726.639	5.688.505	495.330	350.570	263.129	-	43.975.076
Interbank Deposits	2.224.762	-	18.607.137	5.636.556	2.147.238	3.491.271	1.887.598	-	33.994.562
The CBRT	1.026	-	-	-	-	-	-	-	1.026
Domestic Banks	217.688	-	18.589.118	45.050	-	-	1.801.788	-	20.653.644
Foreign Banks	1.426.482	-	18.019	5.591.506	2.147.238	3.491.271	85.810	-	12.760.326
Participation Banks	579.566	-	-	-	-	-	-	-	579.566
Other	-	-	-	-	-	-	-	-	-
Total	198.342.183	-	90.884.229	238.705.486	40.128.171	20.713.179	40.881.580	219.380	629.874.208

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1.2. Information on Saving Deposits Under the Guarantee of the Saving Deposit Insurance Fund and Amounts Exceeding the Limit of the Deposit Insurance Fund

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits ⁽¹⁾	136.169.941	111.238.745	85.235.756	57.562.720
Foreign Currency Saving Deposits ⁽¹⁾	119.403.684	90.621.370	258.417.350	128.265.371
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance ⁽²⁾	3.353.517	2.089.213	1.629.055	638.133
Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

⁽¹⁾ Related deposit balances do not include foreign branches.

⁽²⁾ In Bulgaria and Greece, since both real person and legal entity's saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, the legal entity saving deposits amounting to TL 1.208.852 and TL 34.311 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2020: TL 562.575 and TL 30.001)

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 479 (31 December 2020: TL 511) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the banks. As total of capital amount and interest expense accruals of saving deposits up to TL 150 attributable to a real person is covered by the insurance, TL 2.114.087 (31 December 2020: TL 1.508.273) of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 15 February 2013 and numbered 28560.

1.3. Information on Saving Deposits/Real Persons' Private Current and Accession Accounts Not Related to Commercial Transactions in a Turkish Branch of The Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where The Head Office is Located

The Bank's head office is located in Turkey.

1.4. Saving Deposits of Real Persons which are Not Under the Guarantee of Saving Deposit Insurance Fund

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	12.236	5.865
Deposits of Ultimate Shareholders and Their Close Family Members	-	-
Deposits of Chairman and Members of the Board of Directors, CEO, Executive Vice Presidents and Their Close Family Members	30.545	32.513
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	-	-

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2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	798.079	6.271	46.748	1.467
Swap Transactions	404.820	2.309.871	1.417.814	2.021.623
Futures Transactions	-	-	-	-
Options	-	71.878	-	-
Other	-	-	-	-
Total	1.202.899	2.388.020	1.464.562	2.023.090

3. Information on Banks and Other Financial Institutions

3.1. General Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	383.712	8.878.194	1.063.233	4.891.638
Foreign Banks, Institutions and Funds	10.568	50.044.187	228.249	30.767.093
Total	394.280	58.922.381	1.291.482	35.658.731

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	382.907	3.654.798	1.062.458	3.671.112
Medium and Long-Term	11.373	55.267.583	229.024	31.987.619
Total	394.280	58.922.381	1.291.482	35.658.731

3.3 Further Information is Disclosed for the Areas of Liability Concentrations. Main Liability Concentration Areas are Fund Suppliers, Sector Groups, or other Risk Concentration Criteria

69,20% of the Bank's total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

4. Information on Money Market Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	139.646.059	-	92.831.730	-
Financial Institutions and Organizations	139.473.430	-	91.872.390	-
Other Institutions and Organizations	158.819	-	950.313	-
Real Person	13.810	-	9.027	-
From Overseas Operations	-	37.053.037	-	23.569.739
Financial Institutions and Organizations	-	37.053.037	-	23.569.739
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
Total	139.646.059	37.053.037	92.831.730	23.569.739

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5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	97.988	-	-
Asset-Backed Securities	-	-	-	-
Treasury Bonds	1.010.690	25.053.363	1.010.690	13.343.843
Total	1.010.690	25.151.351	1.010.690	13.343.843

6. If Other Foreign Liabilities exceed 10% of The Total Balance Sheet, Names and Amounts of Sub Accounts That Make Up At Least 20% of These

Other foreign liabilities do not exceed 10% of the total balance sheet.

7. Information on Lease Liabilities (Net)

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	23.256	11.893	36.216	18.549
Between 1-4 Years	360.218	329.674	584.944	318.521
More than 4 Years	812.434	447.916	751.894	484.915
Total	1.195.908	789.483	1.373.054	821.985

8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities.

9. Information on Provisions

9.1. Provisions Related with Principal Foreign Currency Decrease of Foreign Indexed Loans and Finance Leasing Receivables

There are no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2020: None).

9.2. Liabilities on Employee Benefits Provision

9.2.1. Termination benefit and Unused Vacation Rights

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 December 2021, unpaid vacation liability amounted to TL 368.105 and employment termination amounted to TL 1.355.145 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2020: unpaid vacation liability amounted to TL 278.450, and employment termination amounted to TL 1.230.590 are presented under the "Employee Benefits Provision" in the financial statements)

9.2.2. Pension Rights

The technical balance sheet reports which are prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, by using a technical interest rate of 9,80%, concluded that no technical deficit arises in the mentioned fund as of 31 December 2021 and 31 December 2020.

The liability related to Bank's benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act's, numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI (9,80% real discount rate, etc.).

According to related Actuary Report, the Fund's surplus is TL 10.235.620 as of 31 December 2021 (31 December 2020: TL 7.663.184).

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	Current Period	Prior Period
Non Medical Assets	6.297.140	4.310.644
Actual and Technical Overrun	10.235.620	7.663.184

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

The CSO 1980 Female/Male mortality table is used to represent the expected mortality rates before and after retirement.

The distribution of fund assets is as follows:

	Current Period	Prior Period
Bank placements	358.942	87.668
Property and equipment	495.566	381.205
Marketable securities	5.417.571	3.831.575
Other	25.061	10.196
Total	6.297.140	4.310.644

9.3. Information on Other Provision

Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Bank's management has free provisions amounting to TL 3.710.000, of which TL 3.460.000 has been reserved in previous periods and TL 250.000 has been set aside in the current year. In addition, there is a provision amounting to TL 68.300 and other provisions amounting to TL 157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 3.285.225 (31 December 2020: Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Bank's management has free provisions amounting to TL 3.460.000 thousand, of which TL 830.000 thousand has been reserved in previous periods and TL 2.630.000 thousand has been set aside in the current year. In addition, there is a provision amounting to TL 40.750 and other provisions amounting to TL 157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 1.852.945).

Regarding the Bank's lawsuit files, a total amount of TL 186.058 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 92.600 but not yet finalized (31 December 2020: For the lawsuits filed against the Bank amounting to TL 131.255, a provision of TL 56.000 has been provided in these financial statements for cases that are likely to result against the Bank but are not yet finalized).

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Taxes Payable

As of 31 December 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is 107.752 (As of 31 December 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 943.399).

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10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	107.752	943.399
Taxation on Income From Securities	407.297	268.092
Property Tax	3.716	1.663
Banking Insurance Transactions Tax (BITT)	444.573	248.321
Foreign Exchange Transactions Tax	114.244	19.803
Value Added Tax Payable	41.867	17.646
Other	91.426	113.887
Total	1.210.875	1.612.811

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	62	54
Social Security Premiums - Employer	83	72
Bank Social Aid Pension Fund Premium - Employee	22.904	17.743
Bank Social Aid Pension Fund Premium - Employer	33.563	26.008
Pension Fund Membership Fees and Provisions - Employee	4	2
Pension Fund Membership Fees and Provisions - Employer	15	4
Unemployment Insurance - Employee	1.641	1.274
Unemployment Insurance - Employer	3.284	2.549
Other	-	-
Total	61.556	47.706

10.2. Information on Deferred Tax Liability

The Bank does not have any deferred tax liability.

11. Information on liabilities related to non-current assets "held for sale" and "held from discontinued operations"

The Bank does not have any liabilities related to non-current assets "held for sale" and "held from discontinued operations".

12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	21.427.601	-	13.048.197
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	21.427.601	-	13.048.197
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	-	21.427.601	-	13.048.197

(*) Subordinated loans are explained in detail in the Note "Information on debt instruments included in the calculation of equity" in Section Four.

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13. Information on Shareholders' Equity

13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	13.100.000	13.100.000
Preferred stock	-	-

13.2. Amount of Paid-In Capital, Explanation as to Whether the Registered Share Capital System is Applied, if so the Amount of Registered Share Capital Ceiling

The Bank does not have a registered capital system.

13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital Share

There are no capital increases in the current period.

13.4. Other Information on Capital Increases and Increased Share Capital with Reserves within the Current Period

There is no share capital amount included in capital.

13.5. Information on Capital Commitments, the Purpose and the Sources Until the End of the Fiscal Year and the Subsequent Interim Period

The Bank has no capital commitments.

13.6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators

In the current period, the Bank follows its operations in line with the previous periods. The Bank's balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to the Bank's performance and contributes to the profitability structure to be sustainable.

13.7. Summary Information on Privileges Given to Shares Representing the Capital

The Bank has no preferred shares.

13.8. Information on Marketable Securities Value Increase Fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	6.526.598	(2.023.299)	3.376.855	(941.492)
Valuation Difference	3.162.858	(8.998.673)	(108.006)	956.316
Foreign Exchange Difference	4.060.946	-	2.262.057	-
Total	13.750.402	(11.021.972)	5.530.906	14.824

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III. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS

1. Explanations on Off-Balance Sheet Commitments

1.1. Nature and Amount of Irrevocable Loan Commitments

	Current Period	Prior Period
Asset Purchase Commitments	24.260.963	14.083.382
Subsidiaries and Associates Capital Contribution Commitments	3.150	3.150
Loan Granting Commitments	22.888.073	14.668.990
Commitments for Cheque Payments	6.609.633	4.830.167
Commitments for Credit Card Expenditure Limits	61.707.772	44.590.857
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	101.762	68.631
Other Irrevocable Commitments	22.536.938	20.523.305
Total	138.108.291	98.768.482

1.2. A Nature and Amount of Possible Losses and Commitments Arising from the Off-Balance Sheet Items Including the Below Mentioned

The Bank has provided provision amounting to TL 3.285.225 for expected credit losses arising from the off-balance sheet items in the current period. (31 December 2020: TL 1.852.945).

1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits

	Current Period	Prior Period
Letters of Guarantee	184.456.614	110.741.419
Letters of Credit	60.172.624	23.274.697
Bank Acceptances	11.934.551	7.202.148
Endorsements	6.009.467	1.520.463
Total	262.573.256	142.738.727

1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions

	Current Period	Prior Period
Letters of Certain Guarantees	113.961.477	66.820.813
Letters of Advance Guarantees	29.420.428	19.339.621
Letters of Temporary Guarantees	3.983.624	3.293.464
Letters of Guarantees Given to Customs Offices	1.830.957	1.612.223
Other Letters of Guarantees	35.260.128	19.675.298
Total	184.456.614	110.741.419

1.3. Explanations on Non-Cash Loans

1.3.1. Total Non-Cash Loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	30.904.082	16.698.879
With Original Maturity of One Year or Less	18.644.642	10.564.285
With Original Maturity of More than One Year	12.259.440	6.134.594
Other Non-Cash Loans	231.669.174	126.039.848
Total	262.573.256	142.738.727

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

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1.3.2. Information on Sectoral Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	945.334	1,68	511.960	0,25
Farming and Raising Livestock	665.531	1,18	163.941	0,08
Forestry	243.665	0,43	4.396	0,00
Fishing	36.138	0,06	343.623	0,17
Manufacturing	13.548.809	24,12	95.828.615	46,43
Mining and Quarrying	499.113	0,89	1.393.083	0,67
Production	9.953.480	17,72	85.653.364	41,50
Electric, Gas and Water	3.096.216	5,51	8.782.168	4,25
Construction	15.303.936	27,25	57.566.330	27,89
Services	25.271.295	45,00	52.003.602	25,19
Wholesale and Retail Trade	11.663.940	20,77	15.662.640	7,59
Hotel, Food and Beverage Services	466.041	0,83	1.787.542	0,87
Transportation and Telecommunication	3.935.910	7,01	19.032.839	9,22
Financial Institutions	6.897.133	12,28	12.271.774	5,95
Real Estate and Leasing Services	1.966.708	3,50	2.511.259	1,22
Self-employment Services	-	-	-	-
Education Services	184.010	0,33	321.700	0,16
Health and Social Services	157.553	0,28	415.848	0,20
Other	1.094.164	1,95	499.211	0,24
Total	56.163.538	100,00	206.409.718	100,00

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	451.192	1,05	378.956	0,38
Farming and Raising Livestock	283.192	0,66	159.616	0,16
Forestry	146.331	0,34	8.593	0,01
Fishing	21.669	0,05	210.747	0,21
Manufacturing	10.433.240	24,25	44.364.193	44,49
Mining and Quarrying	374.585	0,87	1.135.898	1,14
Production	6.783.422	15,77	37.674.545	37,78
Electric, Gas and Water	3.275.233	7,61	5.553.750	5,57
Construction	12.616.963	29,32	32.106.298	32,20
Services	19.053.531	44,28	22.213.447	22,28
Wholesale and Retail Trade	9.134.030	21,23	6.892.658	6,91
Hotel, Food and Beverage Services	403.148	0,94	1.102.649	1,11
Transportation and Telecommunication	2.522.527	5,86	5.574.855	5,59
Financial Institutions	5.086.029	11,82	6.671.352	6,69
Real Estate and Leasing Services	1.588.046	3,69	1.563.403	1,57
Self-employment Services	-	0,00	-	0,00
Education Services	177.732	0,41	213.787	0,21
Health and Social Services	142.019	0,33	194.743	0,20
Other	471.303	1,10	649.604	0,65
Total	43.026.229	100,00	99.712.498	100,00

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1.3.3. Information on the Non-Cash Loans Classified Under Group I and Group II

Current Period	Group I:		Group II:	
	TL	FC	TL	FC
Non-Cash Loans	54.430.210	199.723.746	1.584.065	5.612.710
Letters of Guarantee	51.471.598	124.803.193	1.553.430	5.418.818
Bank Acceptances	211.032	11.723.519	-	-
Letters of Credit	835.596	59.167.003	1.325	156.850
Endorsements	1.911.984	4.030.031	29.310	37.042
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

Prior Period	Group I:		Group II:	
	TL	FC	TL	FC
Non-Cash Loans	41.887.834	95.805.519	935.984	3.419.026
Letters of Guarantee	40.708.789	65.144.068	935.984	3.263.915
Bank Acceptances	122.254	7.076.088	-	3.806
Letters of Credit	957.791	22.167.503	-	147.702
Endorsements	99.000	1.417.860	-	3.603
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

2. Explanations on Derivative Transactions

	Current Period	Prior Period
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	410.454.995	303.682.548
Forward Transactions	12.092.546	7.061.086
Swap Transactions	388.366.019	295.321.384
Futures Transactions	-	1.300.078
Option Transactions	9.996.430	-
Interest Related Derivative Transactions (II)	84.644.944	54.425.306
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	84.644.944	54.425.306
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	495.099.939	358.107.854
Types of Hedging Derivative Transactions		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Derivative Transactions	-	-
Total Derivative Transactions (A+B)	495.099.939	358.107.854

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The Bank has no derivative instruments for hedging purposes. There are no unrealized transactions (those are estimated in the prior period and recognized based on this assumption; however, it is clear that those transactions would not be realized) or expense and income from agreements in the income statement in the current period.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives	6.650.672	670.981	(436.849)	-	1.267.129	8.151.933
- Inflow	143.150.310	38.587.482	23.724.330	1.558.870	2.282.472	209.303.464
- Outflow	(136.499.638)	(37.916.501)	(24.161.179)	(1.558.870)	(1.015.343)	(201.151.531)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	5.000	40.000	173.902	11.923.284	30.180.286	42.322.472
- Outflow	(5.000)	(40.000)	(173.902)	(11.923.284)	(30.180.286)	(42.322.472)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	143.155.310	38.627.482	23.898.232	13.482.154	32.462.758	251.625.936
Total Outflow	(136.504.638)	(37.956.501)	(24.335.081)	(13.482.154)	(31.195.629)	(243.474.003)
Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives	(963.027)	1.397.739	94.501	-	269.733	798.946
- Inflow	110.395.923	32.819.889	7.737.887	1.972	1.285.076	152.240.747
- Outflow	(111.358.950)	(31.422.150)	(7.643.386)	(1.972)	(1.015.343)	(151.441.801)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	180.000	180.000	230.000	1.329.506	25.293.147	27.212.653
- Outflow	(180.000)	(180.000)	(230.000)	(1.329.506)	(25.293.147)	(27.212.653)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	110.575.923	32.999.889	7.967.887	1.331.478	26.578.223	179.453.400
Total Outflow	(111.538.950)	(31.602.150)	(7.873.386)	(1.331.478)	(26.308.490)	(178.654.454)

3. Explanations on Contingent Assets and Liabilities

Provision is allocated for transactions with complete and accurate data that may influence the financial structure of the Bank and otherwise, provision is provided based on the estimations.

The Bank's liability resulting from the cheques given to its customers amounts TL 6.609.633 (31 December 2020: TL 4.830.167).

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

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4. Explanations on Services in the Name of Others

The Bank acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS

1. Information on Interest Income

1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans ⁽¹⁾	61.660.537	11.134.067	44.524.134	7.805.953
Short Term Loans	17.028.291	922.407	8.931.910	565.882
Medium and Long Term Loans	43.666.580	10.211.660	34.554.339	7.240.062
Interest on Loans Under Follow-up	965.666	-	1.037.885	9
Premiums from Resource Utilization Support Fund	-	-	-	-

⁽¹⁾ Includes fees and commissions income on cash loans.

1.2. Information on Interest Income on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	5.782	12	8.785	1.083
Foreign Banks	108.515	22.338	29.151	19.082
Headquarters and Branches Abroad	-	-	-	-
Total	114.297	22.350	37.936	20.165

1.3. Information on Interest Income on Marketable Securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	338.221	2.868	172.138	1.520
Financial Assets at Fair Value Through Other Comprehensive Income	17.818.808	5.773.406	11.038.299	3.230.474
Financial Assets Measured at Amortized Cost	2.118.949	1.387.857	1.376.172	877.362
Total	20.275.978	7.164.131	12.586.609	4.109.356

1.4. Information on Interest Income Received from Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	225.624	201.537

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2. Information on Interest Expense

2.1. Information of Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks ⁽¹⁾	127.159	1.042.675	235.781	955.261
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	65.283	184.958	177.170	165.807
Foreign Banks	61.876	857.717	58.611	789.454
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	127.159	1.042.675	235.781	955.261

⁽¹⁾ Includes fees and commissions expenses on cash loans.

2.2. Information on Interest Expense Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	255.217	223.796

2.3. Information on Interest Expense Given on Securities Issued

	Current Period		Prior Period	
	TP	YP	TP	YP
Interest Expenses on Securities Issued	169.899	1.948.153	344.241	1.251.731

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2.4. Maturity Structure of the Interest Expense on Deposits

Current Period	Time Deposit							Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	
TL								
Bank Deposit	-	4.142.850	1.653	-	-	-	-	4.144.503
Saving Deposit	-	1.662.616	16.516.063	3.706.752	406.207	1.109.198	13.679	23.414.515
Public Sector Deposit	617	1.107.852	1.081.794	75.394	32.970	9.291	-	2.307.918
Commercial Deposit	162	3.325.457	2.927.698	92.494	688.764	52.638	-	7.087.213
Other Deposit	1	382.165	1.617.560	150.565	101.214	48.993	-	2.300.498
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	780	10.620.940	22.144.768	4.025.205	1.229.155	1.220.120	13.679	39.254.647
FC								
Foreign Currency Deposit	3.515	210.719	1.056.927	124.748	97.033	277.680	3	1.770.625
Bank Deposit	56	2.548	43.297	1.338	21.751	61.678	-	130.668
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	4.285	32.541	2.765	2.011	1.705	-	43.307
Total	3.571	217.552	1.132.765	128.851	120.795	341.063	3	1.944.600
Grand Total	4.351	10.838.492	23.277.533	4.154.056	1.349.950	1.561.183	13.682	41.199.247

Prior Period	Time Deposit							Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	
TL								
Bank Deposit	-	1.830.715	1.389	-	213	-	-	1.832.317
Saving Deposit	-	580.349	7.329.853	2.792.555	245.241	968.984	20.833	11.937.815
Public Sector Deposit	370	1.524.894	519.449	51.872	101.730	997	-	2.199.312
Commercial Deposit	107	1.706.675	1.801.740	44.309	439.636	66.588	-	4.059.055
Other Deposit	-	218.825	805.540	129.481	78.433	23.970	-	1.256.249
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	477	5.861.458	10.457.971	3.018.217	865.253	1.060.539	20.833	21.284.748
FC								
Foreign Currency Deposit	1.807	144.296	896.444	76.051	79.208	255.069	7	1.452.882
Bank Deposit	11	8.166	20.897	6.753	8.646	5.060	-	49.533
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2.136	17.692	1.824	1.796	1.467	-	24.915
Total	1.818	154.598	935.033	84.628	89.650	261.596	7	1.527.330
Grand Total	2.295	6.016.056	11.393.004	3.102.845	954.903	1.322.135	20.840	22.812.078

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3. Explanations 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	29.810	6.727
Other ⁽¹⁾	108.090	1.112.526
Total	137.900	1.119.253

⁽¹⁾ Shows the Bank's dividend income from subsidiaries, associates and entities under common control.

4. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
Profit	598.329.934	190.732.979
Trading Gains on Securities	667.393	4.012.272
Gains on Derivative Financial Transactions	8.676.925	5.533.538
Foreign Exchange Profits	588.985.616	181.187.169
Loss (-)	609.373.711	198.476.446
Trading Losses on Securities	17.886	40.374
Losses on Derivative Financial Instruments	20.423.507	10.670.577
Foreign Exchange Loss	588.932.318	187.765.495

5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 3.209.919 and income from sales of assets amounting to TL 339.640 (31 December 2020: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 4.280.768 and income from sales of assets amounting to TL 231.150).

6. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provisions	14.956.143	10.690.951
12 Month Expected Credit Loss (Stage 1)	199.488	1.339.654
Significant Increase in Credit Risk (Stage 2)	9.860.998	5.505.372
Non-Performing Loans (Stage 3)	4.895.657	3.845.925
Marketable Securities Impairment Expense	2	49
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2	49
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other ⁽¹⁾	374.146	2.648.348
Total	15.330.291	13.339.348

⁽¹⁾ Includes TL 250.000 free provision expense. (31 December 2020: TL 2.010.000)

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7. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	395.069	279.623
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	250	-
Depreciation Expenses of Tangible Assets	520.530	443.753
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	144.050	108.831
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	4.683.283	3.940.239
Leasing Expenses Related to TFRS 16 Exceptions	87.052	80.697
Maintenance Expenses	222.138	129.702
Advertisement Expenses	281.527	236.339
Other Expenses	4.092.566	3.493.501
Loss on Sales of Assets	3.740	3.489
Other ⁽¹⁾	3.571.251	2.919.460
Total	9.318.173	7.695.395

⁽¹⁾ TL 1.792.478 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 1.251.672 consists of taxes, duties and charges expense (31 December 2020: TL 1.353.383 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 968.658 consists of taxes, duties and charges expense).

8. Fees for Services Received from Independent Auditor/Independent Audit Firm

The fee information 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:

	Current Period	Prior Period
Independent Audit Fee	13.039	9.023
Tax Consultancy Fee	272	299
Other Assurance Services Fee	877	1.117
Other Non-Audit Services Fee	596	148
Total	14.784	10.587

⁽¹⁾ The fee information is given over the amounts excluding VAT in the table.⁽²⁾ Amounts are presented on a consolidated basis, including domestic and foreign subsidiaries of the Bank.

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9. Information on Profit/Loss Before Tax from Continuing and Discontinuing Operations

The Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Curent Period	Prior Period
Net Interest Income	39.767.734	34.614.500
Net Fees and Commissions Income	5.450.874	3.092.735
Other Operating Income	4.444.305	5.181.957
Dividend Income	137.900	1.119.253
Trading Profit/Loss (Net)	(11.043.777)	(7.743.467)
Personnel Expenses (-)	5.195.130	4.396.112
Expected Credit Loss (-)	14.956.143	10.690.951
Other Provision Expenses (-)	374.148	2.648.397
Other Operating Expenses (-)	9.318.173	7.695.395
Profit/(Loss) From Continuing Operations	8.913.442	10.834.123

10. Information on Tax Provision for Continued and Discontinued Operations

As of 31 December 2021, TL 2.622.133 of the Bank's total tax provision expense amounting to TL 2.793.348 consists of current tax expense while remaining balances amounting to TL 171.215 consists of deferred tax expense. (As of 31 December 2020, TL 3.009.104 of the Bank's total tax provision expense amounting to TL 3.189.501 consists of current tax expense while remaining balances amounting to TL 180.397 consists of deferred tax income)

11. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations

The Bank's net operating income after tax amounts to TL 6.291.309 (31 December 2020: TL 7.825.019).

12. Information on Net Profit/Loss

12.1. Nature, Amount and Frequency of Income and Expenses Arising from Ordinary Banking Activities, if Required for the Understanding the Performance of the Bank in The Current Period

The Bank mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, it obtains income via commissions taken from non-cash loans, other banking operations and insurance agencies.

12.2. The Effect of the Change in Accounting Estimates to the Net Profit/Loss; Including the Effects to the Future Period, if any

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period

13. If Other Items in the Profit or Loss Statement Exceed 10% of the Profit or Loss Statement Total, Sub-Accounts Constituting At Least 20% of These Items are Shown Below

The “Other” statement under the “Fees and Commission Income” in the Profit or Loss Statement mainly consists of commissions received from credit card and fees and commissions received from banking transactions.

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V. EXPLANATIONS AND NOTES RELATED TO THE CHANGES IN SHAREHOLDERS' EQUITY

1. Explanations on the Issuance of Shares

The paid in capital of T.C. Ziraat Bank is TL 13.100.000. (31 December 2020: 13.100.000 TL)

2. Explanations on Profit Distribution

According to the Bank's Ordinary General Assembly Meeting dated 26 March 2021;

In accordance with paragraph 1 of Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net profit for the period; has been set aside 5% (TL 391.251) of the remaining legal reserve from the net profit of TL 7.825.019, Real estate sales revenue exception calculated in accordance with the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520 after deducting 50% of its base, TL 18.462, to be transferred to a special fund account under equities to be monitored until the end of the fifth year following the sale to leave the remaining TL 7.415.306 within the Bank.

Being monitored in the profit of previous years; within the scope of the transfer of Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş. to Türkiye Varlık Fonu Finansal Yatırımlar A.Ş. reported with the transfer of TL 2.495.459 to TL 1.980.523 the 5/1-e clause of the Corporate Tax Law no. 5520 to be included in a special fund account under equity to be monitored until the end of the fifth year following the year in which the sale was made, except for adding to the capital, since the provisions of the tax exemption of the participation share sales earnings have been utilized, reclassification of some stocks in the Bank's portfolio with the remaining TL 514.936 5% (TL 38.545) of legal reserves from the previous years' profit amounting to TL 770.897, which is the total of TL 255.961 recorded as a result, and transferring the remaining TL 732.352 to extraordinary reserves.

TL 115.389, which is 50% of the real estate sales income exemption base calculated according to the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520, out of TL 766.550, which arises from real estate valuation differences and is monitored in the profit of previous years as required by TAS-16 to be monitored until the end of the fifth year following the year in which the sale was made, to a special fund account under equity, 5% (TL 32.558) of the remaining TL 651.161 to be allocated as legal reserves, and the remaining TL 618.603 to be decided to transfer to extraordinary reserves.

The Bank plans to distribute its profit in 2021 in line with its articles of association. However, as of the date of preparation of the financial reports, no decision has been taken regarding profit distribution.

3. Profit Reserves:

As of the balance sheet date, profit reserves amount to TL 67.627.159, legal reserves amount to TL 5.463.080 extraordinary reserves amount to TL 62.164.079. (31 December 2020: As of the balance sheet date, profit reserves amount to TL 58.398.544, legal reserves amount to TL 5.000.726 extraordinary reserves amount to TL 53.397.818).

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VI. EXPLANATIONS ON CASH FLOW STATEMENTS

1. Explanations on the "Other" items and "The Effect of The Change in Foreign Currency on Cash and Cash Equivalent" item in the Cash Flow Statement:

Regarding operating profit before the change in banking activity assets and liabilities, TL 8.923.763 of the income amount, TL 87.832.669 mainly consists of the interests received from loans and securities, and TL 60.537.999 mostly consists of the interests given to deposits and money market transactions. (31 December 2020: Regarding operating profit before the change in banking activity assets and liabilities, TL 14.474.641 of the income amount, TL 65.352.951 mainly consists of the interests received from loans and securities, and TL 34.636.969 mostly consists of the interests given to deposits and money market transactions.

The effect of change in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year and amounts to TL 1.232.458 expense as of 31 December 2021. (31 December 2020: TL 411.229)

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".

Period opening and end cash and cash equivalents balance

Period Opening	Current Period	Prior Period
Cash in TL and in Foreign Currency	4.967.159	6.696.663
Central Bank of the Republic of Turkey and Other Banks	29.673.828	21.137.280
Money Market Operations	206.435	328.596
Total Cash and Cash Equivalents	34.847.422	28.162.539
Period End	Current Period	Prior Period
Cash in TL and in Foreign Currency	8.522.872	4.967.159
Central Bank of the Republic of Turkey and Other Banks	86.862.983	29.673.828
Money Market Operations	281.931	206.435
Total Cash and Cash Equivalents	95.667.786	34.847.422

VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE BANK BELONGS TO

1. Information on the Volume of Transactions Relating to the Bank's Risk Group, Outstanding Loan and Deposit Transactions and Profit and Loss of the Period

1.1. Information on Loans of the Bank's Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	2.513.483	7.410.848	-	-	-	-
Ending Balance	4.147.452	8.985.638	-	-	-	-
Interest and Commissions Income	225.624	541	-	-	-	-

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Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	2.388.776	3.494.739	-	-	-	-
Ending Balance	2.513.483	7.410.848	-	-	-	-
Interest and Commissions Income	201.537	1.247	-	-	-	-

1.2. Information on Deposits of the Bank's Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Beginning Balance	1.674.595	3.724.118	-	-	-	-
Ending Balance	3.495.970	1.674.595	-	-	-	-
Interest Expense on Deposits	255.217	223.796	-	-	-	-

1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Bank's Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through Profit or Loss						
Beginning Balance	1.126.974	1.161.358	-	-	-	-
Ending Balance	489.081	1.126.974	-	-	-	-
Total Profit/Loss	(33.187)	129.773	-	-	-	-
Risk Protection Oriented Processes						
Beginning Balance	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

1.4. Information Regarding Benefits Provided to the Bank's Key Management

Fees paid to the Bank's key management amount to TL 17.199 (31 December 2020: TL 15.035).

VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

The Bank's capital has been decided to be increased by TL 21.800.000 to TL 34.900.000, all of which will be paid in cash by Turkey Wealth Fund and the process regarding this capital increase has been continuing.

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IX. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the Bank's Domestic and Foreign Branches and Foreign Representatives of The Bank

	Number	Number of Employees	Country of Incorporation		Total Assets	Statutory Share Capital
Domestic Branch ⁽¹⁾	1.727	24.518				
Foreign Representative Office ⁽²⁾	1	-	1- Iran			
Foreign Branch ⁽²⁾	1	3	1- England	16.833.939	907.341	
	5	5	2- Bulgaria	2.602.654	209.855	
	2	4	3- Iraq	1.825.402	652.135	
	3	3	4- Greece	1.763.503	488.169	
	1	1	5- Saudi Arabia	833.465	195.641	
	4	1	6- Kosovo	1.565.885	147.930	
	8	35	7- T.R. of Northern Cyprus	5.874.817	307.489	
	1	3	8- Bahrain	45.873.282	65.214	
Off-Shore Banking Region Branches	-	-	-	-	-	-

⁽¹⁾ Includes the employees of the domestic branches, including the employees of head office and regional management.⁽²⁾ Excluding the local employees of the foreign branches.

2. Information on The Bank About Opening, Closing, Changing its Organization Considerably for Domestic and Foreign Branches and Foreign Representatives of The Bank:

In 2021, 6 new branches were opened, and 7 branches were closed domestically. A new branch was opened abroad. In 2021, all entrepreneurial branches were converted into commercial branches.

SECTION SIX

OTHER EXPLANATIONS

I. INFORMATION ON THE BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

Information on the assessment done by the international rating agencies Moody's Investors Service, Fitch Ratings and JCR Eurasia are as follows:

Moody's Investors Service: December 2020

Outlook	Negative
Long term Foreign Currency Deposit	B2
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B2
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Foreign Currency	B2
Long term Issuer Rating Domestic Currency	B2
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

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Fitch Ratings: December 2021

Foreign Currency Long Term IDR	B+
Outlook	Negative
Foreign Currency Short Term IDR	B
Local Currency Long Term IDR	BB-
Outlook	Negative
Local Currency Short Term IDR	B
National Long-Term Rating	AA (tur)
Outlook	Stable
Public Support Rating	b
Viability Rating	b+

JCR Eurasia: January 2022

Long Term International FC	BB
Outlook	Stable
Long Term International LC	BB
Outlook	Stable
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term International FC	B
Outlook	Stable
Short Term International LC	B
Outlook	Stable
Short Term National LC	A-1+ (Trk)
Sponsor Support	1
Stand Alone	A

II. OTHER EXPLANATIONS ON THE BANK'S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDIT REPORT

I. MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements prepared as of 31 December 2021 and for the fiscal period ending on the same date have been prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is subject to audit by the independent auditors' report dated 15 February 2022 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.