

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

**TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ  
AND IT'S SUBSIDIARIES**

**PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND RELATED  
DISCLOSURES AT 30 JUNE 2022  
WITH AUDITOR'S REVIEW REPORT**

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

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

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

### *Introduction*

We have reviewed the accompanying consolidated balance sheet of Türk Ekonomi Bankası A.Ş. (“the Bank”) and its subsidiaries (together “the Group”) as at 30 June 2022, and the consolidated statement of balance sheet, consolidated statement of income and expense items under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for period ending on the same date, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA, and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of Türk Ekonomi Bankası A.Ş as of 30 June 2022, and of the results of its operations and its cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Reporting Regulations.

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

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

### ***Additional paragraph for English translation:***

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

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

Yaman Polat  
Partner

İstanbul, 29 July 2022

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

**CONSOLIDATED INTERIM FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.  
AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

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

- General Information about the Parent Bank
- Consolidated Interim Financial Statements of the Parent Bank
- Explanations on the Accounting Policies Applied in The Related Period
- Information on Financial Structure and Risk Management of the Group which is under Consolidation
- Disclosures and Notes on Consolidated Interim Financial Statements
- Auditor’s Review Report
- Interim Activity Report

The subsidiaries, associates and jointly controlled entities, financial statements have been consolidated in this reporting package are as follows:

|   | <b>Subsidiaries</b>              | <b>Associates</b> | <b>Jointly Controlled Entitites</b> |
|---|----------------------------------|-------------------|-------------------------------------|
| 1 | TEB Yatırım Menkul Değerler A.Ş. | -                 | -                                   |
| 2 | TEB Faktoring A.Ş.               | -                 | -                                   |
| 3 | TEB Portföy Yönetimi A.Ş.        | -                 | -                                   |

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

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

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

Name-Surname/Title : Aslıhan Kaya / External Reporting Manager  
Tel No : (0216) 635 24 51  
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# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### SECTION ONE

#### GENERAL INFORMATION

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

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

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

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

| Name of Shareholders                       | 30 June 2022     |               | 31 December 2021 |               |
|--|------------------|---------------|------------------|---------------|
|  | Paid-in Capital  | %             | Paid-in Capital  | %             |
| TEB Holding A.Ş.                           | 1,212,415        | 55.00         | 1,212,415        | 55.00         |
| BNPP Yatırımlar Holding A.Ş.               | 518,342          | 23.51         | 518,342          | 23.51         |
| BNP Paribas Fortis Yatırımlar Holding A.Ş. | 467,879          | 21.23         | 467,879          | 21.23         |
| BNP Paribas SA                             | 5,253            | 0.24          | 5,253            | 0.24          |
| Kocaeli Ticaret Odası                      | 501              | 0.02          | 501              | 0.02          |
|  | <b>2,204,390</b> | <b>100.00</b> | <b>2,204,390</b> | <b>100.00</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

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

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

The Parent Bank’s operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Parent Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetim A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 30 June 2022, the Parent Bank has 453 local branches and 4 foreign branches (31 December 2021: 451 local branches, 4 foreign branches). As of 30 June 2022, the number of employees of the Group is 8,817 (31 December 2021: 9,129).

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

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

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

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

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

None.

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2022

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

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

| ASSETS  | Section<br>5 Note | Reviewed<br>Current Period<br>30.06.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                   |                    |
|---|-------------------|--|--------------------|--------------------|---------------------------------------|-------------------|--------------------|
|   |                   | TL                                       | FC                 | Total              | TL                                    | FC                | Total              |
| <b>I. FINANCIAL ASSETS (Net)</b>  |                   | <b>21,292,953</b>                        | <b>54,414,340</b>  | <b>75,707,293</b>  | <b>20,145,808</b>                     | <b>45,387,952</b> | <b>65,533,760</b>  |
| <b>1.1 Cash and Cash Equivalents</b>  |                   | <b>9,080,552</b>                         | <b>48,274,316</b>  | <b>57,354,868</b>  | <b>7,338,386</b>                      | <b>40,091,185</b> | <b>47,429,571</b>  |
| 1.1.1 Cash and Balances with Central Bank   | (I-1)             | 7,896,511                                | 39,647,731         | 47,544,242         | 5,718,495                             | 30,072,800        | 35,791,295         |
| 1.1.2 Banks   | (I-4)             | 75,323                                   | 8,658,424          | 8,733,747          | 1,619,218                             | 10,045,520        | 11,664,738         |
| 1.1.3 Receivables from Money Markets  |                   | 1,111,595                                | -                  | 1,111,595          | 3,245                                 | -                 | 3,245              |
| 1.1.4 Expected Loss Provisions (-)  |                   | 2,877                                    | 31,839             | 34,716             | 2,572                                 | 27,135            | 29,707             |
| <b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>                                      |                   | <b>2,317,486</b>                         | <b>778,315</b>     | <b>3,095,801</b>   | <b>2,001,648</b>                      | <b>792,140</b>    | <b>2,793,788</b>   |
| 1.2.1 Government Debt Securities  | (I-2)             | 2,246,450                                | 504,547            | 2,750,997          | 1,942,260                             | 549,168           | 2,491,428          |
| 1.2.2 Equity Securities   |                   | 71,036                                   | 152,530            | 223,566            | 59,388                                | 135,326           | 194,714            |
| 1.2.3 Other Financial Assets  |                   | -  | 121,238            | 121,238            | -                                     | 107,646           | 107,646            |
| <b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>                          | (I-5)             | <b>4,716,131</b>                         | <b>4,789,385</b>   | <b>9,505,516</b>   | <b>3,002,601</b>                      | <b>4,173,355</b>  | <b>7,175,956</b>   |
| 1.3.1 Government Debt Securities  |                   | 4,698,626                                | 4,789,385          | 9,488,011          | 2,989,351                             | 4,173,355         | 7,162,706          |
| 1.3.2 Equity Securities   |                   | 17,505                                   | -                  | 17,505             | 13,250                                | -                 | 13,250             |
| 1.3.3 Other Financial Assets  |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| <b>1.4 Derivative Financial Assets</b>  |                   | <b>5,178,784</b>                         | <b>572,324</b>     | <b>5,751,108</b>   | <b>7,803,173</b>                      | <b>331,272</b>    | <b>8,134,445</b>   |
| 1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss                               | (I-3)             | 4,590,837                                | 471,152            | 5,061,989          | 6,006,577                             | 325,399           | 6,331,976          |
| 1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income                    | (I-12)            | 587,947                                  | 101,172            | 689,119            | 1,796,596                             | 5,873             | 1,802,469          |
| <b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>  |                   | <b>125,352,541</b>                       | <b>53,383,325</b>  | <b>178,735,866</b> | <b>88,788,499</b>                     | <b>39,222,999</b> | <b>128,011,498</b> |
| <b>2.1 Loans</b>  | (I-6)             | <b>108,095,815</b>                       | <b>41,384,605</b>  | <b>149,480,420</b> | <b>78,529,502</b>                     | <b>29,376,248</b> | <b>107,905,750</b> |
| <b>2.2 Lease Receivables</b>  | (I-11)            | -  | -                  | -                  | -                                     | -                 | -                  |
| <b>2.3 Factoring Receivables</b>  | (I-15)            | <b>3,149,842</b>                         | <b>3,319,203</b>   | <b>6,469,045</b>   | <b>2,142,281</b>                      | <b>2,494,644</b>  | <b>4,636,925</b>   |
| <b>2.4 Other Financial Assets Measured at Amortized Cost</b>  | (I-7)             | <b>17,383,788</b>                        | <b>9,509,171</b>   | <b>26,892,959</b>  | <b>11,379,873</b>                     | <b>8,171,827</b>  | <b>19,551,700</b>  |
| 2.4.1 Government Debt Securities  |                   | 17,383,788                               | 9,509,171          | 26,892,959         | 11,379,873                            | 8,171,827         | 19,551,700         |
| 2.4.2 Other Financial Assets  |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| <b>2.5 Expected Credit Loss (-)</b>   |                   | <b>3,276,904</b>                         | <b>829,654</b>     | <b>4,106,558</b>   | <b>3,263,157</b>                      | <b>819,720</b>    | <b>4,082,877</b>   |
| <b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b> | (I-14)            | <b>84,393</b>                            | -                  | <b>84,393</b>      | <b>65,933</b>                         | -                 | <b>65,933</b>      |
| 3.1 Held for Sale Purpose   |                   | 84,393                                   | -                  | 84,393             | 65,933                                | -                 | 65,933             |
| 3.2 Related to Discontinued Operations  |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| <b>IV. EQUITY INVESTMENTS</b>   |                   | <b>55</b>                                | -                  | <b>55</b>          | <b>55</b>                             | -                 | <b>55</b>          |
| <b>4.1 Associates (Net)</b>   | (I-8)             | -  | -                  | -                  | -                                     | -                 | -                  |
| 4.1.1 Associates Valued Based on Equity Method  |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| 4.1.2 Unconsolidated Associates   |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| <b>4.2 Subsidiaries (Net)</b>   | (I-9)             | <b>50</b>                                | -                  | <b>50</b>          | <b>50</b>                             | -                 | <b>50</b>          |
| 4.2.1 Unconsolidated Financial Subsidiaries   |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| 4.2.2 Unconsolidated Non-Financial Subsidiaries   |                   | 50                                       | -                  | 50                 | 50                                    | -                 | 50                 |
| <b>4.3 Joint Ventures (Net)</b>   | (I-10)            | <b>5</b>                                 | -                  | <b>5</b>           | <b>5</b>                              | -                 | <b>5</b>           |
| 4.3.1 Joint Ventures Valued Based on Equity Method  |                   | -  | -                  | -                  | -                                     | -                 | -                  |
| 4.3.2 Unconsolidated Joint Ventures   |                   | 5  | -                  | 5                  | 5                                     | -                 | 5                  |
| <b>V. PROPERTY AND EQUIPMENT (Net)</b>  |                   | <b>927,112</b>                           | -                  | <b>927,112</b>     | <b>934,431</b>                        | <b>25</b>         | <b>934,456</b>     |
| <b>VI. INTANGIBLE ASSETS (Net)</b>  |                   | <b>623,985</b>                           | -                  | <b>623,985</b>     | <b>611,252</b>                        | -                 | <b>611,252</b>     |
| 6.1 Goodwill  |                   | 421,124                                  | -                  | 421,124            | 421,124                               | -                 | 421,124            |
| 6.2 Other   |                   | 202,861                                  | -                  | 202,861            | 190,128                               | -                 | 190,128            |
| <b>VII. INVESTMENT PROPERTIES (Net)</b>   | (I-13)            | -  | -                  | -                  | -                                     | -                 | -                  |
| <b>VIII. CURRENT TAX ASSET</b>  |                   | <b>5,868</b>                             | -                  | <b>5,868</b>       | <b>138,894</b>                        | -                 | <b>138,894</b>     |
| <b>IX. DEFERRED TAX ASSET</b>   |                   | <b>1,662,973</b>                         | -                  | <b>1,662,973</b>   | <b>147,376</b>                        | -                 | <b>147,376</b>     |
| <b>X. OTHER ASSETS (Net)</b>  |                   | <b>4,801,576</b>                         | <b>472,471</b>     | <b>5,274,047</b>   | <b>2,636,070</b>                      | <b>774,824</b>    | <b>3,410,894</b>   |
| <b>TOTAL ASSETS</b>   |                   | <b>154,751,456</b>                       | <b>108,270,136</b> | <b>263,021,592</b> | <b>113,468,318</b>                    | <b>85,385,800</b> | <b>198,854,118</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2022

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

### I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (cont'd)

| LIABILITIES  | Section 5<br>Note | Reviewed<br>Current Period<br>30.06.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                    |                    |
|--|-------------------|--|--------------------|--------------------|---------------------------------------|--------------------|--------------------|
|  |                   | TL                                       | FC                 | Total              | TL                                    | FC                 | Total              |
| <b>I. DEPOSITS</b>   | (II-1)            | 88,616,779                               | 97,157,060         | 185,773,839        | 55,350,689                            | 76,232,284         | 131,582,973        |
| <b>II. FUNDS BORROWED</b>  | (II-3)            | 2,903,719                                | 15,970,764         | 18,874,483         | 2,368,497                             | 17,430,679         | 19,799,176         |
| <b>III. MONEY MARKET FUNDS</b>   | (II-4)            | 1,646,357                                | 6,270,026          | 7,916,383          | 3,923,853                             | 5,001,962          | 8,925,815          |
| <b>IV. SECURITIES ISSUED (Net)</b>   | (II-3)            | 3,130,263                                | -                  | 3,130,263          | 1,194,525                             | -                  | 1,194,525          |
| 4.1 Bills  |                   | 3,130,263                                | -                  | 3,130,263          | 1,194,525                             | -                  | 1,194,525          |
| 4.2 Asset Backed Securities  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 4.3 Bonds  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>V. FUNDS</b>  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 5.1 Borrower Funds   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 5.2 Other  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS</b>   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>   |                   | 4,313,367                                | 468,567            | 4,781,934          | 4,321,769                             | 168,019            | 4,489,788          |
| 7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss                                     | (II-2)            | 4,185,985                                | 467,091            | 4,653,076          | 3,995,359                             | 163,818            | 4,159,177          |
| 7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income                          | (II-6)            | 127,382                                  | 1,476              | 128,858            | 326,410                               | 4,201              | 330,611            |
| <b>VIII. FACTORING LIABILITIES</b>   | (II-14)           | 1,921                                    | 9,162              | 11,083             | 1,809                                 | 19,468             | 21,277             |
| <b>IX. LEASE LIABILITIES (Net)</b>   | (II-5)            | 582,699                                  | 27,447             | 610,146            | 539,737                               | 37,923             | 577,660            |
| <b>X. PROVISIONS</b>   | (II-7)            | 1,105,127                                | 374,159            | 1,479,286          | 954,915                               | 321,520            | 1,276,435          |
| 10.1 Restructuring Provisions  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 10.2 Provision for Employee Benefits   |                   | 845,646                                  | 62,060             | 907,706            | 738,641                               | 55,663             | 794,304            |
| 10.3 Insurance Technical Provisions (Net)  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 10.4 Other Provisions  |                   | 259,481                                  | 312,099            | 571,580            | 216,274                               | 265,857            | 482,131            |
| <b>XI. CURRENT TAX LIABILITY</b>   | (II-8)            | 1,169,742                                | -                  | 1,169,742          | 272,117                               | -                  | 272,117            |
| <b>XII. DEFERRED TAX LIABILITY</b>   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b> |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 13.1 Held For Sale   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 13.2 Held From Discontinued Operations   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>  |                   | -  | 8,541,655          | 8,541,655          | -                                     | 7,239,036          | 7,239,036          |
| 14.1 Loans   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 14.2 Other Debt Instruments  |                   | -  | 8,541,655          | 8,541,655          | -                                     | 7,239,036          | 7,239,036          |
| <b>XV. OTHER LIABILITIES</b>   | (II-4)            | 9,146,575                                | 2,307,144          | 11,453,719         | 6,462,341                             | 2,956,705          | 9,419,046          |
| <b>XVI. SHAREHOLDERS' EQUITY</b>   | (II-9)            | 19,542,777                               | (263,718)          | 19,279,059         | 14,232,260                            | (175,990)          | 14,056,270         |
| 16.1 Paid-in Capital   |                   | 2,204,390                                | -                  | 2,204,390          | 2,204,390                             | -                  | 2,204,390          |
| 16.2 Capital Reserves  |                   | 391,226                                  | -                  | 391,226            | 391,226                               | -                  | 391,226            |
| 16.2.1 Share Premiums  |                   | 2,565                                    | -                  | 2,565              | 2,565                                 | -                  | 2,565              |
| 16.2.2 Share Cancellation Profits  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 16.2.3 Other Capital Reserves  |                   | 388,661                                  | -                  | 388,661            | 388,661                               | -                  | 388,661            |
| 16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss         |                   | (38,803)                                 | -                  | (38,803)           | (59,373)                              | -                  | (59,373)           |
| 16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss             |                   | 751,909                                  | (263,718)          | 488,191            | 269,030                               | (175,990)          | 93,040             |
| 16.5 Profit Reserves   |                   | 11,310,414                               | -                  | 11,310,414         | 9,336,062                             | -                  | 9,336,062          |
| 16.5.1 Legal Reserves  |                   | 649,424                                  | -                  | 649,424            | 550,906                               | -                  | 550,906            |
| 16.5.2 Status Reserves   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 16.5.3 Extraordinary Reserves  |                   | 10,773,450                               | -                  | 10,773,450         | 8,478,674                             | -                  | 8,478,674          |
| 16.5.4 Other Profit Reserves   |                   | (112,460)                                | -                  | (112,460)          | 306,482                               | -                  | 306,482            |
| 16.6 Profit or Loss  |                   | 4,906,759                                | -                  | 4,906,759          | 2,072,708                             | -                  | 2,072,708          |
| 16.6.1 Prior Periods' Profit / Loss  |                   | 98,356                                   | -                  | 98,356             | -                                     | -                  | -                  |
| 16.6.2 Current Periods' Profit / Loss  |                   | 4,808,403                                | -                  | 4,808,403          | 2,072,708                             | -                  | 2,072,708          |
| 16.7 Minority Shares   | (II-10)           | 16,882                                   | -                  | 16,882             | 18,217                                | -                  | 18,217             |
| <b>TOTAL LIABILITIES</b>   |                   | <b>132,159,326</b>                       | <b>130,862,266</b> | <b>263,021,592</b> | <b>89,622,512</b>                     | <b>109,231,606</b> | <b>198,854,118</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED OFF-BALANCE SHEET ITEMS AS OF 30 JUNE 2022

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

### II. CONSOLIDATED OFF-BALANCE SHEET ITEMS

|  | Section 5<br>Note | Reviewed<br>Current Period<br>30.06.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                    |                    |
|--|-------------------|--|--------------------|--------------------|---------------------------------------|--------------------|--------------------|
|  |                   | TL                                       | FC                 | Total              | TL                                    | FC                 | Total              |
| <b>A. OFF-BALANCE SHEET LIABILITIES (I+II+III)</b>                     |                   | <b>170,914,580</b>                       | <b>191,030,192</b> | <b>361,944,772</b> | <b>116,129,741</b>                    | <b>166,079,544</b> | <b>282,209,285</b> |
| <b>I. GUARANTEES AND SURETIES</b>                                      | <b>(III-1)</b>    | <b>11,336,492</b>                        | <b>36,849,354</b>  | <b>48,185,846</b>  | <b>8,470,096</b>                      | <b>30,062,181</b>  | <b>38,532,277</b>  |
| 1.1 Letters of Guarantee   |                   | 7,432,521                                | 17,639,764         | 25,072,285         | 7,056,943                             | 14,037,146         | 21,094,089         |
| 1.1.1 Guarantees Subject to State Tender Law                           |                   | 147,751                                  | 183,070            | 330,821            | 133,980                               | 147,510            | 281,490            |
| 1.1.2 Guarantees Given for Foreign Trade Operations                    |                   | 459,047                                  | 717,774            | 1,176,821          | 395,162                               | 612,824            | 1,007,986          |
| 1.1.3 Other Letters of Guarantee                                       |                   | 6,825,723                                | 16,738,920         | 23,564,643         | 6,527,801                             | 13,276,812         | 19,804,613         |
| 1.2 Bank Acceptances   |                   | -  | 57,169             | 57,169             | -                                     | 33,680             | 33,680             |
| 1.2.1 Import Letter of Acceptance                                      |                   | -  | 57,169             | 57,169             | -                                     | 33,680             | 33,680             |
| 1.2.2 Other Bank Acceptances   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.3 Letters of Credit  |                   | -  | 13,767,318         | 13,767,318         | -                                     | 10,343,834         | 10,343,834         |
| 1.3.1 Documentary Letters of Credit                                    |                   | -  | 4,368,189          | 4,368,189          | -                                     | 4,046,781          | 4,046,781          |
| 1.3.2 Other Letters of Credit  |                   | -  | 9,399,129          | 9,399,129          | -                                     | 6,297,053          | 6,297,053          |
| 1.4 Prefinancing Given as Guarantee                                    |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.5 Endorsements   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.5.1 Endorsements to the Central Bank of Turkey                       |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.5.2 Other Endorsements   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.6 Purchase Guarantees for Securities Issued                          |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.7 Factoring Guarantees   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 1.8 Other Guarantees   |                   | 2,040,092                                | 4,765,613          | 6,805,705          | 1,384,153                             | 4,279,755          | 5,663,908          |
| 1.9 Other Collaterals  |                   | 1,863,879                                | 619,490            | 2,483,369          | 29,000                                | 1,367,766          | 1,396,766          |
| <b>II. COMMITMENTS</b>   | <b>(III-1)</b>    | <b>29,910,106</b>                        | <b>8,166,902</b>   | <b>38,077,008</b>  | <b>24,869,317</b>                     | <b>8,633,167</b>   | <b>33,502,484</b>  |
| 2.1 Irrevocable Commitments  |                   | 29,910,106                               | 8,166,902          | 38,077,008         | 24,869,317                            | 8,633,167          | 33,502,484         |
| 2.1.1 Asset Purchase Commitments                                       |                   | 1,286,346                                | 7,567,855          | 8,854,201          | 3,543,805                             | 7,707,411          | 11,251,216         |
| 2.1.2 Deposit Purchase and Sale Commitments                            |                   | -  | 305,613            | 305,613            | -                                     | -                  | -                  |
| 2.1.3 Share Capital Commitment to Associates and Subsidiaries          |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.1.4 Loan Granting Commitments  |                   | 9,236,907                                | 59,874             | 9,296,781          | 7,121,357                             | 52,502             | 7,173,859          |
| 2.1.5 Securities Issuance Brokerage Commitments                        |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.1.6 Commitments for Reserve Deposit Requirements                     |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.1.7 Commitments for Cheque Payments                                  |                   | 2,841,698                                | -                  | 2,841,698          | 2,135,381                             | -                  | 2,135,381          |
| 2.1.8 Tax and Fund Liabilities from Export Commitments                 |                   | 63,299                                   | -                  | 63,299             | 51,363                                | -                  | 51,363             |
| 2.1.9 Commitments for Credit Card Limits                               |                   | 16,474,347                               | -                  | 16,474,347         | 12,007,806                            | -                  | 12,007,806         |
| 2.1.10 Commitments for Credit Cards and Banking Services Promotions    |                   | 2,817                                    | -                  | 2,817              | 5,797                                 | -                  | 5,797              |
| 2.1.11 Receivables from Short Sale Commitments on Securities           |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.1.12 Payables for Short Sale Commitments on Securities               |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.1.13 Other Irrevocable Commitments                                   |                   | 4,692                                    | 233,560            | 238,252            | 3,808                                 | 873,254            | 877,062            |
| 2.2 Revocable Commitments  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.2.1 Revocable Loan Granting Commitments                              |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 2.2.2 Other Revocable Commitments                                      |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>                           |                   | <b>129,667,982</b>                       | <b>146,013,936</b> | <b>275,681,918</b> | <b>82,790,328</b>                     | <b>127,384,196</b> | <b>210,174,524</b> |
| 3.1 Derivative Financial Instruments for Hedging Purposes              |                   | 22,165,300                               | 14,737,264         | 36,902,564         | 21,649,500                            | 7,806,018          | 29,455,518         |
| 3.1.1 Fair Value Hedge   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.1.2 Cash Flow Hedge  |                   | 22,165,300                               | 14,737,264         | 36,902,564         | 21,649,500                            | 7,806,018          | 29,455,518         |
| 3.1.3 Foreign Net Investment Hedges                                    |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.2 Held for Trading Transactions                                      |                   | 107,502,682                              | 131,276,672        | 238,779,354        | 61,140,828                            | 119,578,178        | 180,719,006        |
| 3.2.1 Forward Foreign Currency Buy-Sell Transactions                   |                   | 16,023,147                               | 21,338,116         | 37,361,263         | 11,386,300                            | 15,523,785         | 26,910,085         |
| 3.2.1.1 Forward Foreign Currency Transactions-Buy                      |                   | 13,823,600                               | 5,100,492          | 18,924,092         | 9,169,995                             | 4,268,100          | 13,438,095         |
| 3.2.1.2 Forward Foreign Currency Transactions-Sell                     |                   | 2,199,547                                | 16,237,624         | 18,437,171         | 2,216,305                             | 11,255,685         | 13,471,990         |
| 3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates |                   | 78,578,058                               | 83,903,468         | 162,481,526        | 47,269,862                            | 90,288,974         | 137,558,836        |
| 3.2.2.1 Foreign Currency Swap-Buy                                      |                   | 3,151,730                                | 52,169,653         | 55,321,383         | 1,451,736                             | 55,792,484         | 57,244,220         |
| 3.2.2.2 Foreign Currency Swap-Sell                                     |                   | 41,501,328                               | 15,240,451         | 56,741,779         | 30,279,126                            | 26,837,944         | 57,117,070         |
| 3.2.2.3 Interest Rate Swaps-Buy  |                   | 16,962,500                               | 8,246,682          | 25,209,182         | 7,769,500                             | 3,829,273          | 11,598,773         |
| 3.2.2.4 Interest Rate Swaps-Sell                                       |                   | 16,962,500                               | 8,246,682          | 25,209,182         | 7,769,500                             | 3,829,273          | 11,598,773         |
| 3.2.3 Foreign Currency, Interest Rate and Securities Options           |                   | 9,645,420                                | 21,390,053         | 31,035,473         | 2,116,848                             | 11,241,994         | 13,358,842         |
| 3.2.3.1 Foreign Currency Options-Buy                                   |                   | 6,418,342                                | 5,738,752          | 12,157,094         | 1,630,468                             | 2,022,308          | 3,652,776          |
| 3.2.3.2 Foreign Currency Options-Sell                                  |                   | 3,227,078                                | 8,722,821          | 11,949,899         | 486,380                               | 3,144,606          | 3,630,986          |
| 3.2.3.3 Interest Rate Options-Buy                                      |                   | -  | 3,464,240          | 3,464,240          | -                                     | 3,037,540          | 3,037,540          |
| 3.2.3.4 Interest Rate Options-Sell                                     |                   | -  | 3,464,240          | 3,464,240          | -                                     | 3,037,540          | 3,037,540          |
| 3.2.3.5 Securities Options-Buy   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.2.3.6 Securities Options-Sell  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.2.4 Foreign Currency Futures   |                   | 3,256,057                                | 2,788,556          | 6,044,613          | 367,818                               | 439,173            | 806,991            |
| 3.2.4.1 Foreign Currency Futures-Buy                                   |                   | 3,243,312                                | 19,502             | 3,262,814          | 329,039                               | 113,632            | 442,671            |
| 3.2.4.2 Foreign Currency Futures-Sell                                  |                   | 12,745                                   | 2,769,054          | 2,781,799          | 38,779                                | 325,541            | 364,320            |
| 3.2.5 Interest Rate Futures  |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.2.5.1 Interest Rate Futures-Buy                                      |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.2.5.2 Interest rate Futures-Sell                                     |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 3.2.6 Other  |                   | -  | 1,856,479          | 1,856,479          | -                                     | 2,084,252          | 2,084,252          |
| <b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>                       |                   | <b>216,236,626</b>                       | <b>97,224,767</b>  | <b>313,461,393</b> | <b>191,502,856</b>                    | <b>77,886,471</b>  | <b>269,389,327</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>                                       |                   | <b>49,526,590</b>                        | <b>16,390,175</b>  | <b>65,916,765</b>  | <b>43,658,517</b>                     | <b>11,330,004</b>  | <b>54,988,521</b>  |
| 4.1 Customer Fund and Portfolio Balances                               |                   | 10,864,388                               | -                  | 10,864,388         | 7,112,025                             | -                  | 7,112,025          |
| 4.2 Investment Securities Held In Custody                              |                   | 7,825,846                                | 13,305,284         | 21,131,130         | 14,741,218                            | 8,458,577          | 23,199,795         |
| 4.3 Cheques Received for Collection                                    |                   | 30,017,682                               | 2,149,008          | 32,166,690         | 20,823,940                            | 2,178,366          | 23,002,306         |
| 4.4 Commercial Notes Received for Collection                           |                   | 745,304                                  | 207,629            | 952,933            | 591,700                               | 132,493            | 724,193            |
| 4.5 Other assets Received for Collection                               |                   | 125                                      | 728,254            | 728,379            | 125                                   | 560,568            | 560,693            |
| 4.6 Assets Received for Public Offering                                |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 4.7 Other Items under Custody  |                   | 73,245                                   | -                  | 73,245             | 389,509                               | -                  | 389,509            |
| 4.8 Custodians   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>V. PLEDGES RECEIVED</b>   |                   | <b>164,577,628</b>                       | <b>80,086,139</b>  | <b>244,663,767</b> | <b>147,068,982</b>                    | <b>66,228,730</b>  | <b>213,297,712</b> |
| 5.1 Marketable Securities  |                   | 147,251                                  | 924,577            | 1,071,828          | 122,836                               | 673,062            | 795,898            |
| 5.2 Guarantee Notes  |                   | 60,000,294                               | 56,064,590         | 116,064,884        | 54,425,408                            | 45,321,890         | 99,747,298         |
| 5.3 Commodity  |                   | 79,629                                   | 101,932            | 181,561            | 226,267                               | -                  | 226,267            |
| 5.4 Warranty   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| 5.5 Immovables   |                   | 86,813,216                               | 17,409,630         | 104,222,846        | 78,588,982                            | 15,290,955         | 93,879,937         |
| 5.6 Other Pledged Items  |                   | 17,537,238                               | 5,585,410          | 23,122,648         | 13,705,489                            | 4,942,823          | 18,648,312         |
| 5.7 Pledged Items-Depository   |                   | -  | -                  | -                  | -                                     | -                  | -                  |
| <b>VI. ACCEPTED BILLS AND SURETIES</b>                                 |                   | <b>2,132,408</b>                         | <b>748,453</b>     | <b>2,880,861</b>   | <b>775,357</b>                        | <b>327,737</b>     | <b>1,103,094</b>   |
| <b>TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)</b>                       |                   | <b>387,151,206</b>                       | <b>288,254,959</b> | <b>675,406,165</b> | <b>307,632,597</b>                    | <b>243,966,015</b> | <b>551,598,612</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 JUNE 2022

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

### III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| INCOME AND EXPENSE ITEMS  | Section<br>5 Note | Reviewed                           | Reviewed                         | Reviewed                           | Reviewed                         |
|---|-------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
|   |                   | Current Period<br>01.01-30.06.2022 | Prior Period<br>01.01-30.06.2021 | Current Period<br>01.04-30.06.2022 | Prior Period<br>01.04-30.06.2021 |
| <b>I. INTEREST INCOME</b>   | <b>(IV-1)</b>     | <b>14,175,692</b>                  | <b>7,280,930</b>                 | <b>8,318,595</b>                   | <b>3,743,454</b>                 |
| 1.1 Interest Income on Loans  |                   | 9,528,202                          | 5,247,378                        | 5,422,982                          | 2,765,091                        |
| 1.2 Interest Income on Reserve Requirements   |                   | 106,992                            | 177,830                          | 14,926                             | 105,267                          |
| 1.3 Interest Income on Banks  |                   | 82,365                             | 92,638                           | 51,352                             | 51,875                           |
| 1.4 Interest Income on Money Market Transactions  |                   | 73,767                             | 95,597                           | 39,476                             | 45,776                           |
| 1.5 Interest Income on Securities Portfolio   |                   | 3,962,435                          | 1,443,144                        | 2,550,441                          | 672,334                          |
| 1.5.1 Financial Assets at Fair Value Through Profit or Loss                                     |                   | 175,819                            | 109,798                          | 48,759                             | 61,061                           |
| 1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income                         |                   | 674,295                            | 366,774                          | 440,869                            | 175,605                          |
| 1.5.3 Financial Assets Measured at Amortized Cost   |                   | 3,112,321                          | 966,572                          | 2,060,813                          | 435,668                          |
| 1.6 Financial Lease Income  |                   | -                                  | -                                | -                                  | -                                |
| 1.7 Other Interest Income   |                   | 421,931                            | 224,343                          | 239,418                            | 103,111                          |
| <b>II. INTEREST EXPENSE (-)</b>   | <b>(IV-2)</b>     | <b>6,285,110</b>                   | <b>4,081,753</b>                 | <b>3,551,641</b>                   | <b>2,138,528</b>                 |
| 2.1 Interest Expense on Deposits  |                   | 5,125,227                          | 3,280,186                        | 2,912,062                          | 1,772,581                        |
| 2.2 Interest Expense on Funds Borrowed  |                   | 660,324                            | 375,649                          | 366,081                            | 204,859                          |
| 2.3 Interest Expense on Money Market Transactions   |                   | 132,089                            | 113,679                          | 54,890                             | 19,700                           |
| 2.4 Interest Expense on Securities Issued   |                   | 170,020                            | 221,291                          | 133,884                            | 110,855                          |
| 2.5 Interest Expense on Leases  |                   | 74,062                             | 50,836                           | 39,119                             | 25,895                           |
| 2.6 Other Interest Expenses   |                   | 123,388                            | 40,112                           | 45,605                             | 4,638                            |
| <b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>  |                   | <b>7,890,582</b>                   | <b>3,199,177</b>                 | <b>4,766,954</b>                   | <b>1,604,926</b>                 |
| <b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>  |                   | <b>1,137,433</b>                   | <b>714,086</b>                   | <b>621,288</b>                     | <b>361,734</b>                   |
| 4.1 Fees and Commissions Received   |                   | 1,965,111                          | 1,161,701                        | 1,087,867                          | 592,451                          |
| 4.1.1 Non-cash Loans  |                   | 256,376                            | 146,882                          | 137,174                            | 72,985                           |
| 4.1.2 Other   | (IV-9)            | 1,708,735                          | 1,014,819                        | 950,693                            | 519,466                          |
| 4.2 Fees and Commissions Paid (-)   |                   | 827,678                            | 447,615                          | 466,579                            | 230,717                          |
| 4.2.1 Non-cash Loans  |                   | 4,897                              | 4,436                            | 2,316                              | 2,191                            |
| 4.2.2 Other   | (IV-9)            | 822,781                            | 443,179                          | 464,263                            | 228,526                          |
| <b>V. DIVIDEND INCOME</b>   |                   | <b>6,357</b>                       | <b>2,783</b>                     | <b>5,042</b>                       | <b>375</b>                       |
| <b>VI. TRADING INCOME / LOSS (Net)</b>  | <b>(IV-3)</b>     | <b>509,808</b>                     | <b>(1,336,817)</b>               | <b>301,008</b>                     | <b>(806,526)</b>                 |
| 6.1 Securities Trading Gains / Losses   |                   | (17,177)                           | 74,544                           | (22,249)                           | 59,071                           |
| 6.2 Gains / Losses on Derivative Financial Instruments  |                   | (1,677,568)                        | (1,304,260)                      | (1,108,970)                        | (958,592)                        |
| 6.3 Foreign Exchange Gains / Losses   |                   | 2,204,553                          | (107,101)                        | 1,432,227                          | 92,995                           |
| <b>VII. OTHER OPERATING INCOME</b>  | <b>(IV-4)</b>     | <b>115,793</b>                     | <b>96,870</b>                    | <b>34,122</b>                      | <b>34,122</b>                    |
| <b>VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>   |                   | <b>9,659,973</b>                   | <b>2,676,099</b>                 | <b>5,765,485</b>                   | <b>1,194,631</b>                 |
| <b>IX. EXPECTED CREDIT LOSS (-)</b>   | <b>(IV-5)</b>     | <b>351,164</b>                     | <b>(122,033)</b>                 | <b>158,056</b>                     | <b>(146,590)</b>                 |
| <b>X. OTHER PROVISION EXPENSES (-)</b>  | <b>(IV-5)</b>     | <b>(879)</b>                       | <b>2,754</b>                     | <b>1,149</b>                       | <b>1,379</b>                     |
| <b>XI. PERSONNEL EXPENSE (-)</b>  |                   | <b>1,599,205</b>                   | <b>935,916</b>                   | <b>884,070</b>                     | <b>482,005</b>                   |
| <b>XII. OTHER OPERATING EXPENSES (-)</b>  | <b>(IV-6)</b>     | <b>1,451,274</b>                   | <b>1,029,837</b>                 | <b>772,814</b>                     | <b>508,035</b>                   |
| <b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>                                       |                   | <b>6,259,209</b>                   | <b>829,625</b>                   | <b>3,949,396</b>                   | <b>349,802</b>                   |
| <b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>                                       |                   | -                                  | -                                | -                                  | -                                |
| <b>XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES<br/>CONSOLIDATED BASED ON EQUITY METHOD</b> |                   | -                                  | -                                | -                                  | -                                |
| <b>XVI. PROFIT/LOSS ON NET MONETARY POSITION</b>  |                   | -                                  | -                                | -                                  | -                                |
| <b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED<br/>OPERATIONS (XIII+...+XVI)</b>                |                   | <b>6,259,209</b>                   | <b>829,625</b>                   | <b>3,949,396</b>                   | <b>349,802</b>                   |
| <b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>  | <b>(IV-7)</b>     | <b>1,445,385</b>                   | <b>165,341</b>                   | <b>775,897</b>                     | <b>63,481</b>                    |
| 18.1 Current Tax Provision  |                   | 3,088,858                          | 180,139                          | 854,014                            | 164,647                          |
| 18.2 Deferred Tax Expense Effect (+)  |                   | 1,163,808                          | 1,099,512                        | 973,896                            | 541,658                          |
| 18.3 Deferred Tax Income Effect (-)   |                   | (2,807,281)                        | (1,114,310)                      | (1,052,013)                        | (642,824)                        |
| <b>XIX. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED<br/>OPERATIONS (XVII±XVIII)</b>            |                   | <b>4,813,824</b>                   | <b>664,284</b>                   | <b>3,173,499</b>                   | <b>286,321</b>                   |
| <b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>  |                   | -                                  | -                                | -                                  | -                                |
| 20.1 Income from Non-current Assets Held for Sale   |                   | -                                  | -                                | -                                  | -                                |
| 20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures                           |                   | -                                  | -                                | -                                  | -                                |
| 20.3 Income from Other Discontinued Operations  |                   | -                                  | -                                | -                                  | -                                |
| <b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>   |                   | -                                  | -                                | -                                  | -                                |
| 21.1 Expenses from Non-current Assets Held for Sale   |                   | -                                  | -                                | -                                  | -                                |
| 21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures                             |                   | -                                  | -                                | -                                  | -                                |
| 21.3 Expenses for Other Discontinued Operations   |                   | -                                  | -                                | -                                  | -                                |
| <b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED<br/>OPERATIONS (XX-XXI)</b>                   |                   | -                                  | -                                | -                                  | -                                |
| <b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>                                     | <b>(IV-7)</b>     | -                                  | -                                | -                                  | -                                |
| 23.1 Current Tax Provision  |                   | -                                  | -                                | -                                  | -                                |
| 23.2 Deferred Tax Expense Effect (+)  |                   | -                                  | -                                | -                                  | -                                |
| 23.3 Deferred Tax Income Effect (-)   |                   | -                                  | -                                | -                                  | -                                |
| <b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED<br/>OPERATIONS (XXII±XXIII)</b>           |                   | -                                  | -                                | -                                  | -                                |
| <b>XXV. NET INCOME/LOSS (XIX+XXIV)</b>  | <b>(IV-8)</b>     | <b>4,813,824</b>                   | <b>664,284</b>                   | <b>3,173,499</b>                   | <b>286,321</b>                   |
| 25.1 Group's Profit / Loss  |                   | 4,808,403                          | 661,096                          | 3,170,463                          | 284,721                          |
| 25.2 Minority Interest Profit / Loss (-)  |                   | 5,421                              | 3,188                            | 3,036                              | 1,600                            |
| Earnings per Share  |                   | 2.1813                             | 0.2999                           | 1.4383                             | 0.1292                           |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY - 30 JUNE 2022

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

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

|   | Reviewed<br>Current Period<br>01.01-30.06.2022 | Reviewed<br>Prior Period<br>01.01-30.06.2021 |
|---|--|--|
| <b>I. CURRENT PERIOD PROFIT/LOSS</b>  | <b>4,813,824</b>                               | <b>664,284</b>                               |
| <b>II. OTHER COMPREHENSIVE INCOME</b>   | <b>415,770</b>                                 | <b>160,930</b>                               |
| <b>2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss</b>                                  | <b>20,593</b>                                  | <b>7,946</b>                                 |
| 2.1.1 Increases / (Decreases) on Revaluation of Property, Plant and Equipment   | -  | -  |
| 2.1.2 Increases / (Decreases) on Revaluation of Intangible Assets   | -  | -  |
| 2.1.3 Gains / (Losses) on Remeasurement of Defined Benefit Plans  | 11,933   | 7,788  |
| 2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss                   | 4,255  | 1,808  |
| 2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss       | 4,405  | (1,650)                                      |
| <b>2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss</b>   | <b>395,177</b>                                 | <b>152,984</b>                               |
| 2.2.1 Exchange Differences on Translation   | -  | -  |
| 2.2.2 Valuation and/or Reclassification Gains/Losses from Financial Assets at Fair Value through Other Comprehensive Income | 554,074  | (132,988)                                    |
| 2.2.3 Income / (Losses) related with Cash Flow Hedges   | (26,616)                                       | 317,267                                      |
| 2.2.4 Income / (Losses) related with Hedges of Net Investments in Foreign Operations  | -  | -  |
| 2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Other Profit or Loss                 | -  | -  |
| 2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss           | (132,281)                                      | (31,295)                                     |
| <b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>   | <b>5,229,594</b>                               | <b>825,214</b>                               |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

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

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY                            |                  |                |                           |                        | Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss |                  |               | Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss |                  |                | Total Equity Except from Minority Shares |                             |                               | Total Shareholder s' Equity |                 |                             |
|---|------------------|----------------|---------------------------|------------------------|---|------------------|---------------|---|------------------|----------------|--|-----------------------------|-------------------------------|-----------------------------|-----------------|-----------------------------|
| Reviewed  | Paid-in Capital  | Share Premiums | Share Cancellation Profit | Other Capital Reserves | 1   | 2                | 3             | 4   | 5                | 6              | Profit Reserves                          | Prior Period Profit /(Loss) | Current Period Profit or Loss | Minority Shares             | Minority Shares | Total Shareholder s' Equity |
| <b>Prior Period – 01.01-30.06.2021</b>                                  |                  |                |                           |                        |   |                  |               |   |                  |                |  |                             |                               |                             |                 |                             |
| I. Prior Period End Balance   | 2,204,390        | 2,565          | -                         | 389,189                | 275,516   | (4,120)          | 5,233         | -   | (88,151)         | (226,704)      | 7,843,996                                | 1,272,252                   | -                             | 11,674,166                  | 15,507          | 11,689,673                  |
| II. Corrections According to TAS 8                                      | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| 2.1 Effect of Corrections of Errors                                     | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| 2.2 Effects of Changes in Accounting Policy                             | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| III. New Balance (I+II)   | 2,204,390        | 2,565          | -                         | 389,189                | 275,516   | (4,120)          | 5,233         | -   | (88,151)         | (226,704)      | 7,843,996                                | 1,272,252                   | -                             | 11,674,166                  | 15,507          | 11,689,673                  |
| IV. Total Comprehensive Income  | -                | -              | -                         | -                      | -   | 6,231            | 1,715         | -   | (101,364)        | 254,377        | -  | -                           | 661,096                       | 822,055                     | 3,159           | 825,214                     |
| V. Capital Increase by Cash   | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| VI. Capital Increase by Internal Sources                                | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| VII. Paid-in Capital Inflation Adjustment Difference                    | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| VIII. Convertible Bonds to Shares                                       | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| IX. Subordinated Debt Instruments                                       | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| X. Increase/Decrease by Other Changes                                   | -                | -              | -                         | (528)                  | (220,221)   | -                | -             | -   | -                | -              | 230,246                                  | (9,497)                     | -                             | -                           | -               | -                           |
| XI. Profit Distribution   | -                | -              | -                         | -                      | 935   | -                | -             | -   | -                | -              | 1,261,820                                | (1,262,755)                 | -                             | -                           | (5,183)         | (5,183)                     |
| 11.1 Dividends Paid   | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | (5,183)         | (5,183)                     |
| 11.2 Transfers to Reserves  | -                | -              | -                         | -                      | 935   | -                | -             | -   | -                | -              | 1,261,820                                | (1,262,755)                 | -                             | -                           | -               | -                           |
| 11.3 Other  | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| <b>Period End Balance 30.06.2021<br/>(III+IV+V+VI+VII+VIII+IX+X+XI)</b> | <b>2,204,390</b> | <b>2,565</b>   | <b>-</b>                  | <b>388,661</b>         | <b>56,230</b>   | <b>2,111</b>     | <b>6,948</b>  | <b>-</b>  | <b>(189,515)</b> | <b>27,673</b>  | <b>9,336,062</b>                         | <b>-</b>                    | <b>661,096</b>                | <b>12,496,221</b>           | <b>13,483</b>   | <b>12,509,704</b>           |
| <b>Current Period – 01.01-30.06.2022</b>                                |                  |                |                           |                        |   |                  |               |   |                  |                |  |                             |                               |                             |                 |                             |
| I. Prior Period End Balance   | 2,204,390        | 2,565          | -                         | 388,661                | 56,230  | (123,085)        | 7,482         | -   | (199,759)        | 292,799        | 9,336,062                                | 2,072,708                   | -                             | 14,038,053                  | 18,217          | 14,056,270                  |
| II. Corrections According to TAS 8                                      | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| 2.1 Effects of Corrections  | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| 2.2 Effects of the Changes in Accounting Policies                       | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| III. New Beginning Balance (I+II)                                       | 2,204,390        | 2,565          | -                         | 388,661                | 56,230  | (123,085)        | 7,482         | -   | (199,759)        | 292,799        | 9,336,062                                | 2,072,708                   | -                             | 14,038,053                  | 18,217          | 14,056,270                  |
| IV. Total Comprehensive Income  | -                | -              | -                         | -                      | -   | 16,641           | 3,929         | -   | 426,775          | (31,624)       | -  | -                           | 4,808,403                     | 5,224,124                   | 5,470           | 5,229,594                   |
| V. Capital Increase by Cash   | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| VI. Capital Increase by Internal Sources                                | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| VII. Paid-in Capital Inflation Adjustment Difference                    | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| VIII. Convertible Bonds to Shares                                       | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| IX. Subordinated Debt Instruments                                       | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| X. Increase/Decrease by Other Changes                                   | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| XI. Profit Distribution   | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | 1,974,352                                | (1,974,352)                 | -                             | -                           | (6,805)         | (6,805)                     |
| 11.1 Dividends Paid   | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | (6,805)         | (6,805)                     |
| 11.2 Transfers to Reserves  | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | 1,974,352                                | (1,974,352)                 | -                             | -                           | -               | -                           |
| 11.3 Other  | -                | -              | -                         | -                      | -   | -                | -             | -   | -                | -              | -  | -                           | -                             | -                           | -               | -                           |
| <b>Period End Balance 30.06.2022<br/>(III+IV+V+VI+VII+VIII+IX+X+XI)</b> | <b>2,204,390</b> | <b>2,565</b>   | <b>-</b>                  | <b>388,661</b>         | <b>56,230</b>   | <b>(106,444)</b> | <b>11,411</b> | <b>-</b>  | <b>227,016</b>   | <b>261,175</b> | <b>11,310,414</b>                        | <b>98,356</b>               | <b>4,808,403</b>              | <b>19,262,177</b>           | <b>16,882</b>   | <b>19,279,059</b>           |

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

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

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

4. Foreign currency translation differences.

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

### VI. CONSOLIDATED STATEMENT OF CASH FLOWS

|   | Section<br>5 Notes | Reviewed<br>Current Period<br>01.01-30.06.2022 | Reviewed<br>Prior Period<br>01.01-30.06.2021 |
|---|--------------------|--|--|
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>  |                    |  |  |
| <b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>                          |                    | <b>12,485,572</b>                              | <b>2,169,059</b>                             |
| 1.1.1 Interest Received   |                    | 9,830,769                                      | 6,799,566                                    |
| 1.1.2 Interest Paid   |                    | (5,317,050)                                    | (3,943,736)                                  |
| 1.1.3 Dividend Received   |                    | 516  | 2,783  |
| 1.1.4 Fees and Commissions Received   |                    | 1,804,449                                      | 1,121,717                                    |
| 1.1.5 Other Income  |                    | 5,097,387                                      | 171,414                                      |
| 1.1.6 Collections from Previously Written off Loans   |                    | 716,705  | 581,767                                      |
| 1.1.7 Payments to Personnel and Service Suppliers   |                    | (1,545,071)                                    | (916,130)                                    |
| 1.1.8 Taxes paid  |                    | (325,733)                                      | (143,560)                                    |
| 1.1.9 Others  |                    | 2,223,600                                      | (1,504,762)                                  |
| <b>1.2 Changes in Operating Assets and Liabilities</b>  |                    | <b>(7,540,205)</b>                             | <b>(8,686,787)</b>                           |
| 1.2.1 Net (Increase) in Financial Asset at Fair Value through Profit or Loss                            |                    | (267,109)                                      | 326,412                                      |
| 1.2.2 Net (Increase) / Decrease in due from Banks and Other Financial Institutions                      |                    | (35,502)                                       | (26,090)                                     |
| 1.2.3 Net (Increase) in Loans   |                    | (37,743,944)                                   | (2,376,295)                                  |
| 1.2.4 Net (Increase) in Other Assets  |                    | (9,318,872)                                    | (3,204,815)                                  |
| 1.2.5 Net Decrease/(Increase) in Bank Deposits  |                    | (347,212)                                      | (8,734,648)                                  |
| 1.2.6 Net Increase in Other Deposits  |                    | 38,866,100                                     | 415,428                                      |
| 1.2.7 Net Increase in Financial Asset at Fair Value through Profit or Loss                              |                    | -  | -  |
| 1.2.8 Net Increase in Funds Borrowed  |                    | (1,014,666)                                    | 2,165,526                                    |
| 1.2.9 Net Increase in Matured Payables  |                    | -  | -  |
| 1.2.10 Net Increase in Other Liabilities  |                    | 2,321,000                                      | 2,747,695                                    |
| <b>I. Net Cash Provided from Banking operations</b>   |                    | <b>4,945,367</b>                               | <b>(6,517,728)</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |  |  |
| <b>II. Net Cash Provided from Investing Activities</b>  |                    | <b>(3,968,183)</b>                             | <b>282,218</b>                               |
| 2.1 Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries (Joint Vent.)  |                    | -  | -  |
| 2.2 Cash Obtained from Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.) |                    | -  | -  |
| 2.3 Cash Paid for Purchase of Tangible Assets   |                    | (26,679)                                       | (35,428)                                     |
| 2.4 Cash Obtained from Sale of Tangible Assets  |                    | 2,680  | 2,606  |
| 2.5 Cash Paid for Purchase of Financial Assets at Fair Value through Other Comprehensive Income         |                    | (1,691,167)                                    | (2,609,245)                                  |
| 2.6 Cash Obtained from Sale of Financial Assets at Fair Value through Other Comprehensive Income        |                    | 1,166,138                                      | 3,151,847                                    |
| 2.7 Cash Paid for Purchase of Financial Assets Measured at Amortized Cost                               |                    | (4,380,039)                                    | (1,638,693)                                  |
| 2.8 Cash Obtained from Sale of Financial Assets Measured at Amortized Cost                              |                    | 1,023,074                                      | 1,431,698                                    |
| 2.9 Others  |                    | (62,190)                                       | (20,567)                                     |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |  |  |
| <b>III. Net Cash Provided from Financing Activities</b>   |                    | <b>1,730,922</b>                               | <b>(2,346,270)</b>                           |
| 3.1 Cash Obtained from Funds Borrowed and Securities Issued   |                    | 4,856,005                                      | 4,778,157                                    |
| 3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued                                     |                    | (2,954,312)                                    | (6,989,682)                                  |
| 3.3 Equity Instruments Issued   |                    | -  | -  |
| 3.4 Dividends Paid  |                    | (6,805)  | (5,183)                                      |
| 3.5 Payments for Financial Leases   |                    | (163,966)                                      | (129,562)                                    |
| 3.6 Others  |                    | -  | -  |
| <b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>                       |                    | <b>1,802,153</b>                               | <b>731,754</b>                               |
| <b>V. Net Increase in Cash and Cash Equivalents</b>   |                    | <b>4,510,259</b>                               | <b>(7,850,026)</b>                           |
| <b>VI. Cash and Cash Equivalents at Beginning of the Period</b>   |                    | <b>31,414,865</b>                              | <b>24,235,224</b>                            |
| <b>VII. Cash and Cash Equivalents at End of the Period</b>  |                    | <b>35,925,124</b>                              | <b>16,385,198</b>                            |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### SECTION THREE

#### ACCOUNTING PRINCIPLES

##### I. Basis of Presentation

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

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

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

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

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

The effects of this global pandemic on the Group's financial statements are regularly monitored by the Risk Management as well as the Parent Bank's Management. While preparing the consolidated financial statements at 30 June 2022, the Group reflected the possible effects of the COVID-19 outbreak on the estimates and judgements used in the preparation of the financial statements. Bank Management takes the necessary precautions in order to keep the negative effects under control and to be affected at the minimum level. The approach preferred for the period of 30 June 2022, will be revised in the following reporting periods, considering the effect of the pandemic and future expectations.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### I. Basis of Presentation (cont’d)

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

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

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

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

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements in accordance with TAS 29.

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

#### c. Different accounting policies applied while preparing the consolidated financial statements:

In cases where the accounting policies used by the subsidiaries differ from those of the Parent Bank, the differences are harmonized in the financial statements by considering the materiality criterion.

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

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

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### III. Information about the Parent Bank and its Consolidated Subsidiaries

The Parent Bank, with no difference in practice between TAS/IFRS, and the subsidiaries are consolidated by using line-by-line consolidation method. Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, TEB Faktoring A.Ş. (TEB Faktoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line-by-line consolidation method. The Parent Bank and the entities included in the consolidation are referred to as “the Group” in this report.

The accompanying consolidated financial statements are prepared in accordance with “Communiqué on Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated 8 November 2006 numbered 26340.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in their respective country of incorporation and the Turkish Commercial Code and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and IFRS.

#### Explanations on Consolidation Method and Scope

The commercial names of the entities included in consolidation and the locations of the head offices of these institutions:

| <u>Commercial Name</u> | <u>Head Office</u> |
|------------------------|--------------------|
| TEB Faktoring          | Turkey             |
| TEB Yatırım            | Turkey             |
| TEB Portföy            | Turkey             |

Line-by-line consolidation method is used for all the financial institutions included in the consolidation.

The financial statements of subsidiaries were prepared as of 30 June 2022, 31 December 2021 and 30 June 2021.

The transactions and balances between the consolidated entities and the Parent Bank are eliminated.

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

#### The portion of derivative financial assets at fair value through profit or loss (cont’d)

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

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

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

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

#### Explanations on derivatives for hedging purposes

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

#### The portion of derivative financial assets at fair value through other comprehensive income (cont’d)

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

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

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

### V. Explanations on Interest Income and Expenses

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

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

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

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

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

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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### VI. Explanations on Fees and Commission Income and Expenses (cont’d)

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

### VII. Explanations on Financial Assets

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

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

#### *Financial Assets at Fair Value through Profit or Loss*

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

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

Accounting policies for derivative financial instruments at fair value through profit or loss are explained in note III Chapter IV.

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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

#### *Financial Assets at Fair Value through Other Comprehensive Income (cont’d)*

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

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

In addition, the Parent Bank's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price (“CPI”) indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months ago. The Parent bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Republic of Turkey and the Parent Bank's expectations, is updated during the year when deemed necessary. In this context, as of 30 June 2022, the valuation of the said assets was based on an annual inflation forecast of 70%. At the end of the year, the actual inflation rate is used.

#### *Financial Assets Measured at Amortized Cost*

##### *Financial investments measured at amortized cost:*

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

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

##### *Loans:*

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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### VIII. Explanations on Impairment of Financial Assets

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

Measurement of the expected credit losses reflects:

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

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

#### *Stage 1:*

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

#### *Stage 2:*

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

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

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

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

#### *Stage 3:*

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

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

#### Expected Credit Loss Calculation

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

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

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

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

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

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

|            | 2022 |     |     |     | 2023 |     |     |     | 2024 |     |     |     | 2025 |     |     |     |
|------------|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|
| Period (*) | 1    | 2   | 3   | 4   | 1    | 2   | 3   | 4   | 1    | 2   | 3   | 4   | 1    | 2   | 3   | 4   |
| GDP        | 7.3  | 4.0 | 1.7 | 1.9 | 3.7  | 4.1 | 2.3 | 2.2 | 3.5  | 3.0 | 3.5 | 4.0 | 4.0  | 3.5 | 3.9 | 4.5 |

(\*) Represents 3-month periods

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

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

- 12 Month PD: as the estimated probability of default occurring within the next 12 months

- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument

Internal rating systems are used to measure the risk of both commercial and retail portfolios. The internal rating models used in the commercial portfolio include the customer's financial information and the answers to the qualitative question set. Behavioral score cards used in the retail portfolio include the behavioral data of the customer and the product in the Bank, the demographic information of the customer and the behavioral data of the customer in the sector.

The probability of default is calculated based on historical data, current conditions and forward-looking macroeconomic expectations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

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

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

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

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

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

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

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

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

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

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

Qualitative assessments:

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

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

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

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

Qualitative assessments: (cont’d)

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

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

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

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

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

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

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

Securities purchased under repurchase agreements (“reverse repo”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 30 June 2022, the Group has TL 1,100,455 reverse repo transaction (31 December 2021: None).

As of 30 June 2022, the Group does not have any marketable securities lending transaction (31 December 2021: None).

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

Assets held for sale consist of tangible assets acquired due to non-performing loans and are accounted for in accordance with the provisions of “IFRS 5 Non-current Assets Held for Sale and Discontinued Operations” in the financial statements. An asset (or disposal group) classified as held for sale in accordance with IFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

As of 30 June 2022, assets held for sale and discontinued operations of the Group are TL 84,393 (31 December 2021: TL 65,933). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, 5,474 (31 December 2021: TL 2,288) has been reserved as provision for impairment losses.

As of 30 June 2022, the Group has no discontinued operations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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

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

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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### XIII. Explanations on Tangible Assets

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

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

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

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

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

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

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

### XIV. Explanations on Leasing Transactions

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

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

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

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

### XV. Explanations on Provisions and Contingent Liabilities

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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### XVI. Explanations on Contingent Assets

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

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

### XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Parent Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Parent Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS 19 Employee Benefits.

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

Employees transferred to the Parent Bank following the business combination defined in “General Information” of the Parent Bank and Fortis Bank A.Ş. are the members of “Türk Dış Ticaret Bankası Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No. 506. Technical financial statements of the Pension Fund are reviewed by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 30 June 2022, the Pension Fund has 1,379 employees and 1,277 pensioners (31 December 2021 1,414 employees and 1,238 pensioners).

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### **XVII. Explanations on Liabilities Regarding Employee Benefits (cont’d)**

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2021. Since the Parent Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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

### **XVIII. Explanations on Taxation**

#### *Corporate Tax*

According to Article 32 of the Corporate Tax Law No. 5520 announced in the Official Gazette dated 21 June 2006, the corporate tax rate in Turkey is 20%. However, with the “Law on Amendments to Some Tax Laws and Some Other Laws” numbered 7061 published in the Official Gazette dated 5 December 2017, this rate was applied as 22% for 3 years between 2018-2020. With Article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and Amending Certain Laws, which was published in the Official Gazette dated 22 April 2021 and numbered 31462, and with the Provisional Article 13 added to the Corporate Tax Law No. 5520, the Corporate Tax rate will be applied as 25% for the corporate earnings of the 2021 taxation period and 23% for the corporate earnings of the 2022 taxation period.

Besides, with the Law No. 7394 on Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated 15 April 2022 and numbered 31810 and the sentence added to the first paragraph of the Provisional Article 13 added to the Corporate Tax Law No. 5520 with Article 26 of the Law on Amending Certain Laws and Decrees, corporate tax will be charged at the rate of 25% for the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the 2022 taxation period. The tax rate change will be valid for corporate earnings for the taxation period starting from 1 January 2022, starting from the declarations that must be submitted as of 1 July 2022. In addition, with the Law No. 7417 on the Amendment of the Law on Civil Servants and Some Laws and the Statutory Decree No. 375, which was published in the Official Gazette dated 5 July 2022 and numbered 31887, the effective article of the 25% rate determined within the scope of the Law No. 7394 was amended, thus, the relevant regulation has been made that a 25% corporate tax will be calculated on the corporate earnings of the above mentioned banks and financial institutions for the year 2023 and the following taxation periods. In the Group's financial statements as at 30 June 2022, 25% tax rate has been used in the calculations of current tax and deferred tax.

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

#### *Corporate Tax (cont’d)*

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

#### *Deferred Tax Asset / Liability*

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

In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 30 June 2022, the deferred tax is calculated over 25% accordance with the tax legislation in effect.

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

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

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

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

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

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

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

There is no share issued in the year 2022.

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

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

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

There is no government incentive utilized by the Group.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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### **XXIII. Explanations on Reporting According to Segmentation**

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

| Current Period                   | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Baking  | Other            | Elimination     | Total            |
|----------------------------------|-------------------------------|----------------------|----------------|------------------|-----------------|------------------|
| Dividend Income                  | -                             | -                    | -              | 18,972           | (12,615)        | 6,357            |
| Profit Before Tax                | 693,131                       | 1,247,157            | 378,319        | 3,953,217        | (12,615)        | 6,259,209        |
| Tax Provision (-)                | -                             | -                    | -              | 1,445,385        | -               | 1,445,385        |
| <b>Net Profit for the Period</b> | <b>693,131</b>                | <b>1,247,157</b>     | <b>378,319</b> | <b>2,507,832</b> | <b>(12,615)</b> | <b>4,813,824</b> |

| Current Period   | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Baking     | Other              | Elimination      | Total              |
|--|-------------------------------|----------------------|-------------------|--------------------|------------------|--------------------|
| Segment Assets   | 43,700,792                    | 74,147,515           | 34,162,751        | 111,600,594        | (590,115)        | 263,021,537        |
| Investments in Associates, Subsidiaries and<br>Jointly Controlled Entities | -                             | -                    | -                 | 130,194            | (130,139)        | 55                 |
| <b>Total Assets</b>  | <b>43,700,792</b>             | <b>74,147,515</b>    | <b>34,162,751</b> | <b>111,730,788</b> | <b>(720,254)</b> | <b>263,021,592</b> |
| Segment Liabilities  | 114,565,663                   | 55,844,589           | 21,408,423        | 52,514,695         | (590,837)        | 243,742,533        |
| Shareholders' Equity   | -                             | -                    | -                 | 19,408,476         | (129,417)        | 19,279,059         |
| <b>Total Liabilities</b>   | <b>114,565,663</b>            | <b>55,844,589</b>    | <b>21,408,423</b> | <b>71,923,171</b>  | <b>(720,254)</b> | <b>263,021,592</b> |

| Prior Period (30.06.2021)        | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Baking  | Other         | Elimination    | Total          |
|----------------------------------|-------------------------------|----------------------|----------------|---------------|----------------|----------------|
| Dividend Income                  | -                             | -                    | -              | 9,055         | (6,272)        | 2,783          |
| Profit before Tax                | 103,468                       | 391,539              | 110,186        | 230,704       | (6,272)        | 829,625        |
| Tax Provision (-)                | -                             | -                    | -              | 165,341       | -              | 165,341        |
| <b>Net Profit for the Period</b> | <b>103,468</b>                | <b>391,539</b>       | <b>110,186</b> | <b>65,363</b> | <b>(6,272)</b> | <b>664,284</b> |

| Prior Period (31.12.2021)  | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Baking     | Other             | Elimination      | Total              |
|--|-------------------------------|----------------------|-------------------|-------------------|------------------|--------------------|
| Segment Assets   | 37,486,577                    | 47,375,661           | 23,996,403        | 90,620,966        | (625,544)        | 198,854,063        |
| Investments in Associates, Subsidiaries<br>and Jointly Controlled Entities | -                             | -                    | -                 | 130,194           | (130,139)        | 55                 |
| <b>Total Assets</b>  | <b>37,486,577</b>             | <b>47,375,661</b>    | <b>23,996,403</b> | <b>90,751,160</b> | <b>(755,683)</b> | <b>198,854,118</b> |
| Segment Liabilities  | 85,251,945                    | 37,099,365           | 14,272,783        | 48,800,020        | (626,265)        | 184,797,848        |
| Shareholders' Equity   | -                             | -                    | -                 | 14,185,688        | (129,418)        | 14,056,270         |
| <b>Total Liabilities</b>   | <b>85,251,945</b>             | <b>37,099,365</b>    | <b>14,272,783</b> | <b>62,985,708</b> | <b>(755,683)</b> | <b>198,854,118</b> |

### XXIV. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 28 March 2022 of the Parent Bank, TL 1,912,898 that constitutes the 2021 net balance sheet profit shall be transferred to the Extraordinary Reserves after setting aside, in accordance with the proposal in the resolution of the Board of Directors, TL 95,645 as Legal Reserves, TL 1,56 (full TL) as profit distributed to the holders of the founder jouissance certificates.

### XXV. Reclassifications

In order to comply with the presentation of the financial statements dated 30 June 2022, some classifications were made on the statement of income dated and statement of cash flows dated 30 June 2021 and balance sheet dated 31 December 2021. The relevant classification has no effect on the Parent Bank's performance.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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### SECTION FOUR

#### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

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

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

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

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

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

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

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

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

The Group’s current period equity amount calculated as of 30 June 2022 is TL 29,266,071 (31 December 2021: 21,866,488 TL), and the consolidated capital adequacy standard ratio is 15.32% (31 December 2021: 17.77%). The consolidated capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk “standard approach” for banking accounts, market risk “standard method” for trading accounts, counterparty credit risk “fair value valuation method” for derivatives and repo transactions, credit valuation adjustment capital load “standard method” for over-the-counter derivative transactions method” and operational risk were calculated using the “basic indicator method”.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

#### Information related to the components of Consolidated Shareholders' Equity:

|   | Current Period<br>30.06.2022 | Prior Period<br>31.12.2021 |
|---|------------------------------|----------------------------|
| <b>Common Equity Tier 1 Capital</b>   |                              |                            |
| Paid-in capital to be entitled for compensation after all creditors   | 2,404,652                    | 2,404,652                  |
| Share premium   | 2,565                        | 2,565                      |
| Reserves  | 11,441,772                   | 9,538,286                  |
| Gains recognized in equity as per Turkish Accounting Standards (TAS)  | 575,710                      | 4,611                      |
| Profit  | 4,906,759                    | 2,072,708                  |
| Current Period Profit   | 4,808,403                    | 2,072,708                  |
| Prior Period Profit   | 98,356                       | -                          |
| Bonus shares from associates, subsidiaries and joint ventures not accounted in current period's profit  | -                            | -                          |
| Minority interest   | 635                          | 750                        |
| <b>Common Equity Tier 1 Capital Before Deductions</b>   | <b>19,332,093</b>            | <b>14,023,572</b>          |
| <b>Deductions from Common Equity Tier 1 Capital</b>   |                              |                            |
| Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital  | -                            | -                          |
| Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS   | 90                           | 122                        |
| Leasehold improvements on operational leases  | 33,200                       | 37,252                     |
| Goodwill netted off deferred tax liability  | 421,124                      | 421,124                    |
| Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.   | 190,742                      | 175,884                    |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)   | -                            | -                          |
| Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk   | -                            | -                          |
| Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision  | -                            | -                          |
| Gains arising from securitization transactions  | -                            | -                          |
| Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities   | -                            | -                          |
| Net amount of defined-benefit plan assets   | -                            | -                          |
| Direct and indirect investments of the Bank in its own Tier 1 Capital   | -                            | -                          |
| Excess amount expressed in the law (Article 56 4th paragraph)   | -                            | -                          |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)                      | -                            | -                          |
| Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital  | -                            | -                          |
| Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital  | -                            | -                          |
| Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)   | -                            | -                          |
| Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph)  | -                            | -                          |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | -                            | -                          |
| Amounts related to mortgage servicing rights  | -                            | -                          |
| Excess amount of deferred tax assets from temporary differences   | -                            | -                          |
| Other Items Determined by BRSA  | -                            | -                          |
| Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital   | -                            | -                          |
| <b>Total Deductions from Common Equity Tier 1 Capital</b>   | <b>645,156</b>               | <b>634,382</b>             |
| <b>Total Common Equity Tier 1 Capital</b>   | <b>18,686,937</b>            | <b>13,389,190</b>          |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

|   | Current Period<br>30.06.2022 | Prior Period<br>31.12.2021 |
|---|------------------------------|----------------------------|
| <b>ADDITIONAL TIER 1 CAPITAL</b>  |                              |                            |
| Preferred Stock not Included in Common Equity and the Related Share Premiums  | -                            | -                          |
| Debt instruments and premiums approved by BRSA  | -                            | -                          |
| Debt instruments and premiums approved by BRSA (Temporary Article 4)  | -                            | -                          |
| Third Parties Share in the Additional Tier 1 Capital  | 136                          | 161                        |
| Third Parties Share in the Additional Tier 1 Capital (in the scope of Temporary Article 3)  | 136                          | 161                        |
| <b>Additional Tier 1 Capital before deductions</b>  | <b>136</b>                   | <b>161</b>                 |
| <b>Deductions from Additional Tier 1 Capital</b>  |                              |                            |
| Bank's direct or indirect investment on its own Tier 1 Capital  | -                            | -                          |
| Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation  | -                            | -                          |
| Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital                                       | -                            | -                          |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital  | -                            | -                          |
| Other Items Determined by BRSA  | -                            | -                          |
| <b>Items to be deducted from Tier I Capital during the Transition Period</b>  |                              |                            |
| Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)                              | -                            | -                          |
| Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)   | -                            | -                          |
| The amount to be deducted from Additional Tier 1 Capital (-)  | -                            | -                          |
| <b>Total Deductions from Additional Tier 1 Capital</b>  | <b>-</b>                     | <b>-</b>                   |
| <b>Total Additional Tier 1 Capital</b>  | <b>136</b>                   | <b>161</b>                 |
| <b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>  | <b>18,687,073</b>            | <b>13,389,351</b>          |
| <b>TIER 2 CAPITAL</b>   |                              |                            |
| Debt instruments and premiums approved by BRSA  | 8,425,020                    | 7,140,542                  |
| Debt instruments and premiums approved by BRSA (Temporary Article 4)  | -                            | -                          |
| Third parties' share in the Tier 2 Capital  | 181                          | 214                        |
| Third parties' share in the Tier 2 Capital (in the scope of Temporary Article 3)  | 181                          | 214                        |
| Provisions (Amounts stated in the first paragraph of the Article 8 of the Regulation on the Bank Capital)   | 2,184,687                    | 1,363,914                  |
| <b>Tier 2 Capital Before Deductions</b>   | <b>10,609,888</b>            | <b>8,504,670</b>           |
| <b>Deductions From Tier 2 Capital</b>   |                              |                            |
| Bank's direct or indirect investment on its own Tier 2 Capital (-)  | -                            | -                          |
| Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation   | -                            | -                          |
| Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital (-)                                   | -                            | -                          |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital | -                            | -                          |
| Other Items Determined by BRSA (-)  | -                            | -                          |
| <b>Total Deductions from Tier 2 Capital</b>   | <b>-</b>                     | <b>-</b>                   |
| <b>Total Tier 2 Capital</b>   | <b>10,609,888</b>            | <b>8,504,670</b>           |
| <b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>   | <b>29,296,961</b>            | <b>21,894,021</b>          |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

|   | Current Period<br>30.06.2022 | Prior Period<br>31.12.2021 |
|---|------------------------------|----------------------------|
| <b>The Sum of Tier 1 Capital and Tier 2 Capital (Total Capital)</b>   |                              |                            |
| Loan granted to Customer against the Articles 50 and 51 of the Banking Law  | 110                          | 3,823                      |
| Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years   | -                            | -                          |
| Other items to be defined by the BRSA   | 30,780                       | 23,710                     |
| <b>Items to be Deducted from the Sum of Tier I and Tier II Capital (“Capital”) During the Transition Period</b>   |                              |                            |
| Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks                               | -                            | -                          |
| Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks | -                            | -                          |
| Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks                | -                            | -                          |
| <b>TOTAL CAPITAL</b>  |                              |                            |
| Total Capital   | 29,266,071                   | 21,866,488                 |
| Total Risk Weighted Assets  | 191,018,451                  | 123,079,834                |
| <b>CAPITAL ADEQUACY RATIOS</b>  |                              |                            |
| Common Equity Tier 1 Capital Adequacy Ratio (%)   | 9.78                         | 10.88                      |
| Tier 1 Capital Adequacy Ratio (%)   | 9.78                         | 10.88                      |
| Capital Adequacy Ratio (%)  | 15.32                        | 17.77                      |
| <b>BUFFERS</b>  |                              |                            |
| Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)   | 2.50                         | 2.50                       |
| a) Capital conservation buffer requirement (%)  | 2.50                         | 2.50                       |
| b) Bank specific counter-cyclical buffer requirement (%)  | -                            | -                          |
| c) Systemic significant bank buffer ratio (%)   | -                            | -                          |
| The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)   | 1.28                         | 2.34                       |
| <b>Amounts below the Excess Limits as per the Deduction Principles</b>  |                              |                            |
| Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital   | 344,361                      | 301,971                    |
| Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital  | -                            | -                          |
| Mortgage servicing rights   | -                            | -                          |
| Deferred tax assets arising from temporary differences (net of related tax liability)   | 1,662,973                    | 147,376                    |
| <b>Limits Related to Provisions Considered in Tier 2 Calculation</b>  |                              |                            |
| General provisions for standard based receivables (before ten thousand twenty five limitation)  | 2,558,668                    | 2,123,337                  |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used (**)   | 2,184,687                    | 1,363,914                  |
| Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation   | -                            | -                          |
| Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation  | -                            | -                          |
| <b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>  |                              |                            |
| Upper limit for Additional Tier 1 Capital subjected to temporary Article 4  | -                            | -                          |
| Amounts excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4   | -                            | -                          |
| Upper limit for Additional Tier 2 Capital subjected to temporary Article 4  | -                            | -                          |
| Amounts excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4   | -                            | -                          |
| The positive difference between the expected credit loss provision amount in accordance with TFRS 9 and the total provision amount before the application of TFRS 9   | -                            | 88,574                     |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

#### Information related to the components of Consolidated Shareholders’ Equity: (cont’d)

|  | T           | T-1         | T-2         | T-3         | T-4         |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>CAPITAL ITEMS</b>   |             |             |             |             |             |
| Common Equity Tier 1 Capital   | 18,686,937  | 15,501,595  | 13,389,190  | 12,513,356  | 11,974,869  |
| Common Equity Tier 1 Capital where the transition impact of TFRS 9 has not been applied (a)                    | 18,686,937  | 15,501,595  | 13,300,616  | 12,424,782  | 11,886,295  |
| Tier 1 Capital   | 18,687,073  | 15,501,737  | 13,389,351  | 12,513,449  | 11,974,954  |
| Tier 1 Capital where the transition impact of TFRS 9 has not been applied (b)                                  | 18,687,073  | 15,501,737  | 13,300,777  | 12,424,875  | 11,886,380  |
| Capital  | 29,266,071  | 24,778,703  | 21,866,488  | 18,477,772  | 17,785,748  |
| Capital where the transition impact of TFRS 9 has not been applied (c)   | 29,266,071  | 24,778,703  | 21,777,914  | 18,389,198  | 17,697,174  |
|  |             |             |             |             |             |
| <b>TOTAL RISK WEIGHTED ASSETS</b>  |             |             |             |             |             |
| Total Risk Weighted Assets   | 191,018,451 | 144,685,433 | 123,079,834 | 110,426,564 | 99,515,070  |
|  |             |             |             |             |             |
| <b>CAPITAL ADEQUACY RATIOS</b>   |             |             |             |             |             |
| Common Equity Tier 1 Capital Adequacy Ratio (%)  | 9.78        | 10.71       | 10.88       | 11.33       | 12.03       |
| Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d) | 9.78        | 10.71       | 10.81       | 11.25       | 11.94       |
| Tier 1 Capital Adequacy Ratio (%)  | 9.78        | 10.71       | 10.88       | 11.33       | 12.03       |
| Tier 1 Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)               | 9.78        | 10.71       | 10.81       | 11.25       | 11.94       |
| Capital Adequacy Ratio (%)   | 15.32       | 17.13       | 17.77       | 16.73       | 17.8        |
| Capital Adequacy Ratio (%) where the transition impact of TFRS 9 has not been applied (d)                      | 15.32       | 17.13       | 17.69       | 16.65       | 17.78       |
|  |             |             |             |             |             |
| <b>LEVERAGE RATIO</b>  |             |             |             |             |             |
| Leverage Ratio Total Risk Amount   | 351,012,779 | 304,876,720 | 267,761,081 | 208,552,980 | 193,379,229 |
| Leverage Ratio   | %5.23       | %5.08       | %5.00       | %6.00       | %6.19       |
| FTA not Applied Leverage Ratio (e)   | %5.23       | %5.08       | %4.97       | %5.96       | %6.15       |

(\*) As of 30 June 2022, the implementation of the temporary article 5 has ended and the effects of the prior periods are shown in the table above.

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

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

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

|  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| <b>Total capital per balance sheet</b>   | <b>19,279,059</b> | <b>14,056,270</b> |
| Hedging funds (effective portion)  | (261,175)         | (292,799)         |
| Deductions Made Under Regulation   | (671,011)         | (662,491)         |
| Transition Impact of TFRS 9 (Temporary 5 <sup>th</sup> Article)  | -                 | 88,574            |
| Accumulated revaluation and/or classification on gains/losses of financial assets at fair value through other comprehensive income | 340,064           | 199,636           |
| <b>Common equity Tier 1 Capital</b>  | <b>18,686,937</b> | <b>13,389,190</b> |
| Additional Tier 1 Capital  | 136               | 161               |
| <b>Tier 1 Capital</b>  | <b>18,687,073</b> | <b>13,389,351</b> |
| General provisions (Stage 1 and 2)   | 2,184,687         | 1,363,914         |
| Bank's borrowing instruments   | 8,425,020         | 7,140,542         |
| Deductions made under regulation   | (30,890)          | (27,533)          |
| Shares of third parties in the contribution capital  | 181               | 214               |
| <b>Total Equity</b>  | <b>29,266,071</b> | <b>21,866,488</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

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

| Issuer   | TEB                           | TEB                           | TEB                           | TEB                           |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Unique identifier of the debt instrument (e.g. CUSIP, ISIN)  | XS0700889081                  | XS0808626013                  | XS0780562665                  | XS0947781315                  |
| Governing law(s) of the debt instrument  | Turkey                        | Turkey                        | Turkey                        | Turkey                        |
| <b>Regulatory Treatment</b>  |                               |                               |                               |                               |
| Subject to 10% deduction as of 1/1/2015  | No                            | No                            | No                            | No                            |
| Eligible at unconsolidated/consolidated/consolidated and unconsolidated  | Available                     | Available                     | Available                     | Available                     |
| Type of the debt instrument  | Borrowing Instrument          | Borrowing Instrument          | Borrowing Instrument          | Borrowing Instrument          |
| Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)                         | 3,488.48                      | 1,732.12                      | 1,039.27                      | 2,165.15                      |
| Nominal value of debt instrument (TL Currency in mil)  | 3,488.48                      | 1,732.12                      | 1,039.27                      | 2,165.15                      |
| Accounting classification of the debt instrument   | 34701100                      | 34701100                      | 34701100                      | 34701100                      |
| Original date of issuance  | 5.11.2018                     | 22.07.2019                    | 14.05.2019                    | 27.06.2018                    |
| Maturity structure of debt instrument (Demand/Time)  | Time                          | Time                          | Time                          | Time                          |
| Original maturity date   | 5.11.2028                     | 22.07.2029                    | 14.05.2029                    | 27.06.2028                    |
| Issuer call subject to prior supervisory approval  | Available                     | Available                     | Available                     | Available                     |
| Optional call date, contingent call dates and redemption amount  | 5.11.2023                     | 22.07.2024                    | 14.05.2024                    | 27.06.2023                    |
| Subsequent call dates, if applicable   | -                             | -                             | -                             | -                             |
| <b>Coupons / dividends</b>   |                               |                               |                               |                               |
| Fixed or floating dividend/coupon  | Fixed                         | Floating                      | Floating                      | Floating                      |
| Coupon rate and any related index  | 10.40%                        | 6mEuribor+7.10                | 6mEuribor+7.10%               | 6mEuribor+5.10%               |
| Existence of a dividend stopper  | None                          | None                          | None                          | None                          |
| Fully discretionary, partially discretionary or mandatory  | Mandatory                     | Mandatory                     | Mandatory                     | Mandatory                     |
| Existence of step up or other incentive to redeem  | None                          | None                          | None                          | None                          |
| Noncumulative or cumulative  | None                          | None                          | None                          | None                          |
| <b>Convertible or non-convertible</b>  |                               |                               |                               |                               |
| If convertible, conversion trigger(s)  | -                             | -                             | -                             | -                             |
| If convertible, fully or partially   | -                             | -                             | -                             | -                             |
| If convertible, conversion rate  | -                             | -                             | -                             | -                             |
| If convertible, mandatory or optional conversion   | -                             | -                             | -                             | -                             |
| If convertible, specify instrument type convertible into   | -                             | -                             | -                             | -                             |
| If convertible, specify issuer of instrument it converts into  | -                             | -                             | -                             | -                             |
| <b>Write-down feature</b>  |                               |                               |                               |                               |
| If write-down, write-down trigger(s)   | -                             | -                             | -                             | -                             |
| If write-down, full or partial   | -                             | -                             | -                             | -                             |
| If write-down, permanent or temporary  | -                             | -                             | -                             | -                             |
| If temporary write-down, description of write-up mechanism   | -                             | -                             | -                             | -                             |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument) | Deposit and other receivables | Deposit and other receivables | Deposit and other receivables | Deposit and other receivables |
| Whether conditions which stands in Article of 7 and 8 of Banks’ shareholder equity law are possessed or not            | Possess                       | Possess                       | Possess                       | Possess                       |
| According to Article 7 and 8 of Banks’ shareholders equity law that are not possessed (*)                              | -                             | -                             | -                             | -                             |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### II. Explanations Related to the Consolidated Currency Risk

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

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

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

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

As of 30 June 2022, the Group’s balance sheet short position is TL 22,778,750 (31 December 2021: TL 24,005,711 short position) off-balance sheet long position is TL 21,824,323 (31 December 2021: TL 23,747,791 long position) and as a result net foreign currency short position is net TL 954,427 (31 December 2021: net TL 257,920 short position).

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

|      | 23.06.2022 | 24.06.2022 | 27.06.2022 | 28.06.2022 | 29.06.2022 | 30.06.2022 |
|------|------------|------------|------------|------------|------------|------------|
| USD  | 17.2831    | 17.276     | 16.4438    | 16.5608    | 16.5635    | 16.6118    |
| EURO | 18.2009    | 18.2417    | 17.3861    | 17.4269    | 17.3735    | 17.3212    |

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

|      | Monthly Average<br>Foreign Exchange Rate |
|------|--|
| USD  | 16.9095                                  |
| EURO | 17.8745                                  |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### II. Explanations Related to the Consolidated Currency Risk (cont’d)

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

The table below shows the Group’s distribution of balance sheet and derivative foreign exchange transactions taking into account the options transactions with nominal values as indicated in the BRSA regulation on foreign currency position. Besides taking into account this position by monitoring legal limits, the Group also monitors the delta-adjusted position of the option transactions. As of 30 June 2022, the Parent Bank has net USD long position TL 323,033 and net EUR long position TL 339,531.

| Current Period   | EURO               | USD                 | Other FC           | Total               |
|--|--------------------|---------------------|--------------------|---------------------|
| <b>Assets</b>  |                    |                     |                    |                     |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(1)</sup> | 13,445,850         | 21,522,578          | 4,672,533          | 39,640,961          |
| Banks <sup>(2)</sup>   | 1,879,929          | 2,566,953           | 4,186,473          | 8,633,355           |
| Financial Assets at Fair Value Through Profit or Loss  | 44,976             | 733,339             | -                  | 778,315             |
| Receivables from Money Markets   | -                  | -                   | -                  | -                   |
| Financial Assets at Fair Value through Other Comprehensive Income  | 1,431,019          | 3,313,983           | 44,383             | 4,789,385           |
| Loans <sup>(3)</sup>   | 29,309,532         | 9,507,912           | 1,836,733          | 40,654,177          |
| Subsidiaries, Associates and Entities Under Common Control   | -                  | -                   | -                  | -                   |
| Financial Assets Measured at Amortized Cost <sup>(4)</sup>   | 3,160,738          | 6,346,293           | -                  | 9,507,031           |
| Derivative Financial Assets for Hedging Purposes <sup>(5)</sup>  | 82,174             | 18,998              | -                  | 101,172             |
| Tangible Assets  | -                  | -                   | -                  | -                   |
| Intangible Assets  | -                  | -                   | -                  | -                   |
| Other Assets <sup>(6)</sup>  | 3,292,235          | 413,162             | 94,206             | 3,799,603           |
| <b>Total Assets</b>  | <b>52,646,453</b>  | <b>44,423,218</b>   | <b>10,834,328</b>  | <b>107,903,999</b>  |
| <b>Liabilities</b>   |                    |                     |                    |                     |
| Bank Deposits  | 227,277            | 164,141             | 9,907              | 401,325             |
| Foreign Currency Deposits <sup>(7)</sup>   | 24,590,711         | 59,700,246          | 12,464,778         | 96,755,735          |
| Money Market Borrowings  | 6,270,026          | -                   | -                  | 6,270,026           |
| Funds Provided from Other Financial Institutions   | 13,420,540         | 11,001,027          | 90,852             | 24,512,419          |
| Securities Issued  | -                  | -                   | -                  | -                   |
| Miscellaneous Payables   | -                  | -                   | -                  | -                   |
| Derivative Financial Liabilities for Hedging Purposes  | 1,476              | -                   | -                  | 1,476               |
| Other Liabilities <sup>(8)</sup>   | 2,073,095          | 597,486             | 71,187             | 2,741,768           |
| <b>Total Liabilities</b>   | <b>46,583,125</b>  | <b>71,462,900</b>   | <b>12,636,724</b>  | <b>130,682,749</b>  |
| <b>Net Balance Sheet Position</b>  | <b>6,063,328</b>   | <b>(27,039,682)</b> | <b>(1,802,396)</b> | <b>(22,778,750)</b> |
| <b>Net Off-Balance Sheet Position</b>  | <b>(5,932,564)</b> | <b>25,670,009</b>   | <b>2,086,878</b>   | <b>21,824,323</b>   |
| Financial Derivative Assets <sup>(9)</sup>   | 21,717,606         | 59,772,984          | 6,212,467          | 87,703,057          |
| Financial Derivative Liabilities <sup>(9)</sup>  | 27,650,170         | 34,102,975          | 4,125,589          | 65,878,734          |
| Non-Cash Loans <sup>(10)</sup>   | 16,862,857         | 17,100,798          | 2,885,699          | 36,849,354          |
| <b>Prior Period</b>  |                    |                     |                    |                     |
| Total Assets   | 39,909,506         | 36,902,089          | 8,434,790          | 85,246,385          |
| Total Liabilities  | 47,988,927         | 49,686,785          | 11,576,384         | 109,252,096         |
| Net Balance Sheet Position   | (8,079,421)        | (12,784,696)        | (3,141,594)        | (24,005,711)        |
| Net Off-Balance Sheet Position   | 7,665,448          | 13,045,910          | 3,036,433          | 23,747,791          |
| Financial Derivative Assets <sup>(9)</sup>   | 30,271,685         | 44,317,120          | 4,830,894          | 79,419,699          |
| Financial Derivative Liabilities <sup>(9)</sup>  | 22,606,237         | 31,271,210          | 1,794,461          | 55,671,908          |
| Non-Cash Loans <sup>(10)</sup>   | 13,567,563         | 13,803,567          | 2,691,051          | 30,062,181          |

<sup>(1)</sup> Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey includes the balances of expected credit losses amounting to TL 6,770 (31 December 2021: TL 4,982).

<sup>(2)</sup> The banks include TL 25,069 of expected credit loss provisions (31 December 2021: TL 22,153).

<sup>(3)</sup> Foreign currency indexed loans amounting to TL 92,711 (31 December 2021: TL 173,195) are included in the loan portfolio. Also, it includes TL 823,139 (31 December 2021: TL 814,077) amounting to expected credit loss.

<sup>(4)</sup> Financial Assets at Amortized Cost includes expected credit loss amounting to TL 2,140 (31 December 2021: TL 1,839).

<sup>(5)</sup> There is no derivative financial transaction rediscount income deducted from the derivative financial assets line for hedging purposes. (31 December 2021: None)

<sup>(6)</sup> TL 458,848 (31 December 2021: TL 312,610) income accruals from derivative financial instruments are deducted from other assets. In the Other Assets row TL 3,319,203 factoring receivables and TL 4,375 factoring receivables include expected loss provision.

<sup>(7)</sup> Precious metal accounts amounting to TL 8,651,303 (31 December 2021: TL 7,954,654) are included in the foreign currency deposits.

<sup>(8)</sup> TL 443,235 (31 December 2021: TL 155,500) expense accruals from derivative financial instruments are deducted from other liabilities.

<sup>(9)</sup> Forward asset and marketable securities purchase-sale commitments of TL 3,822,649 (31 December 2021: TL 3,118,150) are added to derivative financial assets and TL 3,745,176 (31 December 2021: TL 4,589,261) has been added to derivative financial assets.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### III. Explanations Related to Consolidated Interest Rate Risk

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

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

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

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

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

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

|   | Up to 1<br>Month    | 1-3<br>Months       | 3-12<br>Months    | 1-5<br>Years      | Over<br>5 Years    | Non-interest<br>Bearing <sup>(1)</sup> | Total              |
|---|---------------------|---------------------|-------------------|-------------------|--------------------|--|--------------------|
| <b>Current Period</b>   |                     |                     |                   |                   |                    |  |                    |
| <b>Assets</b>   |                     |                     |                   |                   |                    |  |                    |
| Cash (Cash in Vault, Foreign Currency<br>Cash, Money in Transit, Cheques<br>Purchased) and Balances with the Central<br>Bank of Turkey <sup>(2)</sup> | 31,391,569          | -                   | -                 | -                 | -                  | 16,144,261                             | 47,535,830         |
| Banks <sup>(3)</sup>  | 4,058,434           | -                   | -                 | -                 | -                  | 4,649,060                              | 8,707,494          |
| Financial Assets at Fair Value Through Profit<br>and Loss   | 170,512             | 1,292,836           | 236,289           | 710,685           | 340,676            | 344,803                                | 3,095,801          |
| Receivables from Money Markets <sup>(4)</sup>   | 1,111,595           | -                   | -                 | -                 | -                  | (51)                                   | 1,111,544          |
| Financial Assets at Fair Value Through<br>Other Comprehensive Income  | 1,636,979           | 2,081,945           | 2,253,983         | 3,515,104         | -                  | 17,505                                 | 9,505,516          |
| Loans Given <sup>(5)</sup>  | 9,620,195           | 17,663,556          | 56,683,326        | 61,293,678        | 1,282,400          | (1,119,601)                            | 145,423,554        |
| Financial Assets Measured at Amortized<br>Cost <sup>(6)</sup>   | 865,517             | 3,663,252           | 12,026,012        | 9,821,191         | 516,987            | (6,004)                                | 26,886,955         |
| Other Assets <sup>(7)</sup>   | 2,761,060           | 2,570,038           | 2,241,063         | 2,042,997         | 492,141            | 10,647,599                             | 20,754,898         |
| <b>Total Assets</b>   | <b>51,615,861</b>   | <b>27,271,627</b>   | <b>73,440,673</b> | <b>77,383,655</b> | <b>2,632,204</b>   | <b>30,677,572</b>                      | <b>263,021,592</b> |
| <b>Liabilities</b>  |                     |                     |                   |                   |                    |  |                    |
| Bank Deposits   | 2,092,074           | -                   | -                 | -                 | -                  | 592,597                                | 2,684,671          |
| Other Deposits  | 87,495,453          | 28,669,526          | 3,926,790         | 42,353            | -                  | 62,955,046                             | 183,089,168        |
| Money Market Borrowings   | 3,753,723           | 2,575,838           | 1,586,822         | -                 | -                  | -                                      | 7,916,383          |
| Miscellaneous Payables  | -                   | -                   | -                 | -                 | -                  | -                                      | -                  |
| Securities Issued   | 2,004,077           | 1,126,186           | -                 | -                 | -                  | -                                      | 3,130,263          |
| Funds Provided from Other Financial<br>Institutions   | 3,945,731           | 11,048,790          | 6,046,392         | -                 | 6,375,225          | -                                      | 27,416,138         |
| Other Liabilities   | 2,827               | 122,286             | 1,273,606         | 1,047,663         | 167,416            | 36,171,171                             | 38,784,969         |
| <b>Total Liabilities</b>  | <b>99,293,885</b>   | <b>43,542,626</b>   | <b>12,833,610</b> | <b>1,090,016</b>  | <b>6,542,641</b>   | <b>99,718,814</b>                      | <b>263,021,592</b> |
| Balance Sheet Long Position   | -                   | -                   | 60,607,063        | 76,293,639        | -                  | -                                      | 136,900,702        |
| Balance Sheet Short Position  | (47,678,024)        | (16,270,999)        | -                 | -                 | (3,910,437)        | (69,041,242)                           | (136,900,702)      |
| Off-Balance Sheet Long Position   | 7,625,176           | 4,812,163           | -                 | -                 | 30,304             | -                                      | 12,467,643         |
| Off-Balance Sheet Short Position  | -                   | -                   | (6,915,198)       | (4,720,725)       | -                  | -                                      | (11,635,923)       |
| <b>Total Position</b>   | <b>(40,052,848)</b> | <b>(11,458,836)</b> | <b>53,691,865</b> | <b>71,572,914</b> | <b>(3,880,133)</b> | <b>(69,041,242)</b>                    | <b>831,720</b>     |

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

<sup>(2)</sup> Cash and cash equivalents include cash balances (cash in hand, cash in hand, cash in the safe deposit box, purchased checks) and the Central Bank of Turkey's outstanding loss provisions in the amount of TL 8,412.

<sup>(3)</sup> Banks include balance of expected loss provisions amounting to TL 26,253.

<sup>(4)</sup> Receivables from Money Markets include balance of expected loss provisions amounting to TL 51.

<sup>(5)</sup> The revolving loans amounting to TL 15,333,346 TL are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,050,893.

<sup>(6)</sup> Financial assets at amortized cost include losses amounting to TL 6,004.

<sup>(7)</sup> Includes factoring receivables amounting to TL 6,469,045 and factoring receivables expected loss provisions amounting to TL 43,688

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 927,112, intangible assets amounting to TL 623,985, assets held for resale amounting to TL 84,393, subsidiaries amounting to TL 50 entities under common control (joint vent.) amounting to TL 5 and the other liabilities line includes the shareholders’ equity of TL 19,279,059.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

|   | Up to 1<br>Month   | 1-3 Months        | 3-12 Months       | 1-5 Years         | Over 5 Years       | Non-interest<br>Bearing <sup>(1)</sup> | Total              |
|---|--------------------|-------------------|-------------------|-------------------|--------------------|--|--------------------|
| <b>Prior Period</b>   |                    |                   |                   |                   |                    |  |                    |
| <b>Assets</b>   |                    |                   |                   |                   |                    |  |                    |
| Cash (Cash in Vault, Foreign Currency<br>Cash, Money in Transit, Cheques<br>Purchased) and Balances with the Central<br>Bank of Turkey <sup>(2)</sup> | 22,959,105         | -                 | -                 | -                 | -                  | 12,826,030                             | 35,785,135         |
| Banks <sup>(3)</sup>  | 6,570,849          | -                 | -                 | -                 | -                  | 5,070,342                              | 11,641,191         |
| Financial Assets at Fair Value Through Profit<br>or Loss  | 252,946            | 718,169           | 619,019           | 805,159           | 96,136             | 302,359                                | 2,793,788          |
| Receivables from Money Markets  | 3,245              | -                 | -                 | -                 | -                  | -                                      | 3,245              |
| Financial Assets at Fair Value Through Other<br>Comprehensive Income  | 502,497            | 476,140           | 1,672,179         | 4,511,890         | -                  | 13,250                                 | 7,175,956          |
| Loans Given <sup>(4)</sup>  | 30,670,723         | 11,835,077        | 35,018,104        | 25,756,608        | 1,293,973          | (714,613)                              | 103,859,872        |
| Financial Assets Measured at Amortized<br>Cost <sup>(5)</sup>   | 663,358            | 576,192           | 10,699,178        | 7,571,596         | 41,376             | (4,399)                                | 19,547,301         |
| Other Assets  | 1,984,619          | 1,978,611         | 2,356,779         | 1,702,037         | 285,616            | 9,739,968                              | 18,047,630         |
| <b>Total Assets</b>   | <b>63,607,342</b>  | <b>15,584,189</b> | <b>50,365,259</b> | <b>40,347,290</b> | <b>1,717,101</b>   | <b>27,232,937</b>                      | <b>198,854,118</b> |
| <b>Liabilities</b>  |                    |                   |                   |                   |                    |  |                    |
| Bank Deposits   | 1,962,166          | -                 | -                 | -                 | -                  | 37,570                                 | 1,999,736          |
| Other Deposits  | 60,627,208         | 10,374,268        | 272,254           | 1,378             | -                  | 58,308,129                             | 129,583,237        |
| Money Market Borrowings   | 4,763,155          | 2,575,838         | 1,586,822         | -                 | -                  | -                                      | 8,925,815          |
| Miscellaneous Payables  | -                  | -                 | -                 | -                 | -                  | -                                      | -                  |
| Securities Issued   | 1,049,232          | 145,293           | -                 | -                 | -                  | -                                      | 1,194,525          |
| Funds Provided from Other Financial<br>Institutions   | 5,336,362          | 13,262,496        | 5,581,808         | -                 | 2,857,546          | -                                      | 27,038,212         |
| Other Liabilities   | 147,226            | 538,774           | 177,900           | 1,318,413         | 51,968             | 27,878,312                             | 30,112,593         |
| <b>Total Liabilities</b>  | <b>73,885,349</b>  | <b>26,896,669</b> | <b>7,618,784</b>  | <b>1,319,791</b>  | <b>2,909,514</b>   | <b>86,224,011</b>                      | <b>198,854,118</b> |
| Balance Sheet Long Position   | -                  | -                 | 42,746,475        | 39,027,499        | -                  | -                                      | 81,773,974         |
| Balance Sheet Short Position  | (10,278,007)       | (11,312,480)      | -                 | -                 | (1,192,413)        | (58,991,074)                           | (81,773,974)       |
| Off-Balance Sheet Long Position   | 5,039,168          | 11,003,202        | -                 | -                 | -                  | -                                      | 16,042,370         |
| Off-Balance Sheet Short Position  | -                  | -                 | (12,243,494)      | (2,104,686)       | (233,696)          | -                                      | (14,581,876)       |
| <b>Total Position</b>   | <b>(5,238,839)</b> | <b>(309,278)</b>  | <b>30,502,981</b> | <b>36,922,813</b> | <b>(1,426,109)</b> | <b>(58,991,074)</b>                    | <b>1,460,494</b>   |

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

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

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

<sup>(4)</sup> The revolving loans amounting to TL 13,983,435 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,045,878.

<sup>(5)</sup> Financial assets at amortized cost include balance of expected loss provisions of TL 4,399.

<sup>(6)</sup> Includes factoring receivables amounting to TL 2,503,938 and factoring receivables expected loss provisions amounting to TL 17,162.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 934,456, intangible assets amounting to TL 611,252, assets held for resale amounting to TL 65,933, subsidiaries amounting to TL 50 entities under common control (joint vent.) amounting to TL 5 and the other liabilities line includes the shareholders’ equity of TL 14,056,270.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

|   | EURO<br>% | USD<br>% | YEN<br>% | TL<br>% |
|---|-----------|----------|----------|---------|
| <b>Current Period</b>   |           |          |          |         |
| Assets  |           |          |          |         |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | -         | -        | -        | -       |
| Banks   | 0.01      | 1.65     | -        | 19.77   |
| Financial Assets at Fair Value Through Profit and Loss  | 3.04      | 6.10     | -        | 24.58   |
| Receivables from Money Markets  | -         | -        | -        | 15.17   |
| Financial Assets at Fair Value Through Other Comprehensive Income   | 2.67      | 3.77     | -        | 31.14   |
| Loans Given (*)   | 3.45      | 5.40     | 5.64     | 23.32   |
| Financial Assets Measured at Amortized Cost   | 3.11      | 5.31     | -        | 42.49   |
| Liabilities   |           |          |          |         |
| Bank Deposits   | -         | -        | -        | 7.78    |
| Other Deposits  | 0.71      | 3.36     | -        | 17.93   |
| Money Market Borrowings   | 1.49      | -        | -        | 16.54   |
| Miscellaneous Payables  | -         | -        | -        | -       |
| Securities Issued   | -         | -        | -        | 19.61   |
| Funds Provided from Other Financial Institutions  | 2.82      | 5.26     | -        | 17.66   |

(\*) Includes factoring receivable.

|   | EURO<br>% | USD<br>% | YEN<br>% | TL<br>% |
|---|-----------|----------|----------|---------|
| <b>Prior Period</b>   |           |          |          |         |
| Assets  |           |          |          |         |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | -         | -        | -        | 8.50    |
| Banks   | (0.70)    | 0.05     | -        | 14.13   |
| Financial Assets at Fair Value Through Profit and Loss  | 3.36      | 5.24     | -        | 20.14   |
| Receivables from Money Markets  | -         | -        | -        | 16.85   |
| Financial Assets at Fair Value Through Other Comprehensive Income   | 2.70      | 3.84     | -        | 17.48   |
| Loans Given (*)   | 1.86      | 3.37     | 5.45     | 20.09   |
| Financial Assets Measured at Amortized Cost   | 3.16      | 5.46     | -        | 27.53   |
| Liabilities   |           |          |          |         |
| Bank Deposits   | -         | -        | -        | 10.37   |
| Other Deposits  | 0.11      | 0.32     | -        | 17.41   |
| Money Market Borrowings   | 1.04      | -        | -        | 14.08   |
| Miscellaneous Payables  | -         | -        | -        | -       |
| Securities Issued   | -         | -        | -        | 16.59   |
| Funds Provided from Other Financial Institutions  | 1.73      | 4.84     | -        | 18.18   |

(\*) Includes factoring receivable.

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### V. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio

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

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

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

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

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

e) Information on liquidity risk mitigation techniques used:

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

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

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

f) Explanation on the usage of the stress test:

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

g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine,

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

#### Liquidity Coverage Ratio:

|   | Rate of Percentage to Be Taken into<br>Account not Implemented Total<br>Value (*)                        |       | Rate of Percentage to Be Taken<br>into Account Implemented Total<br>Value (*) |                   |
|---|--|-------|---|-------------------|
|   | TP+YP  | TL+FC | FC  | TL+FC             |
| <b>Current Period – 30 June 2022</b>              |  |       |   |                   |
| <b>High Quality Liquid Assets</b>                 |  |       |   |                   |
| 1   | High quality liquid assets   |       | 70,675,203  | 40,814,533        |
| <b>Cash Outflows</b>                              |  |       |   |                   |
| 2   | Real person deposit and retail deposits  |       | 9,893,441   | 5,782,681         |
| 3   | Stable deposits  |       | 996,940   | -                 |
| 4   | Less stable deposits   |       | 8,896,501   | 5,782,681         |
| 5   | Unsecured debts other than real person deposits<br>and retail deposits                                   |       | 35,232,415  | 16,080,565        |
| 6   | Operational deposits   |       | 433,068   | 148,249           |
| 7   | Non-operational deposits   |       | 28,373,363  | 13,029,222        |
| 8   | Other unsecured funding  |       | 6,425,984   | 2,903,094         |
| 9   | Secured borrowings   |       | 201,009   | 31,549            |
| 10  | Other cash outflows  |       | 1,255,981   | 6,566,384         |
| 11  | Derivative and collateral obligations<br>Payables from structured financial<br>instruments               |       | 1,255,981   | 6,566,384         |
| 12  | -  |       | -   | -                 |
| 13  | Payment commitments and other off-balance<br>sheet commitments granted for debts to<br>financial markets |       | -   | -                 |
| 14  | Other revocable off-balance sheet commitments<br>and contractual obligations                             |       | -   | -                 |
| 15  | Other irrevocable or conditionally revocable off-<br>balance sheet obligations                           |       | 5,933,796   | 3,279,492         |
| <b>16</b>   | <b>Total Cash Outflows</b>   |       | <b>52,516,642</b>   | <b>31,740,671</b> |
| <b>Cash Inflows</b>                               |  |       |   |                   |
| 17  | Secured receivables  |       | -   | -                 |
| 18  | Unsecured receivables  |       | 16,745,186  | 11,302,899        |
| 19  | Other cash inflows   |       | 404,030   | 13,222,534        |
| <b>20</b>   | <b>Total Cash Inflows</b>  |       | <b>17,149,216</b>   | <b>24,525,433</b> |
| <b>Values to Which the Upper Limit is Applied</b> |  |       |   |                   |
| <b>21</b>   | <b>Total High Quality Liquid Assets Inventory</b>  |       | <b>70,675,203</b>   | <b>40,814,533</b> |
| <b>22</b>   | <b>Total Net Cash Outflows</b>   |       | <b>35,367,426</b>   | <b>7,935,168</b>  |
| <b>23</b>   | <b>Liquidity Coverage Ratio (%)</b>  |       | <b>199.83</b>   | <b>514.35</b>     |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

|  | Rate of Percentage to Be Taken into<br>Account not Implemented Total<br>Value (*)                        |                   | Rate of Percentage to Be Taken<br>into Account Implemented Total<br>Value (*) |                   |
|--|--|-------------------|---|-------------------|
|  | TP+YP  | TP+YP             | TL+FC   | TP+YP             |
| <b>Prior Period – 31 December 2021</b> |  |                   |   |                   |
| <b>High Quality Liquid Assets</b>      |  |                   |   |                   |
| 1                                      | High quality liquid assets   |                   | 46,888,056  | 29,282,626        |
| <b>Cash Outflows</b>                   |  |                   |   |                   |
| 2                                      | Real person deposit and retail deposits  | 81,720,904        | 42,598,230  | 7,319,601         |
| 3                                      | Stable deposits  | 17,049,779        | -   | 852,489           |
| 4                                      | Less stable deposits   | 64,671,125        | 42,598,230  | 6,467,112         |
| 5                                      | Unsecured debts other than real person deposits<br>and retail deposits                                   | 44,985,951        | 23,081,623  | 25,444,605        |
| 6                                      | Operational deposits   | 1,256,434         | 554,315   | 314,109           |
| 7                                      | Non-operational deposits   | 34,324,870        | 16,803,402  | 15,771,063        |
| 8                                      | Other unsecured funding  | 9,404,647         | 5,723,906   | 9,359,433         |
| 9                                      | Secured borrowings   | -                 | -   | 70,908            |
| 10                                     | Other cash outflows  | 1,286,330         | 4,867,615   | 1,286,330         |
| 11                                     | Derivative and collateral obligations<br>Payables from structured financial<br>instruments               | 1,286,330         | 4,867,615   | 1,286,330         |
| 12                                     |  | -                 | -   | -                 |
| 13                                     | Payment commitments and other off-balance<br>sheet commitments granted for debts to<br>financial markets | -                 | -   | -                 |
| 14                                     | Other revocable off-balance sheet commitments<br>and contractual obligations                             | -                 | -   | -                 |
| 15                                     | Other irrevocable or conditionally revocable off-<br>balance sheet obligations                           | 44,459,083        | 17,681,444  | 3,597,807         |
| <b>16</b>                              | <b>Total Cash Outflows</b>   | <b>-</b>          | <b>-</b>  | <b>37,719,251</b> |
| <b>Cash Inflows</b>                    |  |                   |   |                   |
| 17                                     | Secured receivables  | -                 | -   | -                 |
| 18                                     | Unsecured receivables  | 17,210,930        | 9,936,422   | 13,214,393        |
| 19                                     | Other cash inflows   | 561,220           | 12,279,927  | 561,220           |
| <b>20</b>                              | <b>Total Cash Inflows</b>  | <b>17,772,150</b> | <b>22,216,349</b>   | <b>13,775,613</b> |
|  |  |                   | <b>Values to Which the Upper Limit<br/>is Applied</b>                         |                   |
| <b>21</b>                              | <b>Total High Quality Liquid Assets Inventory</b>  |                   | <b>46,888,056</b>   | <b>29,282,626</b> |
| <b>22</b>                              | <b>Total Net Cash Outflows</b>   |                   | <b>23,943,638</b>   | <b>5,879,702</b>  |
| <b>23</b>                              | <b>Liquidity Coverage Ratio (%)</b>  |                   | <b>195.83</b>   | <b>498.03</b>     |

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

Consolidated Liquidity Coverage Ratios for the last three months are presented below:

|            | Current Period |         |
|------------|----------------|---------|
|            | TL+FC          | FC      |
| April 2022 | 191.23%        | 242.89% |
| May 2022   | 181.35%        | 444.78% |
| June 2022  | 213.57%        | 537.93% |
|            | Prior Period   |         |
|            | TL+FC          | FC      |
| April 2021 | 199.21%        | 379.79% |
| May 2021   | 185.14%        | 422.48% |
| June 2021  | 198.45%        | 462.40% |

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

| Current Period   | Demand              | Up to 1 Month       | 1-3 Months          | 1-5 Years         | Over 5 Years      | Undistributed <sup>(1)</sup> | Total               |
|--|---------------------|---------------------|---------------------|-------------------|-------------------|------------------------------|---------------------|
| <b>Assets</b>  |                     |                     |                     |                   |                   |                              |                     |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey <sup>(2)</sup> | 16,152,673          | 31,391,569          | -                   | -                 | -                 | (8,412)                      | 47,535,830          |
| Banks <sup>(3)</sup>   | 6,128,139           | 2,605,608           | -                   | -                 | -                 | (26,253)                     | 8,707,494           |
| Securities at Fair Value Through Profit and Loss   | -                   | 5,438               | 13,295              | 56,068            | 2,335,520         | 340,676                      | 344,804             |
| Money Market Placements <sup>(4)</sup>   | -                   | 1,111,595           | -                   | -                 | -                 | (51)                         | 1,111,544           |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 17,505              | 44,365              | 1,058,685           | 995,584           | 5,676,317         | 1,713,060                    | -                   |
| Loans Given <sup>(5)</sup>   | -                   | 8,268,737           | 17,663,556          | 56,711,911        | 62,616,551        | 1,282,400                    | (1,119,601)         |
| Financial Assets Measured at Amortized Cost <sup>(6)</sup>   | -                   | -                   | 1,066,864           | 10,352,187        | 12,284,471        | 3,189,437                    | (6,004)             |
| Other Assets   | -                   | 4,912,366           | 2,955,569           | 2,771,189         | 2,252,173         | 604,349                      | 7,259,252           |
| <b>Total Assets</b>  | <b>22,298,317</b>   | <b>48,339,678</b>   | <b>22,757,969</b>   | <b>70,886,939</b> | <b>85,165,032</b> | <b>7,129,922</b>             | <b>6,443,735</b>    |
| <b>Liabilities</b>   |                     |                     |                     |                   |                   |                              |                     |
| Bank Deposits  | 592,597             | 2,092,074           | -                   | -                 | -                 | -                            | 2,684,671           |
| Other Deposits   | 62,955,046          | 87,495,453          | 28,669,526          | 3,926,790         | 42,353            | -                            | 183,089,168         |
| Funds Provided from Other Financial Institutions   | -                   | 2,898,211           | 3,937,055           | 12,032,117        | 7,100             | 8,541,655                    | 27,416,138          |
| Money Market Placements  | -                   | 3,753,723           | 2,575,838           | 1,586,822         | -                 | -                            | 7,916,383           |
| Securities Issued  | -                   | 2,004,077           | 1,126,186           | -                 | -                 | -                            | 3,130,263           |
| Miscellaneous Payables   | -                   | -                   | -                   | -                 | -                 | -                            | -                   |
| Other Liabilities  | 83,093              | 12,534,319          | 1,865,082           | 1,851,345         | 1,583,381         | 463,884                      | 20,403,865          |
| <b>Total Liabilities</b>   | <b>63,630,736</b>   | <b>110,777,857</b>  | <b>38,173,687</b>   | <b>19,397,074</b> | <b>1,632,834</b>  | <b>9,005,539</b>             | <b>20,403,865</b>   |
| <b>Liquidity Gap</b>   | <b>(41,332,419)</b> | <b>(62,438,179)</b> | <b>(15,415,718)</b> | <b>51,489,865</b> | <b>83,532,198</b> | <b>(1,875,617)</b>           | <b>(13,960,130)</b> |
| <b>Net Off-Balance Sheet Position</b>  | -                   | 329,318             | (1,030,858)         | 613,496           | 1,093,527         | 258,809                      | 1,264,292           |
| Financial Derivative Assets  | -                   | 33,062,987          | 46,815,244          | 31,338,635        | 23,639,975        | 3,616,264                    | 138,473,105         |
| Financial Derivative Liabilities   | -                   | 32,733,669          | 47,846,102          | 30,725,139        | 22,546,448        | 3,357,455                    | 137,208,813         |
| Non-Cash Loans   | 11,922,420          | 4,106,840           | 5,859,506           | 16,370,031        | 9,927,049         | -                            | 48,185,846          |
| <b>Prior Period</b>  |                     |                     |                     |                   |                   |                              |                     |
| Total Assets   | 19,173,943          | 62,306,680          | 16,749,379          | 42,672,945        | 51,725,459        | 2,353,091                    | 3,872,621           |
| Total Liabilities  | 58,549,584          | 81,385,158          | 22,774,278          | 11,462,945        | 1,853,657         | 7,520,200                    | 15,308,296          |
| <b>Liquidity Gap</b>   | <b>(39,375,641)</b> | <b>(19,078,478)</b> | <b>(6,024,899)</b>  | <b>31,210,000</b> | <b>49,871,802</b> | <b>(5,167,109)</b>           | <b>(11,435,675)</b> |
| <b>Net Off-Balance Sheet Position</b>  | -                   | 1,157,348           | 180,560             | 1,768,166         | 231,463           | 180,567                      | 3,518,104           |
| Financial Derivative Assets  | -                   | 29,886,074          | 29,745,541          | 26,100,385        | 18,145,761        | 2,968,553                    | 106,846,314         |
| Financial Derivative Liabilities   | -                   | 28,728,726          | 29,564,981          | 24,332,219        | 17,914,298        | 2,787,986                    | 103,328,210         |
| Non-Cash Loans   | 10,181,182          | 2,203,512           | 5,450,781           | 13,364,312        | 7,332,490         | -                            | 38,532,277          |

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

<sup>(2)</sup> Cash Values include cash balances (Cash in Hand, Cash in The Safe Deposit Box, Purchased Checks) and the Central Bank of Turkey's outstanding loss provisions amounting to TL 8,412

<sup>(3)</sup> The banks include TL 26,253 of expected loss provisions.

<sup>(4)</sup> Receivables from Money Markets includes expected loss provisions balance amounting to TL 51.

<sup>(5)</sup> The revolving loans amounting to TL 15,333,346 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,050,893.

<sup>(6)</sup> Financial Assets at Amortized Cost include provision for expected losses amounting to TL 6,004

<sup>(7)</sup> TL 6,469,045 factoring receivables and TL 43,688 factoring receivables include expected loss provision.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VI. Explanations Related to Consolidated Leverage Ratio

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

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

- b) Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS:

|  | Current<br>Period (**) | Prior<br>Period (**) |
|--|------------------------|----------------------|
| 1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)  | 251,308,095            | 184,154,597          |
| 2 Difference between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks | -                      | -                    |
| 3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures      | 1,070,707              | 612,168              |
| 4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures                                | 4,011,284              | 854,257              |
| 5 Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures   | 83,422,543             | 66,388,072           |
| 6 Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures  | (3,564,667)            | (2,064,182)          |
| <b>7 Total risk amount</b>   | <b>336,247,962</b>     | <b>249,944,912</b>   |

(\*) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks.

(\*\*) The arithmetic average of the last 3 months in the related periods.

- c) Leverage Ratio:

| Assets on the balance sheet  | Current<br>Period (*) | Prior Period (*) |
|--|-----------------------|------------------|
| 1 Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals) | 245,817,507           | 180,241,636      |
| 2 (Assets deducted from core capital)  | (655,119)             | (608,185)        |
| 3 Total risk amount for assets on the balance sheet  | 245,162,388           | 179,633,451      |
| <b>Derivative financial instruments and credit derivatives</b>   |                       |                  |
| 4 Renewal cost of derivative financial instruments and loan derivatives  | 2,581,040             | 2,456,964        |
| 5 Potential credit risk amount of derivative financial instruments and loan derivatives                                | 1,070,707             | 612,168          |
| 6 Total risk amount of derivative financial instruments and loan derivatives   | 3,651,747             | 3,069,132        |
| <b>Financing transactions with securities or goods warranties</b>  |                       |                  |
| 7 Risk amount of financial transactions with securities or goods warranties (Excluding those in the balance sheet)     | 4,011,284             | 854,257          |
| 8 Risk amount arising from intermediated transactions  | -                     | -                |
| 9 Total risk amount of financing transactions with securities or goods warranties                                      | 4,011,284             | 854,257          |
| <b>Off-the-balance sheet transactions</b>  |                       |                  |
| 10 Gross nominal amount of the off-balance sheet transactions  | 83,422,543            | 66,388,072       |
| 11 (Adjustment amount arising from multiplying by the credit conversion rate)  | -                     | -                |
| 12 Total risk amount for off-balance sheet transactions  | 83,422,543            | 66,388,072       |
| <b>Capital and total risk</b>  |                       |                  |
| 13 Tier 1 capital  | 16,969,590            | 12,903,197       |
| 14 Total risk amount   | 336,247,962           | 249,944,912      |
| <b>Leverage ratio</b>  |                       |                  |
| 15 Leverage ratio  | %5.1                  | %5.2             |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management

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

#### Overview of risk weighted amounts

|   | Risk Weighted Amounts |                    | Minimum<br>Capital<br>Requirement |
|---|-----------------------|--------------------|-----------------------------------|
|   | Current<br>Period     | Prior Period       | Current Period                    |
| 1 Credit risk (excluding counterparty credit risk) (ccr)                      | 169,791,799           | 106,230,712        | 13,583,344                        |
| 2 Of which standardized approach (sa)   | 169,791,799           | 106,230,712        | 13,583,344                        |
| 3 Of which internal rating-based (irb) approach                               | -                     | -                  | -                                 |
| 4 Counterparty credit risk  | 4,983,189             | 2,882,445          | 398,655                           |
| 5 Of which standardized approach for counterparty credit risk (sa-ccr)        | 4,983,189             | 2,882,445          | 398,655                           |
| 6 Of which internal model method (imm)  | -                     | -                  | -                                 |
| 7 Equity positions in banking book under market-based approach                | -                     | -                  | -                                 |
| 8 Equity investment in funds - look-through approach                          | -                     | -                  | -                                 |
| 9 Equity investment in funds - mandate-based approach                         | -                     | -                  | -                                 |
| 10 Equity investment in funds - 1250% weighted risk approach                  | -                     | -                  | -                                 |
| 11 Settlement risk  | -                     | -                  | -                                 |
| 12 Securitization positions in banking accounts                               | -                     | -                  | -                                 |
| 13 Of which irb ratings-based approach (rba)                                  | -                     | -                  | -                                 |
| 14 Of which irb supervisory formula approach (sfa)                            | -                     | -                  | -                                 |
| 15 Of which sa/simplified supervisory formula approach (ssfa)                 | -                     | -                  | -                                 |
| 16 Market risk  | 4,440,858             | 3,023,546          | 355,269                           |
| 17 Of which standardized approach (sa)  | 4,440,858             | 3,023,546          | 355,269                           |
| 18 Of which internal model approaches (imm)                                   | -                     | -                  | -                                 |
| 19 Operational risk   | 11,802,605            | 10,943,131         | 944,208                           |
| 20 Of which basic indicator approach  | 11,802,605            | 10,943,131         | 944,208                           |
| 21 Of which standard approach   | -                     | -                  | -                                 |
| 22 Of which advanced measurement approach                                     | -                     | -                  | -                                 |
| 23 Amounts below the thresholds for deduction (subject to a 250% risk weight) | -                     | -                  | -                                 |
| 24 Floor adjustment   | -                     | -                  | -                                 |
| <b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>                              | <b>191,018,451</b>    | <b>123,079,834</b> | <b>15,281,476</b>                 |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont’d)

#### Credit quality of assets

| Current Period              | Gross carrying value in consolidated financial statements prepared as per TAS |                    | Provisions/ depreciation and impairment | Net values         |
|-----------------------------|---|--------------------|---|--------------------|
|                             | Defaulted   | Not defaulted      |   |                    |
| Loans                       | 2,977,446   | 152,972,019        | 4,100,554                               | 151,848,911        |
| Debt Securities             | -   | 36,380,970         | 6,004                                   | 36,374,966         |
| Off-balance sheet exposures | -   | 86,262,854         | 427,053                                 | 85,835,801         |
| <b>Total</b>                | <b>2,977,446</b>  | <b>275,615,843</b> | <b>4,533,611</b>                        | <b>274,059,678</b> |

| Prior Period                | Gross carrying value in consolidated financial statements prepared as per TAS |                    | Provisions/ depreciation and impairment | Net values         |
|-----------------------------|---|--------------------|---|--------------------|
|                             | Defaulted   | Not defaulted      |   |                    |
| Loans                       | 3,359,316   | 109,183,359        | 4,078,478                               | 108,464,197        |
| Debt Securities             | -   | 26,714,406         | 4,399                                   | 26,710,007         |
| Off-balance sheet exposures | -   | 72,034,761         | 345,560                                 | 71,689,201         |
| <b>Total</b>                | <b>3,359,316</b>  | <b>207,932,526</b> | <b>4,428,437</b>                        | <b>206,863,405</b> |

#### Changes in stock of defaulted loans and debt securities

|   |                  |
|---|------------------|
| <b>1 Defaulted loans and debt securities as of 31 December 2021</b>             | <b>3,353,433</b> |
| 2 Loans and debt securities that have defaulted since the last reporting period | 527,253          |
| 3 Returned to non-defaulted status  | -                |
| 4 Amounts written off (*)   | 454,993          |
| 5 Other changes (**)  | 448,247          |
| <b>6 Defaulted loans and debt securities as of 30 June 2022 (1+2-3-4-5)</b>     | <b>2,977,446</b> |

(\*) The Group has written off TL 317,376 of its non-performing loans. In addition, the portion of the Group's non-performing loan portfolio amounting to TL 137,617 and a provision for TL 134,690 was sold in 2022 for a price of TL 27,732, and after the completion of the necessary procedures, the sales prices were collected and the said non-performing receivables were removed from the records

(\*\*) Includes collections during the period.

|   |                  |
|---|------------------|
| <b>1 Defaulted loans and debt securities as of 31 December 2020</b>             | <b>3,520,150</b> |
| 2 Loans and debt securities that have defaulted since the last reporting period | 1,296,704        |
| 3 Returned to non-defaulted status  | -                |
| 4 Amounts written off (*)   | 393,633          |
| 5 Other changes (**)  | 1,063,905        |
| <b>6 Defaulted loans and debt securities as of 31 December 2021 (1+2-3-4-5)</b> | <b>3,359,316</b> |

(\*) The Group has written off TL 57,671 of its non-performing loans. In addition, the portion of the Group's non-performing loan portfolio amounting to TL 335,276 and a provision for TL 328,704 was sold in 2021 for a price of TL 43,096, and after the completion of the necessary procedures, the sales prices were collected and the said non-performing receivables were removed from the records.

(\*\*) Includes collections during the period.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont’d)

#### Credit risk mitigation techniques

|                        | Exposures<br>unsecured:<br>Valued<br>amount in<br>accordance<br>with TAS | Exposures<br>secured by<br>collateral | Exposures<br>secured by<br>collateral,<br>of which:<br>secured<br>amount | Exposures<br>Secured by<br>financial<br>guarantees | Exposures<br>secured by<br>financial<br>guarantees,<br>of<br>which<br>secured<br>amount | Exposures<br>secured by<br>credit<br>derivatives | Exposures<br>secured by<br>credit<br>derivatives<br>of which:<br>secured<br>amount |
|------------------------|--|---------------------------------------|--|--|---|--|--|
| <b>Current Period</b>  |  |                                       |  |  |   |  |  |
| Loans (*)              | 131,664,598  | 11,359,788                            | 9,523,761  | 4,431,420  | 3,067,523   | -  | -  |
| Debt securities (*)    | 33,876,298   | -                                     | -  | -  | -   | -  | -  |
| <b>Total</b>           | <b>165,540,896</b>   | <b>11,359,788</b>                     | <b>9,523,761</b>   | <b>4,431,420</b>                                   | <b>3,067,523</b>  | -  | -  |
| Of which defaulted (*) | 2,865,818  | 30,377                                | 15,639   | 53,788   | 156   | -  | -  |

(\*) With the BRSA decision numbered 10188 dated 28 April 2022, the Central Bank's foreign exchange buying rate of 31 December 2021 has been used in credit risk calculations.

|                         | Exposures<br>unsecured:<br>Valued<br>amount in<br>accordance<br>with TAS | Exposures<br>secured by<br>collateral | Exposures<br>secured by<br>collateral,<br>of which:<br>secured<br>amount | Exposures<br>Secured by<br>financial<br>guarantees | Exposures<br>secured by<br>financial<br>guarantees,<br>of<br>which<br>secured<br>amount | Exposures<br>secured by<br>credit<br>derivatives | Exposures<br>secured by<br>credit<br>derivatives<br>of which:<br>secured<br>amount |
|-------------------------|--|---------------------------------------|--|--|---|--|--|
| <b>Prior Period</b>     |  |                                       |  |  |   |  |  |
| Loans (**)              | 86,467,923   | 9,173,629                             | 8,178,323  | 4,396,706  | 3,193,947   | -  | -  |
| Debt securities (**)    | 22,655,443   | -                                     | -  | -  | -   | -  | -  |
| <b>Total</b>            | <b>109,123,366</b>   | <b>9,173,629</b>                      | <b>8,178,323</b>   | <b>4,396,706</b>                                   | <b>3,193,947</b>  | -  | -  |
| Of which defaulted (**) | 3,146,377  | 25,138                                | 16,168   | 53,540   | 101   | -  | -  |

(\*\*) Due to the BRSA communiqué dated 21 December 2021 and numbered 9996, the arithmetic average of the CBRT buying rate of the last 252 working days has been used in credit risk calculations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont'd)

#### Credit risk exposure and credit risk mitigation (CRM) effects

| Risk classes (Current Period)   | Credit conversion rate and credit amount before credit risk mitigation |                          | Credit conversion rate and credit amount after credit risk mitigation |                         | Risk weighted amounts and risk weighted amounts density |                         |
|---|--|--------------------------|---|-------------------------|---|-------------------------|
|   | On-balance sheet amount  | Off-balance sheet amount | On-balance sheet amount   | On-balance sheet amount | Off-balance sheet amount                                | On-balance sheet amount |
| Exposures to central governments or central banks                                     | 68,974,480   | -                        | 69,055,745  | -                       | 1,299,750   | 2%                      |
| Exposures to regional governments or local authorities                                | 1,236,401  | 8,817                    | 1,230,809   | 2,499                   | 723,325   | 59%                     |
| Exposures to public sector entities   | -  | -                        | -   | -                       | -   | -                       |
| Exposures to multilateral development banks   | -  | -                        | -   | -                       | -   | -                       |
| Exposures to international organizations  | -  | -                        | -   | -                       | -   | -                       |
| Exposures to institutions   | 10,678,976   | 3,680,866                | 10,639,710  | 3,341,260               | 4,158,458   | 30%                     |
| Exposures to corporates   | 75,212,414   | 35,945,438               | 73,872,465  | 19,427,683              | 96,643,047  | 104%                    |
| Retail exposures  | 44,218,740   | 29,334,037               | 43,173,844  | 5,282,315               | 37,956,879  | 78%                     |
| Exposures secured by residential property   | 4,220,267  | 374,551                  | 4,220,268   | 155,202                 | 1,531,415   | 35%                     |
| Exposures secured by commercial real estate   | 8,810,354  | 1,397,683                | 8,512,967   | 556,158                 | 6,400,395   | 71%                     |
| Past-due loans  | 982,003  | 204,851                  | 981,848   | 57,545                  | 888,045   | 85%                     |
| Higher-risk categories by the Agency Board  | 11,889,655   | -                        | 11,712,300  | -                       | 17,568,450  | 150%                    |
| Exposures in the form of covered bonds  | -  | -                        | -   | -                       | -   | -                       |
| Exposures to institutions and corporates with a short-term credit assessment          | -  | -                        | -   | -                       | -   | -                       |
| Exposures in the form of units or shares in collective investment undertakings (CIUs) | -  | -                        | -   | -                       | -   | -                       |
| Other receivables   | 10,822,741   | 8,136,678                | 10,822,732  | 1,413                   | 2,313,798   | 21%                     |
| Investments in equities   | 308,237  | -                        | 308,237   | -                       | 308,237   | 100%                    |
| <b>Total</b>  | <b>237,354,268</b>   | <b>79,082,921</b>        | <b>234,530,925</b>  | <b>28,824,075</b>       | <b>169,791,799</b>                                      | <b>64%</b>              |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont’d)

#### Credit risk exposure and Credit Risk Mitigation (CRM) effects (cont’d)

| Risk classes (Prior Period)   | Credit conversion rate and credit amount before credit risk mitigation |                          | Credit conversion rate and credit amount after credit risk mitigation |                         | Risk weighted amounts and risk weighted amounts density |                         |
|---|--|--------------------------|---|-------------------------|---|-------------------------|
|   | On-balance sheet amount  | Off-balance sheet amount | On-balance sheet amount   | On-balance sheet amount | Off-balance sheet amount                                | On-balance sheet amount |
| Exposures to central governments or central banks                                     | 44,410,886   | -                        | 44,707,458  | -                       | 886,394   | 2%                      |
| Exposures to regional governments or local authorities                                | 1,174,357  | 8,474                    | 1,103,988   | 3,078                   | 553,537   | 50%                     |
| Exposures to public sector entities   | -  | -                        | -   | -                       | -   | -                       |
| Exposures to multilateral development banks   | -  | -                        | -   | -                       | -   | -                       |
| Exposures to international organizations  | -  | -                        | -   | -                       | -   | -                       |
| Exposures to institutions   | 10,622,799   | 3,780,085                | 9,953,900   | 2,215,643               | 3,524,947   | 29%                     |
| Exposures to corporates   | 40,843,738   | 22,963,055               | 39,080,030  | 12,234,060              | 49,729,760  | 97%                     |
| Retail exposures  | 45,808,379   | 22,387,583               | 44,642,607  | 4,281,706               | 42,973,469  | 88%                     |
| Exposures secured by residential property   | 4,086,174  | 297,344                  | 4,086,174   | 107,587                 | 1,467,816   | 35%                     |
| Exposures secured by commercial real estate   | 6,308,592  | 974,668                  | 6,115,491   | 377,729                 | 4,361,886   | 67%                     |
| Past-due loans  | 1,038,020  | 193,065                  | 1,037,921   | 53,813                  | 938,651   | 86%                     |
| Higher-risk categories by the Agency Board  | -  | -                        | -   | -                       | -   | -                       |
| Exposures in the form of covered bonds  | -  | -                        | -   | -                       | -   | -                       |
| Exposures to institutions and corporates with a short-term credit assessment          | -  | -                        | -   | -                       | -   | -                       |
| Exposures in the form of units or shares in collective investment undertakings (CIUs) | -  | -                        | -   | -                       | -   | -                       |
| Other receivables   | 6,852,925  | 8,791,479                | 6,852,922   | 2,902                   | 1,560,701   | 23%                     |
| Investments in equities   | 233,551  | -                        | 233,551   | -                       | 233,551   | 100%                    |
| <b>Total</b>  | <b>161,379,421</b>   | <b>59,395,753</b>        | <b>157,814,042</b>  | <b>19,276,518</b>       | <b>106,230,712</b>                                      | <b>60%</b>              |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont’d)

#### Receivables by risk classes and risk weights

| Risk Classes / Risk Weights (Current Period)  | 0%                | 10%      | 20%               | 35%              | 50% secured<br>by real estate (*) | 75%               | 100%              | 150%              | 250%     | Other (**)       | Total credit risk<br>exposure amount<br>(after CCF and<br>CRM) |
|---|-------------------|----------|-------------------|------------------|-----------------------------------|-------------------|-------------------|-------------------|----------|------------------|--|
| Exposures to central governments or central banks                                     | 67,755,995        | -        | -                 | -                | -                                 | -                 | 1,299,750         | -                 | -        | -                | 69,055,745   |
| Exposures to regional governments or local authorities                                | -                 | -        | -                 | -                | 1,162,188                         | -                 | 9                 | -                 | -        | 71,111           | 1,233,308  |
| Exposures to administrative units and non-trade enterprises                           | -                 | -        | -                 | -                | -                                 | -                 | -                 | -                 | -        | -                | -  |
| Exposures to multilateral development banks   | -                 | -        | -                 | -                | -                                 | -                 | -                 | -                 | -        | -                | -  |
| Exposures to international organizations  | -                 | -        | -                 | -                | -                                 | -                 | -                 | -                 | -        | -                | -  |
| Exposures to banks and financial intermediaries                                       | -                 | -        | 9,519,984         | -                | 4,413,531                         | -                 | 46,975            | 480               | -        | -                | 13,980,970   |
| Exposures to corporates   | -                 | -        | 586,027           | -                | 4,198,764                         | -                 | 82,604,254        | -                 | -        | 5,911,103        | 93,300,148   |
| Retail exposures  | -                 | -        | 371               | -                | 12,568                            | 44,441,172        | 2,766,861         | 1,235,187         | -        | -                | 48,456,159   |
| Exposures secured by residential property   | -                 | -        | -                 | 4,375,470        | -                                 | -                 | -                 | -                 | -        | -                | 4,375,470  |
| Exposures secured by commercial real estate   | -                 | -        | -                 | -                | 5,559,430                         | -                 | 3,398,710         | -                 | -        | 110,985          | 9,069,125  |
| Past-due loans  | -                 | -        | -                 | -                | 481,867                           | -                 | 378,356           | 179,170           | -        | -                | 1,039,393  |
| Higher-risk categories by the Agency Board  | -                 | -        | -                 | -                | -                                 | -                 | -                 | 11,712,300        | -        | -                | 11,712,300   |
| Exposures in the form of covered bonds  | -                 | -        | -                 | -                | -                                 | -                 | -                 | -                 | -        | -                | -  |
| Exposures to institutions and corporates with a short-term credit assessment          | -                 | -        | -                 | -                | -                                 | -                 | -                 | -                 | -        | -                | -  |
| Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                 | -        | -                 | -                | -                                 | -                 | -                 | -                 | -        | -                | -  |
| Investments in equities   | -                 | -        | -                 | -                | -                                 | -                 | 308,237           | -                 | -        | -                | 308,237  |
| Other Receivables   | 8,424,906         | -        | 106,801           | -                | -                                 | -                 | 2,292,438         | -                 | -        | -                | 10,824,145   |
| <b>Total</b>  | <b>76,180,901</b> | <b>-</b> | <b>10,213,183</b> | <b>4,375,470</b> | <b>15,828,348</b>                 | <b>44,441,172</b> | <b>93,095,590</b> | <b>13,127,137</b> | <b>-</b> | <b>6,093,199</b> | <b>263,355,000</b>   |

(\*) “The amount shown on the line of “Exposures secured by commercial real estate” is “Exposures secured by real estate” and other amounts shown on this column represented exposures subject to 50% risk weight.

(\*\*) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted in accordance with the decision) and shown in the “Others” column.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont’d)

#### Receivables by risk classes and risk weights (cont’d)

| Risk Classes / Risk Weights (Prior Period)  | 0%                | 10%      | 20%              | 35%              | 50% secured<br>by real estate<br>(*) | 75%               | 100%              | 150%             | 250%     | Other    | Total credit risk<br>exposure amount<br>(after CCF and<br>CRM)) |
|---|-------------------|----------|------------------|------------------|--------------------------------------|-------------------|-------------------|------------------|----------|----------|---|
| Exposures to central governments or central banks                                     | 43,821,064        | -        | -                | -                | -                                    | -                 | 886,394           | -                | -        | -        | 44,707,458  |
| Exposures to regional governments or local authorities                                | -                 | -        | -                | -                | 1,107,058                            | -                 | 8                 | -                | -        | -        | 1,107,066   |
| Exposures to administrative units and non-trade enterprises                           | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Exposures to multilateral development banks   | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Exposures to international organizations  | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Exposures to banks and financial intermediaries                                       | -                 | -        | 8,594,137        | -                | 3,539,341                            | -                 | 35,298            | 767              | -        | -        | 12,169,543  |
| Exposures to corporates   | -                 | -        | 586,701          | -                | 2,229,939                            | -                 | 48,497,450        | -                | -        | -        | 51,314,090  |
| Retail exposures  | -                 | -        | 485              | -                | 33,863                               | 39,491,984        | 1,519,037         | 7,878,944        | -        | -        | 48,924,313  |
| Exposures secured by residential property   | -                 | -        | -                | 4,193,761        | -                                    | -                 | -                 | -                | -        | -        | 4,193,761   |
| Exposures secured by commercial real estate   | -                 | -        | -                | -                | 4,262,668                            | -                 | 2,230,552         | -                | -        | -        | 6,493,220   |
| Past-due loans  | -                 | -        | -                | -                | 418,050                              | -                 | 561,801           | 111,883          | -        | -        | 1,091,734   |
| Higher-risk categories by the Agency Board  | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Exposures in the form of covered bonds  | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Exposures to institutions and corporates with a short-term credit assessment          | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                 | -        | -                | -                | -                                    | -                 | -                 | -                | -        | -        | -   |
| Investments in equities   | -                 | -        | -                | -                | -                                    | -                 | 233,551           | -                | -        | -        | 233,551   |
| Other assets  | 5,263,210         | -        | 39,891           | -                | -                                    | -                 | 1,552,723         | -                | -        | -        | 6,855,824   |
| <b>Total</b>  | <b>49,084,274</b> | <b>-</b> | <b>9,221,214</b> | <b>4,193,761</b> | <b>11,590,919</b>                    | <b>39,491,984</b> | <b>55,516,814</b> | <b>7,991,594</b> | <b>-</b> | <b>-</b> | <b>177,090,560</b>  |

(\*) “The amount shown on the line of “Exposures secured by commercial real estate” is “Exposures secured by real estate” and other amounts shown on this column represented exposures subject to 50% risk weight.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VII. Explanations Related to Consolidated Risk Management (cont'd)

#### Evaluation of counterparty credit risk according to measurement methods

| <b>Current Period</b>   | <b>Replacement cost</b> | <b>Potential future exposure</b> | <b>EEPE (*)</b> | <b>Alpha used for Computing regulatory Exposure at Default</b> | <b>Exposure at Default post Credit Risk Mitigation</b> | <b>Risk Weighted Assets</b> |
|---|-------------------------|----------------------------------|-----------------|--|--|-----------------------------|
| Standardized Approach - CCR (For Derivatives)   | 2,067,632               | 1,199,757                        |                 | 1.4  | 3,221,137  | 2,063,080                   |
| Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)                |                         |                                  |                 |  |  |                             |
| Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)             |                         |                                  |                 |  |  |                             |
| Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) |                         |                                  |                 |  |  |                             |
| VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions   |                         |                                  |                 |  | 4,178,415  | 1,884,892                   |
| <b>Total</b>  |                         |                                  |                 |  |  | <b>3,947,972</b>            |

(\*) Effective expected positive exposure

| <b>Prior Period</b>   | <b>Replacement cost</b> | <b>Potential future exposure</b> | <b>EEPE(*)</b> | <b>Alpha used for Computing regulatory Exposure at Default</b> | <b>Exposure at Default post Credit Risk Mitigation</b> | <b>Risk Weighted Assets</b> |
|---|-------------------------|----------------------------------|----------------|--|--|-----------------------------|
| Standardized Approach - CCR (For Derivatives)   | 3,523,661               | 839,905                          |                | 1.4  | 4,357,589  | 1,571,130                   |
| Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)                |                         |                                  |                |  |  |                             |
| Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)             |                         |                                  |                |  |  |                             |
| Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) |                         |                                  |                |  |  |                             |
| VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions   |                         |                                  |                |  | 1,087,753  | 454,032                     |
| <b>Total</b>  |                         |                                  |                |  |  | <b>2,025,162</b>            |

(\*) Effective expected positive exposure

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

### VIII. Explanations Related to Consolidated Credit Risk

#### Credit valuation adjustment (CVA) capital charge

|  | Exposure at Default post-Credit<br>Risk Mitigation | Risk weighted<br>amounts |
|--|--|--------------------------|
| <b>Current Period</b>  |  |                          |
| Total portfolios subject to the Advanced CVA capital charge        | -  | -                        |
| (i) Value at Risk component (including the 3*multiplier)           |  | -                        |
| (ii) Stressed Value at Risk component (including the 3*multiplier) |  | -                        |
| All portfolios subject to the Standardized CVA capital charge      | 3,221,137  | 1,035,217                |
| <b>Total subject to the CVA capital charge</b>                     | <b>3,221,137</b>                                   | <b>1,035,217</b>         |
| <b>Prior Period</b>  |  |                          |
| Total portfolios subject to the Advanced CVA capital charge        | -  | -                        |
| (i) Value at Risk component (including the 3*multiplier)           |  | -                        |
| (ii) Stressed Value at Risk component (including the 3*multiplier) |  | -                        |
| All portfolios subject to the Standardized CVA capital charge      | 4,357,589  | 857,283                  |
| <b>Total subject to the CVA capital charge</b>                     | <b>4,357,589</b>                                   | <b>857,283</b>           |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### VIII. Explanations Related to Consolidated Credit Risk (cont’d)

#### Counterparty credit risk by risk classes and risk weights

| <b>Risk Weight / Risk Classes (Current Period)</b>   | <b>0%</b>      | <b>10%</b> | <b>20%</b>     | <b>50%</b>       | <b>75%</b>    | <b>100%</b>      | <b>150%</b> | <b>Other</b> | <b>Total credit risk (*)</b> |
|--|----------------|------------|----------------|------------------|---------------|------------------|-------------|--------------|------------------------------|
| Claims from central governments and central banks    | 796,320        | -          | -              | -                | -             | -                | -           | -            | 796,320                      |
| Claims from regional and local governments           | -              | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from administration and non-commercial entity | -              | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from multilateral development banks           | -              | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from international organizations              | -              | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from banks and financial intermediaries       | -              | -          | 657,346        | 4,019,743        | -             | -                | -           | -            | 4,677,089                    |
| Corporate claims                                     | -              | -          | 29,304         | 164,320          | -             | 1,676,886        | -           | -            | 1,870,510                    |
| Retail portfolio claims                              | -              | -          | 1              | -                | 55,632        | -                | -           | -            | 55,633                       |
| Other claims (**)                                    | -              | -          | -              | -                | -             | -                | -           | -            | -                            |
| <b>Total</b>   | <b>796,320</b> | <b>-</b>   | <b>686,651</b> | <b>4,184,063</b> | <b>55,632</b> | <b>1,676,886</b> | <b>-</b>    | <b>-</b>     | <b>7,399,552</b>             |

(\*) Total credit risk: The amount relevant for the capital requirements calculation after applying counterparty credit risk measurement techniques.

(\*\*) Other assets: The amounts include exposures reported to Central Counterparty Table but not included in Counterparty Credit Risk.

| <b>Risk Weight / Risk Classes (Prior Period)</b>     | <b>0%</b>        | <b>10%</b> | <b>20%</b>     | <b>50%</b>       | <b>75%</b>    | <b>100%</b>      | <b>150%</b> | <b>Other</b> | <b>Total credit risk (*)</b> |
|--|------------------|------------|----------------|------------------|---------------|------------------|-------------|--------------|------------------------------|
| Claims from central governments and central banks    | 2,485,617        | -          | -              | -                | -             | -                | -           | -            | 2,485,617                    |
| Claims from regional and local governments           | -                | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from administration and non-commercial entity | -                | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from multilateral development banks           | -                | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from international organizations              | -                | -          | -              | -                | -             | -                | -           | -            | -                            |
| Claims from banks and financial intermediaries       | -                | -          | 142,519        | 1,467,226        | -             | -                | -           | -            | 1,609,745                    |
| Corporate claims                                     | -                | -          | 12,010         | 128,680          | -             | 1,158,672        | -           | -            | 1,299,362                    |
| Retail portfolio claims                              | -                | -          | 599            | 18               | 50,001        | -                | -           | -            | 50,618                       |
| Other claims (**)                                    | -                | -          | -              | -                | -             | -                | -           | -            | -                            |
| <b>Total</b>   | <b>2,485,617</b> | <b>-</b>   | <b>155,128</b> | <b>1,595,924</b> | <b>50,001</b> | <b>1,158,672</b> | <b>-</b>    | <b>-</b>     | <b>5,445,342</b>             |

(\*) Total credit risk: The amount relevant for the capital requirements calculation after applying counterparty credit risk measurement techniques.

(\*\*) Other assets: The amounts include exposures reported to Central Counterparty Table but not included in Counterparty Credit Risk.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### VIII. Explanations Related to Consolidated Credit Risk (cont’d)

#### Composition of collateral for counterparty credit risk exposure

| Current Period                    | Collateral used in derivative transactions |               |                  |              | Collateral used in other transactions |                  |
|-----------------------------------|--|---------------|------------------|--------------|---------------------------------------|------------------|
|                                   | Collateral received                        |               | Collateral given |              | Collateral received                   | Collateral given |
|                                   | Segregated                                 | Unsegregated  | Segregated       | Unsegregated |                                       |                  |
| Cash – domestic currency          | -  | 2,126         | -                | -            | -                                     | -                |
| Cash – other currencies           | -  | 29,787        | -                | -            | -                                     | -                |
| Government bonds/bills - domestic | -  | -             | -                | -            | -                                     | -                |
| Government bonds/bills - other    | -  | 14,339        | -                | -            | -                                     | -                |
| Government agency bonds/bills     | -  | -             | -                | -            | -                                     | -                |
| Corporate bonds/bills             | -  | -             | -                | -            | -                                     | -                |
| Equity securities                 | -  | -             | -                | -            | -                                     | -                |
| Other collateral                  | -  | -             | -                | -            | -                                     | -                |
| <b>Total</b>                      | -  | <b>46,252</b> | -                | -            | -                                     | -                |

| Prior Period                      | Collateral used in derivative transactions |              |                  |              | Collateral used in other transactions |                  |
|-----------------------------------|--|--------------|------------------|--------------|---------------------------------------|------------------|
|                                   | Collateral received                        |              | Collateral given |              | Collateral received                   | Collateral given |
|                                   | Segregated                                 | Unsegregated | Segregated       | Unsegregated |                                       |                  |
| Cash – domestic currency          | -  | 603          | -                | -            | -                                     | -                |
| Cash – other currencies           | -  | 4,823        | -                | -            | -                                     | -                |
| Government bonds/bills - domestic | -  | -            | -                | -            | -                                     | -                |
| Government bonds/bills - other    | -  | 551          | -                | -            | -                                     | -                |
| Government agency bonds/bills     | -  | -            | -                | -            | -                                     | -                |
| Corporate bonds/bills             | -  | -            | -                | -            | -                                     | -                |
| Equity securities                 | -  | -            | -                | -            | -                                     | -                |
| Other collateral                  | -  | -            | -                | -            | -                                     | -                |
| <b>Total</b>                      | -  | <b>5,977</b> | -                | -            | -                                     | -                |

#### Credit derivatives

None (31 December 2021: None).

#### Exposures to central counterparties

None (31 December 2021: None).

### IX. Securitization Disclosures

Since the Parent Bank does not hold securitization position, the notes to be presented according to the “Communiqué on Disclosures about Risk Management to be announced to Public by Banks” have not been presented.

### X. Explanations Related to Consolidated Market Risk

|   | Risk Weighted Amounts<br>Current Period | Risk Weighted Amounts<br>Prior Period |
|---|---|---------------------------------------|
| Outright products                         |   |                                       |
| Interest rate risk (general and specific) | 1,898,255                               | 1,377,018                             |
| Equity risk (general and specific)        | -                                       | -                                     |
| Foreign exchange risk                     | 899,568                                 | 560,312                               |
| Commodity risk                            | 1,032,647                               | 945,141                               |
| Options                                   |   |                                       |
| Simplified approach                       | -                                       | -                                     |
| Delta-plus method                         | 610,388                                 | 141,075                               |
| Scenario approach                         | -                                       | -                                     |
| Securitization                            | -                                       | -                                     |
| <b>Total</b>                              | <b>4,440,858</b>                        | <b>3,023,546</b>                      |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### SECTION FIVE

#### EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

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

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

|  | Current Period   |                   | Prior Period     |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | TL               | FC                | TL               | FC                |
| Cash in TL/Foreign Currency              | 598,696          | 9,010,027         | 480,825          | 6,992,493         |
| Balances with the Central Bank of Turkey | 7,297,815        | 30,088,901        | 5,237,670        | 22,851,875        |
| Other                                    | -                | 548,803           | -                | 228,432           |
| <b>Total</b>                             | <b>7,896,511</b> | <b>39,647,731</b> | <b>5,718,495</b> | <b>30,072,800</b> |

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

|                             | Current Period   |                   | Prior Period     |                   |
|-----------------------------|------------------|-------------------|------------------|-------------------|
|                             | TL               | FC                | TL               | FC                |
| Unrestricted Demand Deposit | 5,995,147        | -                 | 5,130,440        | -                 |
| Unrestricted Time Deposit   | -                | 10,119,945        | -                | 7,072,426         |
| Restricted Time Deposit     | 1,302,668        | 19,968,956        | 107,230          | 15,779,449        |
| <b>Total</b>                | <b>7,297,815</b> | <b>30,088,901</b> | <b>5,237,670</b> | <b>22,851,875</b> |

Foreign currency unrestricted deposit amounting to TL 10,119,945 (31 December 2021: TL 7,072,426), foreign currency restricted deposit amounting to TL 19,968,956 (31 December 2021: TL 15,779,449), unrestricted deposit balance amounting to TL 5,995,147 (31 December 2021: TL 5,130,440) and restricted deposit amounting to TL 1,302,668 (31 December 2021: TL 107,230) comprises of reserve deposits.

As of 30 June 2022, the Turkish lira required reserve ratios are determined to be within the range of 3% - 8% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2021: 3% - 8%), and the required reserve ratios for foreign currency deposits and other liabilities within the range of 5% - 26% (31 December 2021: 5% - 26%).

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

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

- a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2021: None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2021: None).

Net book value of unrestricted financial assets at fair value through profit and loss is TL 2,750,997 (31 December 2021: TL 2,491,428).

|  | Current Period   |                | Prior Period     |                |
|--|------------------|----------------|------------------|----------------|
|  | TL               | FC             | TL               | FC             |
| Government Debt Securities               | 2,246,450        | 504,547        | 1,942,260        | 549,168        |
| Securities Representing Share in Capital | 71,036           | 152,530        | 59,388           | 135,326        |
| Other Financial Assets                   | -                | 121,238        | -                | 107,646        |
| <b>Total</b>                             | <b>2,317,486</b> | <b>778,315</b> | <b>2,001,648</b> | <b>792,140</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

|                      | Current Period   |                | Prior Period     |                |
|----------------------|------------------|----------------|------------------|----------------|
|                      | TL               | FC             | TL               | FC             |
| Forward Transactions | 615,587          | 32,120         | 739,292          | 23,542         |
| Swap Transactions    | 3,687,613        | 193,100        | 5,160,990        | 258,119        |
| Futures Transactions | -                | -              | -                | -              |
| Options              | 287,637          | 245,932        | 106,295          | 43,738         |
| Other                | -                | -              | -                | -              |
| <b>Total</b>         | <b>4,590,837</b> | <b>471,152</b> | <b>6,006,577</b> | <b>325,399</b> |

#### 4. Information on banks:

|                                  | Current Period |                  | Prior Period     |                   |
|----------------------------------|----------------|------------------|------------------|-------------------|
|                                  | TP             | YP               | TP               | YP                |
| Banks                            |                |                  |                  |                   |
| Domestic                         | 1,840          | 265,943          | 1,532,763        | 1,247,634         |
| Foreign                          | 73,483         | 8,392,481        | 86,455           | 8,797,886         |
| Headquarters and Branches Abroad | -              | -                | -                | -                 |
| <b>Total</b>                     | <b>75,323</b>  | <b>8,658,424</b> | <b>1,619,218</b> | <b>10,045,520</b> |

A provision for expected loss of TL 26,253 (31 December 2021: TL 23,547) has been reserved for receivables from banks.

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

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

|  | Current Period |                  | Prior Period     |                  |
|--|----------------|------------------|------------------|------------------|
|  | TL             | FC               | TL               | FC               |
| Equity Securities                          | -              | -                | -                | -                |
| Bond, Treasury Bill and Similar Securities | 922,246        | 1,640,171        | 1,448,659        | 1,739,641        |
| Other                                      | -              | -                | -                | -                |
| <b>Total</b>                               | <b>922,246</b> | <b>1,640,171</b> | <b>1,448,659</b> | <b>1,739,641</b> |

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

|                                      | Current Period |                  | Prior Period     |                  |
|--------------------------------------|----------------|------------------|------------------|------------------|
|                                      | TL             | FC               | TL               | FC               |
| Government Bonds                     | -              | 1,914,514        | 1,045,152        | 1,658,916        |
| Treasury Bills                       | -              | -                | -                | -                |
| Other Debt Securities                | -              | -                | -                | -                |
| Bank Bonds and Bank Guaranteed Bonds | -              | -                | -                | -                |
| Asset Backed Securities              | -              | -                | -                | -                |
| Other                                | -              | -                | -                | -                |
| <b>Total</b>                         | <b>-</b>       | <b>1,914,514</b> | <b>1,045,152</b> | <b>1,658,916</b> |

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 5,028,585 (31 December 2021: TL 1,283,588).

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

|                            | Current Period   | Prior Period     |
|----------------------------|------------------|------------------|
| Debt Securities            | 9,488,011        | 7,162,706        |
| Quoted at Stock Exchange   | 9,443,628        | 7,123,445        |
| Unquoted at Stock Exchange | 44,383           | 39,261           |
| Share Certificates         | 17,505           | 13,250           |
| Quoted at Stock Exchange   | -                | -                |
| Unquoted at Stock Exchange | 17,505           | 13,250           |
| Impairment Provision (-)   | -                | -                |
| <b>Total</b>               | <b>9,505,516</b> | <b>7,175,956</b> |

An expected loss provision of TL 2,060 (31 December 2021: TL 1,668) is reserved for financial assets at fair value through other comprehensive income.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

#### 6. Information on loans:

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

|  | Current Period |                | Prior Period   |                |
|--|----------------|----------------|----------------|----------------|
|  | Cash           | Non-Cash       | Cash           | Non-Cash       |
| Direct Loans Granted to Shareholders   | -              | 310,382        | -              | 389,230        |
| Corporate Shareholders                 | -              | 310,382        | -              | 389,230        |
| Real Person Shareholders               | -              | -              | -              | -              |
| Indirect Loans Granted to Shareholders | -              | -              | -              | -              |
| Loans Granted to Employees             | 146,633        | -              | 116,057        | -              |
| <b>Total</b>                           | <b>146,633</b> | <b>310,382</b> | <b>116,057</b> | <b>389,230</b> |

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

#### Current Period:

| Cash Loans                      | Standard Loans     | Loans under Close Monitoring       |                                   |                  |
|---------------------------------|--------------------|------------------------------------|-----------------------------------|------------------|
|                                 |                    | Loans Not Subject to Restructuring | Restructured                      |                  |
|                                 |                    |                                    | Loans with Revised Contract Terms | Refinance        |
| Non-Specialized Loans           | 135,186,052        | 9,938,439                          | 122,340                           | 1,296,324        |
| Working Capital Loans           | 13,515,966         | 2,121,310                          | 77,633                            | 855,524          |
| Export Loans                    | 27,568,071         | 188,995                            | -                                 | 3,578            |
| Import Loans                    | -                  | -                                  | -                                 | -                |
| Loans Given to Financial Sector | 5,598,192          | -                                  | -                                 | -                |
| Consumer Loans                  | 21,913,709         | 4,318,266                          | 9,826                             | 150,146          |
| Credit Cards                    | 9,614,977          | 1,354,452                          | 29,513                            | -                |
| Other                           | 56,975,137         | 1,955,416                          | 5,368                             | 287,076          |
| Specialized Loans               | -                  | -                                  | -                                 | -                |
| Other Receivables               | -                  | -                                  | -                                 | -                |
| <b>Total</b>                    | <b>135,186,052</b> | <b>9,938,439</b>                   | <b>122,340</b>                    | <b>1,296,324</b> |

#### Prior Period:

| Cash Loans                      | Standard Loans    | Loans under Close Monitoring       |                                   |                  |
|---------------------------------|-------------------|------------------------------------|-----------------------------------|------------------|
|                                 |                   | Loans Not Subject to Restructuring | Restructured                      |                  |
|                                 |                   |                                    | Loans with Revised Contract Terms | Refinance        |
| Non-Specialized Loans           | 94,890,546        | 7,851,522                          | 106,238                           | 1,726,179        |
| Working Capital Loans           | 8,292,445         | 938,278                            | 68,954                            | 1,191,876        |
| Export Loans                    | 15,734,234        | 150,052                            | -                                 | 4,939            |
| Import Loans                    | -                 | -                                  | -                                 | -                |
| Loans Given to Financial Sector | 4,592,585         | -                                  | -                                 | -                |
| Consumer Loans                  | 19,586,048        | 4,218,653                          | 12,207                            | 158,941          |
| Credit Cards                    | 7,079,515         | 1,069,945                          | 17,629                            | -                |
| Other                           | 39,605,719        | 1,474,594                          | 7,448                             | 370,423          |
| Specialized Loans               | -                 | -                                  | -                                 | -                |
| Other Receivables               | -                 | -                                  | -                                 | -                |
| <b>Total</b>                    | <b>94,890,546</b> | <b>7,851,522</b>                   | <b>106,238</b>                    | <b>1,726,179</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring: (cont’d)

|                                     | Current Period |                              | Prior Period   |                              |
|-------------------------------------|----------------|------------------------------|----------------|------------------------------|
|                                     | Standard Loans | Loans Under Close Monitoring | Standard Loans | Loans Under Close Monitoring |
| 12 Month Expected Credit Loss       | 656,493        | -                            | 428,726        | -                            |
| Significant increase in Credit Risk | -              | 1,468,259                    | -              | 1,351,897                    |
| <b>Total</b>                        | <b>656,493</b> | <b>1,468,259</b>             | <b>428,726</b> | <b>1,351,897</b>             |

Aging analysis for loans under close monitoring

| <b>30 June 2022</b>   | <b>1-30 Days</b> | <b>31-60 Days</b> | <b>61-90 Days</b> | <b>Total</b>     |
|-----------------------|------------------|-------------------|-------------------|------------------|
| Loans and Receivables |                  |                   |                   |                  |
| Commercial Loans      | 106,149          | 152,853           | 244,553           | 503,555          |
| Consumer Loans        | 776,499          | 249,694           | 324,381           | 1,350,574        |
| Credit Cards          | 167,917          | 97,565            | 64,209            | 329,691          |
| <b>Total</b>          | <b>1,050,565</b> | <b>500,112</b>    | <b>633,143</b>    | <b>2,183,820</b> |

  

| <b>31 December 2021</b> | <b>1-30 Days</b> | <b>31-60 Days</b> | <b>61-90 Days</b> | <b>Total</b>     |
|-------------------------|------------------|-------------------|-------------------|------------------|
| Loans and Receivables   |                  |                   |                   |                  |
| Commercial Loans        | 109,242          | 147,629           | 367,804           | 624,675          |
| Consumer Loans          | 724,640          | 271,266           | 356,435           | 1,352,341        |
| Credit Cards            | 157,470          | 94,918            | 63,437            | 315,825          |
| <b>Total</b>            | <b>991,352</b>   | <b>513,813</b>    | <b>787,676</b>    | <b>2,292,841</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

| Current Period                                  | Short-Term        | Medium and Long-Term | Total             |
|---|-------------------|----------------------|-------------------|
| <b>Consumer Loans-TL</b>                        | <b>1,117,460</b>  | <b>23,578,749</b>    | <b>24,696,209</b> |
| Housing Loans                                   | 17,526            | 4,042,424            | 4,059,950         |
| Vehicle Loans                                   | 15,107            | 483,831              | 498,938           |
| General Purpose Loans                           | 1,084,827         | 19,052,494           | 20,137,321        |
| Other   | -                 | -                    | -                 |
| <b>Consumer Loans –Indexed to FC</b>            | -                 | <b>12,200</b>        | <b>12,200</b>     |
| Housing Loans                                   | -                 | 12,200               | 12,200            |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | -                    | -                 |
| Other   | -                 | -                    | -                 |
| <b>Consumer Loans-FC (**)</b>                   | -                 | <b>15,437</b>        | <b>15,437</b>     |
| Housing Loans                                   | -                 | 5,220                | 5,220             |
| Vehicle Loans                                   | -                 | 375                  | 375               |
| General Purpose Loans                           | -                 | 9,842                | 9,842             |
| Other   | -                 | -                    | -                 |
| <b>Individual Credit Cards-TL</b>               | <b>7,253,720</b>  | <b>27,512</b>        | <b>7,281,232</b>  |
| With Instalments                                | 2,421,960         | 27,512               | 2,449,472         |
| Without Instalments                             | 4,831,760         | -                    | 4,831,760         |
| <b>Individual Credit Cards-FC</b>               | <b>19,776</b>     | -                    | <b>19,776</b>     |
| With Instalments                                | -                 | -                    | -                 |
| Without Instalments                             | 19,776            | -                    | 19,776            |
| <b>Personnel Loans-TL</b>                       | <b>18,659</b>     | <b>75,792</b>        | <b>94,451</b>     |
| Housing Loans                                   | -                 | 207                  | 207               |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | 18,659            | 75,585               | 94,244            |
| Other   | -                 | -                    | -                 |
| <b>Personnel Loans- Indexed to FC</b>           | -                 | -                    | -                 |
| Housing Loans                                   | -                 | -                    | -                 |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | -                    | -                 |
| Other   | -                 | -                    | -                 |
| <b>Personnel Loans-FC</b>                       | -                 | -                    | -                 |
| Housing Loans                                   | -                 | -                    | -                 |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | -                    | -                 |
| Other   | -                 | -                    | -                 |
| <b>Personnel Credit Cards-TL</b>                | <b>47,260</b>     | <b>23</b>            | <b>47,283</b>     |
| With Instalments                                | 17,312            | 23                   | 17,335            |
| Without Instalments                             | 29,948            | -                    | 29,948            |
| <b>Personnel Credit Cards-FC</b>                | <b>431</b>        | -                    | <b>431</b>        |
| With Instalments                                | -                 | -                    | -                 |
| Without Instalments                             | 431               | -                    | 431               |
| <b>Overdraft Accounts-TL (Real Persons) (*)</b> | <b>1,573,641</b>  | -                    | <b>1,573,641</b>  |
| <b>Overdraft Accounts-FC (Real Persons)</b>     | <b>9</b>          | -                    | <b>9</b>          |
| <b>Total</b>                                    | <b>10,030,956</b> | <b>23,709,713</b>    | <b>33,740,669</b> |

(\*) Overdraft accounts include personnel loans amounting to TL 4,468.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

d) Information on commercial loans with instalments and corporate credits:

| <b>Current Period</b>                                   | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>      |
|---|-------------------|-----------------------------|-------------------|
| <b>Commercial Loans with Instalment -TL</b>             | <b>1,589,349</b>  | <b>13,568,995</b>           | <b>15,158,344</b> |
| Business Loans  | 2,457             | 208,671                     | 211,128           |
| Vehicle Loans   | 226,787           | 3,338,889                   | 3,565,676         |
| General Purpose Loans                                   | 1,360,105         | 10,021,435                  | 11,381,540        |
| Other   | -                 | -                           | -                 |
| <b>Commercial Loans with Instalment - Indexed to FC</b> | <b>-</b>          | <b>32,312</b>               | <b>32,312</b>     |
| Business Loans  | -                 | 6,996                       | 6,996             |
| Vehicle Loans   | -                 | -                           | -                 |
| General Purpose Loans                                   | -                 | 25,316                      | 25,316            |
| Other   | -                 | -                           | -                 |
| <b>Commercial Loans with Instalment - FC</b>            | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| Business Loans  | -                 | -                           | -                 |
| Vehicle Loans   | -                 | -                           | -                 |
| General Purpose Loans                                   | -                 | -                           | -                 |
| Other   | -                 | -                           | -                 |
| <b>Corporate Credit Cards-TL</b>                        | <b>3,643,029</b>  | <b>69</b>                   | <b>3,643,098</b>  |
| With Instalments  | 1,446,704         | 69                          | 1,446,773         |
| Without Instalments                                     | 2,196,325         | -                           | 2,196,325         |
| <b>Corporate Credit Cards-FC</b>                        | <b>7,122</b>      | <b>-</b>                    | <b>7,122</b>      |
| With Instalments  | -                 | -                           | -                 |
| Without Instalments                                     | 7,122             | -                           | 7,122             |
| <b>Overdraft Accounts-TL (Legal Entities)</b>           | <b>1,102,397</b>  | <b>-</b>                    | <b>1,102,397</b>  |
| <b>Overdraft Accounts-FC (Legal Entities)</b>           | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| <b>Total</b>  | <b>6,341,897</b>  | <b>13,601,376</b>           | <b>19,943,273</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

e) Distribution of domestic and foreign loans:

|                | Current Period     | Prior Period       |
|----------------|--------------------|--------------------|
| Domestic Loans | 145,856,231        | 103,893,581        |
| Foreign Loans  | 686,924            | 680,904            |
| <b>Total</b>   | <b>146,543,155</b> | <b>104,574,485</b> |

f) Loans granted to subsidiaries and associates:

These amounts are eliminated in the consolidated financial statements.

g) Specific or default loan (Stage 3) provisions for loans:

|                                    | Current Period   | Prior Period     |
|------------------------------------|------------------|------------------|
| Loans with Limited Collectability  | 169,672          | 275,137          |
| Loans with Doubtful Collectability | 413,790          | 256,267          |
| Uncollectible Loans                | 1,348,652        | 1,733,851        |
| <b>Total</b>                       | <b>1,932,114</b> | <b>2,265,255</b> |

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

h.1) Regarding non-performing loans and restructured loans:

|                                 | III. Group<br>Loans with<br>Limited<br>Collectability | IV. Group<br>Loans with<br>Doubtful<br>Collectability | V. Group<br>Uncollectable<br>Loans |
|---------------------------------|---|---|------------------------------------|
| <b>Current Period</b>           |   |   |                                    |
| Gross Amounts before Provisions | 51,345  | 55,914  | 26,502                             |
| Restructured Loans              | 51,345  | 55,914  | 26,502                             |
| <b>Prior Period</b>             |   |   |                                    |
| Gross Amounts before Provisions | 72,529  | 14,239  | 42,007                             |
| Restructured Loans              | 72,529  | 14,239  | 42,007                             |

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

| Current Period   | III. Group<br>Loans with<br>Limited<br>Collectability | IV. Group<br>Loans with<br>Doubtful<br>Collectability | V. Group<br>Uncollectable<br>Loans |
|--|---|---|------------------------------------|
| <b>Prior Period End Balance</b>                              | <b>448,493</b>  | <b>396,553</b>  | <b>2,486,219</b>                   |
| Additions (+)  | 482,826   | 7,892   | 12,239                             |
| Transfers from Other Categories of Loans under Follow-up (+) | -   | 704,373   | 345,178                            |
| Transfers to Other Categories of Loans under Follow-up (-)   | 704,373   | 345,178   | -                                  |
| Collections (-)  | 178,043   | 123,696   | 387,234                            |
| Write-offs (-)   | -   | -   | 317,376                            |
| Sold Portfolio (-) (*)                                       | 9   | 1,401   | 136,207                            |
| Corporate and Commercial Loans                               | -   | 1,059   | 31,039                             |
| Retail Loans   | -   | 5   | 75,748                             |
| Credit Cards   | 9   | 337   | 29,420                             |
| Other  | 226,298   | 21,405  | (694)                              |
| <b>Current Period End Balance</b>                            | <b>275,192</b>  | <b>659,948</b>  | <b>2,002,125</b>                   |
| Provision (-)  | 169,672   | 413,790   | 1,348,652                          |
| <b>Net Balance on the Balance Sheet</b>                      | <b>105,520</b>  | <b>246,158</b>  | <b>653,473</b>                     |

(\*) Past due receivables amounting to TL 137,617 for which TL 134,690 of provision had been allocated, is sold for TL 27,732 during 2022. After all sales procedures were completed, these past due receivables have been written off from the portfolio.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

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

|                                     | III. Group<br>Loans and<br>Receivables with<br>Limited Collectability | IV. Group<br>Loans and<br>Receivables with<br>Doubtful<br>Collectability | V. Group<br>Uncollectible<br>Loans and<br>Receivables |
|-------------------------------------|---|--|---|
| <b>30 June 2022</b>                 |   |  |   |
| Balance at the End of the Period    | 106,690   | 6,172  | 140,023   |
| Provision (-)                       | 58,929  | 4,211  | 94,382  |
| <b>Net Balance on Balance Sheet</b> | <b>47,761</b>   | <b>1,961</b>   | <b>45,641</b>   |
| <b>31 December 2021</b>             |   |  |   |
| Balance at the End of the Period    | 90,621  | 19,011   | 181,764   |
| Provision (-)                       | 77,359  | 12,802   | 131,304   |
| <b>Net Balance on Balance Sheet</b> | <b>13,262</b>   | <b>6,209</b>   | <b>50,460</b>   |

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

|   | III. Group<br>Loans and<br>Receivables with<br>Limited Collectability | IV. Group<br>Loans and<br>Receivables with<br>Doubtful<br>Collectability | V. Group<br>Uncollectible<br>Loans and<br>Receivables |
|---|---|--|---|
| <b>Current Period (Net)</b>                           |   |  |   |
| Loans to Real Persons and Legal Entities (Gross)      | 275,192   | 659,948  | 2,002,125   |
| Provision (-)   | 169,672   | 413,790  | 1,348,652   |
| <b>Loans to Real Persons and Legal Entities (Net)</b> | <b>105,520</b>  | <b>246,158</b>   | <b>653,473</b>  |
| Banks (Gross)   | -   | -  | -   |
| Provision (-)   | -   | -  | -   |
| <b>Banks (Net)</b>                                    | <b>-</b>  | <b>-</b>   | <b>-</b>  |
| Other Loans and Receivables (Gross)                   | -   | -  | -   |
| Provision (-)   | -   | -  | -   |
| <b>Other Loans and Receivables (Net)</b>              | <b>-</b>  | <b>-</b>   | <b>-</b>  |
| <b>Prior Period (Net)</b>                             |   |  |   |
| Loans to Real Persons and Legal Entities (Gross)      | 448,493   | 396,553  | 2,486,219   |
| Provision (-)   | 275,137   | 256,267  | 1,733,851   |
| <b>Loans to Real Persons and Legal Entities (Net)</b> | <b>173,356</b>  | <b>140,286</b>   | <b>752,368</b>  |
| Banks (Gross)   | -   | -  | -   |
| Provision (-)   | -   | -  | -   |
| <b>Banks (Net)</b>                                    | <b>-</b>  | <b>-</b>   | <b>-</b>  |
| Other Loans and Receivables (Gross)                   | -   | -  | -   |
| Provision (-)   | -   | -  | -   |
| <b>Other Loans and Receivables (Net)</b>              | <b>-</b>  | <b>-</b>   | <b>-</b>  |

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

|  | III. Group<br>Loans with Limited<br>Collectability | IV. Group<br>Loans with<br>Doubtful<br>Collectability | V. Group<br>Uncollectible Loans |
|--|--|---|---------------------------------|
| <b>Current Period (Net)</b>                              |  |   |                                 |
| Interest Accruals, Rediscounts and Valuation Differences | 26,368   | 84,754  | 506,477                         |
| Provision (-)  | 23,828   | 83,350  | 486,326                         |
| <b>Prior Period (Net)</b>                                | <b>1,434</b>                                       | <b>3,340</b>  | <b>34,109</b>                   |
| Interest Accruals, Rediscounts and Valuation Differences | 45,534   | 52,087  | 573,512                         |
| Provision (-)  | 44,100   | 48,747  | 539,403                         |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

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

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

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

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

The amount written-off by the Parent Bank within the scope of TFRS 9 during the financial period is TL 309,782 (31 December 2021: TL 57,671) and its effect on NPL ratio is 0.20% (31 December 2021: 0.06%). The follow-up conversion rate is 1.96% (31 December 2021: 3.08%) with the current period non-performing loans after write-offs, while the calculated rate including the loans written-off during the year is 2.16% (31 December 2021: 3.14%).

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

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

|   | Current Period |                  | Prior Period     |                  |
|---|----------------|------------------|------------------|------------------|
|   | TL             | FC               | TL               | FC               |
| Equity Securities                                     | -              | -                | -                | -                |
| Bond, Treasury bill and similar investment securities | 911,434        | 8,460,327        | 2,592,783        | 5,020,254        |
| <b>Total</b>  | <b>911,434</b> | <b>8,460,327</b> | <b>2,592,783</b> | <b>5,020,254</b> |

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

|   | Current Period   |                | Prior Period     |                  |
|---|------------------|----------------|------------------|------------------|
|   | TL               | FC             | TL               | FC               |
| Equity Securities                                     | -                | -              | -                | -                |
| Bond, Treasury bill and similar investment securities | 5,849,096        | 989,296        | 3,025,653        | 2,970,779        |
| Other   | -                | -              | -                | -                |
| <b>Total</b>  | <b>5,849,096</b> | <b>989,296</b> | <b>3,025,653</b> | <b>2,970,779</b> |

Unrestricted financial assets measured at amortized cost are TL 10,682,806 (31 December 2021: TL 5,942,231).

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

|                                  | Current Period    | Prior Period      |
|----------------------------------|-------------------|-------------------|
| Government Bonds                 | 26,892,959        | 19,551,700        |
| Treasury Bills                   | -                 | -                 |
| Other Government Debt Securities | -                 | -                 |
| <b>Total</b>                     | <b>26,892,959</b> | <b>19,551,700</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

|                            | <b>Current Period</b> | <b>Prior Period</b> |
|----------------------------|-----------------------|---------------------|
| Debt Securities            | 26,892,959            | 19,551,700          |
| Quoted on a Stock Exchange | 26,892,959            | 19,551,700          |
| Unquoted                   | -                     | -                   |
| Impairment Provision (-)   | -                     | -                   |
| <b>Total</b>               | <b>26,892,959</b>     | <b>19,551,700</b>   |

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

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Value at the Beginning of the Period    | 19,551,700            | 12,522,941          |
| Exchange Differences in Monetary Assets | 1,620,873             | 841,915             |
| Additions During the Year (*)           | 6,743,460             | 8,203,718           |
| Disposal Through Sale and Redemption    | (1,023,074)           | (2,016,874)         |
| Provision for Impairment (-)            | -                     | -                   |
| <b>End of the Period Total</b>          | <b>26,892,959</b>     | <b>19,551,700</b>   |

(\*) This line includes discount amounts.

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

- a.1) Information on consolidated associates according to Communiqué on Preparing Banks’ Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2021: None).
- a.2) Information on the unconsolidated associates: None (31 December 2021: None).
- a.3) Explanations on the consolidated associates: None (31 December 2021: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2021: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2021: None).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

a) Information on shareholders’ equity of significant subsidiaries:

|  | TEB Faktoring<br>A.Ş. | TEB Yatırım<br>Menkul<br>Değerler A.Ş. | TEB Portföy<br>Yönetimi A.Ş. |
|--|-----------------------|--|------------------------------|
| Paid-in capital to be entitled for compensation after all creditors      | 50,000                | 28,794                                 | 6,860                        |
| Legal reserves   | 182,895               | 46,263                                 | 6,237                        |
| Net income for the period and prior period income                        | 79,012                | 246,183                                | 24,376                       |
| Income/ loss recognized under equity in accordance with TAS              | -                     | -                                      | (172)                        |
| Leasehold improvements on operational leases (-)                         | 120                   | 273                                    | 1,044                        |
| Goodwill and intangible asset and the related deferred tax liability (-) | 4,021                 | 7,858                                  | 1,437                        |
| <b>Total Common Equity Tier 1 Capital</b>                                | <b>307,766</b>        | <b>313,109</b>                         | <b>34,820</b>                |
| Provision  | 7,824                 | -                                      | -                            |
| <b>Equity</b>  | <b>315,590</b>        | <b>313,109</b>                         | <b>34,820</b>                |

The Parent Bank has no capital requirements arising from its subsidiaries included in the Consolidated Capital Adequacy Standard Ratio.

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

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

c) Information on the consolidated financial subsidiaries:

d.1) Information on the consolidated financial subsidiaries:

| Title                              | Address<br>(City/Country) | Group’s share percentage-If<br>different voting percentage<br>(%) | Other<br>shareholders’ share<br>percentage (%) |
|------------------------------------|---------------------------|---|--|
| 1 TEB Faktoring A.Ş.               | Istanbul/Turkey           | 100.00  | -  |
| 2 TEB Yatırım Menkul Değerler A.Ş. | Istanbul/Turkey           | 100.00  | -  |
| 3 TEB Portföy Yönetimi A.Ş.        | Istanbul/Turkey           | 54.74   | 45.26  |

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

|   | Total Asset | Equity  | Total Fixed<br>Asset | Interest<br>Income | Securities<br>Income | Current Period<br>Profit/Loss | Prior Period<br>Profit/Loss (*) | Fair Value |
|---|-------------|---------|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|------------|
| 1 | 6,658,817   | 311,907 | 6,517                | 384,078            | -                    | 67,974                        | 21,725                          | -          |
| 2 | 887,250     | 321,240 | 8,708                | 81,858             | -                    | 41,579                        | 43,379                          | -          |
| 3 | 52,635      | 37,301  | 5,101                | 3,713              | 44                   | 11,977                        | 7,044                           | -          |

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

d.2) Information on consolidated subsidiaries:

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Balance at the Beginning of the Period        | 130,139        | 126,597        |
| Movements during the Period                   | -              | 3,542          |
| Purchases                                     | -              | -              |
| Bonus Shares Obtained                         | -              | -              |
| Share in Current Year Income                  | -              | -              |
| Sales   | -              | -              |
| Revaluation Increase                          | -              | 3,542          |
| Provision for impairment                      | -              | -              |
| <b>Balance at the End of the Period</b>       | <b>130,139</b> | <b>130,139</b> |
| Capital Commitments                           | -              | -              |
| Share Percentage at the End of the Period (%) | -              | -              |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

d) Information on the consolidated financial subsidiaries: (cont’d)

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

|  | Current Period | Prior Period   |
|--|----------------|----------------|
| Banks                                  | -              | -              |
| Insurance Companies                    | -              | -              |
| Factoring Companies/TEB Faktoring A.Ş. | 43,417         | 43,417         |
| Leasing Companies                      | -              | -              |
| Finance Companies                      | -              | -              |
| Other Financial Subsidiaries           | 86,722         | 86,722         |
| <b>Total</b>                           | <b>130,139</b> | <b>130,139</b> |

The carrying amounts of the subsidiaries above have been eliminated in the consolidated financial statements.

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

e) Information on unconsolidated non-financial subsidiaries:

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

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

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

| Entities Under Common Control (Joint Ventures)                  | Share of the Parent Bank (%) | Share of the Group (%) | Current Asset | Non-current Asset | Long-Term Receivable | Income  | Expense   |
|---|------------------------------|------------------------|---------------|-------------------|----------------------|---------|-----------|
| Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. | 0.1                          | 33.3                   | 138,438       | 57,985            | 42,594               | 217,679 | (204,469) |

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated parent bank’s financial statements:

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

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

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

|                              | Current Period |                | Prior Period     |              |
|------------------------------|----------------|----------------|------------------|--------------|
|                              | TL             | FC             | TL               | FC           |
| Fair Value Hedge             | -              | -              | -                | -            |
| Cash Flow Hedge              | 587,947        | 101,172        | 1,796,596        | 5,873        |
| Foreign Net Investment Hedge | -              | -              | -                | -            |
| <b>Total</b>                 | <b>587,947</b> | <b>101,172</b> | <b>1,796,596</b> | <b>5,873</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

#### 12. Positive differences related to derivative financial assets for hedging purposes (cont’d)

According to cash flow hedges terminated by the Parent Bank, as of 30 June 2022 accumulated valuation differences amounted TL 55,102 (31 December 2021: TL 60,244) is recorded under equity and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

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

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

|  | Current Period | Prior Period   |
|--|----------------|----------------|
| Beginning of Period Cost                         | 65,933         | 112,859        |
| Beginning of Period Accumulated Depreciation (-) | -              | -              |
| <b>Net Book Value</b>                            | <b>65,933</b>  | <b>112,859</b> |
| Opening Balance                                  | 65,933         | 112,859        |
| Acquired   | 74,148         | 116,792        |
| Disposed (-)                                     | 52,502         | 166,760        |
| Impairment (-)                                   | 3,186          | (3,042)        |
| Depreciation Value (-)                           | -              | -              |
| Period End Cost                                  | 84,393         | 65,933         |
| Period End Accumulated Depreciation (-)          | -              | -              |
| <b>Closing Net Book Value</b>                    | <b>84,393</b>  | <b>65,933</b>  |

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

#### 15. Information on Group’s factoring receivables:

##### a) Maturity analysis explanation:

|                       | Current Period   |                  | Prior Period     |                  |
|-----------------------|------------------|------------------|------------------|------------------|
|                       | TL               | FC               | TL               | FC               |
| Short-Term (*)        | 3,149,842        | 3,319,203        | 2,138,839        | 2,494,644        |
| Mid and Long-Term     | -                | -                | 3,442            | -                |
| Stage 1 Provision (-) | 2,575            | 157              | 1,540            | 115              |
| Stage 2 Provision (-) | 5,006            | 86               | 3,975            | 9                |
| Stage 3 Provision (-) | 31,732           | 4,132            | 23,281           | 3,680            |
| <b>Total</b>          | <b>3,110,529</b> | <b>3,314,828</b> | <b>2,113,485</b> | <b>2,490,840</b> |

(\*) Includes factoring receivables amounting to TL 40,181 (31 December 2021: TL 28,051).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

|                                   | Day Call<br>Demand Accounts | Up to 1<br>Month | 1-3<br>Months     | 3-6<br>Months     | 6 Months-<br>1 Year | 1 Year<br>and over | Accumulated<br>Deposits | Total                |
|-----------------------------------|-----------------------------|------------------|-------------------|-------------------|---------------------|--------------------|-------------------------|----------------------|
| Saving Deposits                   | 5,178,195                   | -                | 14,660,714        | 28,106,150        | 1,362,352           | 52,100             | 702,079                 | - 50,061,590         |
| Foreign Currency<br>Deposits      | 40,391,729                  | -                | 11,857,995        | 35,519,140        | 187,606             | 44,357             | 103,605                 | - 88,104,432         |
| Residents in Turkey               | 37,934,409                  | -                | 11,370,784        | 34,870,019        | 172,873             | 37,984             | 95,222                  | - 84,481,291         |
| Residents Abroad                  | 2,457,320                   | -                | 487,211           | 649,121           | 14,733              | 6,373              | 8,383                   | - 3,623,141          |
| Public Sector Deposits            | 888,710                     | -                | 410,456           | 345,484           | -                   | -                  | -                       | - 1,644,650          |
| Commercial Deposits               | 7,707,702                   | -                | 7,581,556         | 11,597,944        | 3,370,456           | 1,624              | 1,560,989               | - 31,820,271         |
| Other Institutions<br>Deposits    | 398,305                     | -                | 354,988           | 1,859,887         | 193,275             | 34                 | 433                     | - 2,806,922          |
| Precious Metals<br>Deposits       | 8,390,405                   | -                | 22,726            | 187,773           | 33,290              | 14,167             | 2,942                   | - 8,651,303          |
| Bank Deposits                     | 592,597                     | -                | 2,092,074         | -                 | -                   | -                  | -                       | - 2,684,671          |
| Central Bank of<br>Turkey         | 400,045                     | -                | -                 | -                 | -                   | -                  | -                       | - 400,045            |
| Domestic Banks                    | 2                           | -                | -                 | -                 | -                   | -                  | -                       | - 2                  |
| Foreign Banks                     | 192,550                     | -                | 2,092,074         | -                 | -                   | -                  | -                       | - 2,284,624          |
| Special Financial<br>Institutions | -                           | -                | -                 | -                 | -                   | -                  | -                       | - -                  |
| Other                             | -                           | -                | -                 | -                 | -                   | -                  | -                       | - -                  |
| <b>Total</b>                      | <b>63,547,643</b>           | <b>-</b>         | <b>36,980,509</b> | <b>77,616,378</b> | <b>5,146,979</b>    | <b>112,282</b>     | <b>2,370,048</b>        | <b>- 185,773,839</b> |

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 30 June 2022, TL deposit amount includes TL 26,591,524 (31 December 2021: TL 1,034,667) deposits within this scope.

##### a.2) Prior Period:

|                                   | 7<br>Day Call<br>Demand Accounts | Up to 1<br>Month    | 1-3<br>Months     | 3-6<br>Months  | 6 Months-<br>1 Year | 1 Year<br>and over | Accumulated<br>Deposits | Total |
|-----------------------------------|----------------------------------|---------------------|-------------------|----------------|---------------------|--------------------|-------------------------|-------|
| Saving Deposits                   | 4,278,511                        | - 14,264,883        | 11,870,281        | 96,810         | 13,847              | 26,937             | - 30,551,269            |       |
| Foreign Currency<br>Deposits      | 39,648,035                       | - 10,242,404        | 18,190,816        | 82,942         | 42,412              | 70,690             | - 68,277,299            |       |
| Residents in Turkey               | 37,424,416                       | - 9,783,843         | 17,651,543        | 69,065         | 31,523              | 63,345             | - 65,023,735            |       |
| Residents Abroad                  | 2,223,619                        | - 458,561           | 539,273           | 13,877         | 10,889              | 7,345              | - 3,253,564             |       |
| Public Sector Deposits            | 623,121                          | - 12,318            | 181,742           | -              | -                   | -                  | - 817,181               |       |
| Commercial Deposits               | 5,708,716                        | - 6,349,627         | 8,270,253         | 98,577         | 47                  | 74,049             | - 20,501,269            |       |
| Other Institutions<br>Deposits    | 249,537                          | - 43,734            | 1,044,713         | 143,065        | 89                  | 427                | - 1,481,565             |       |
| Precious Metals<br>Deposits       | 7,800,209                        | - 31,527            | 87,947            | 12,525         | 20,060              | 2,386              | - 7,954,654             |       |
| Bank Deposits                     | 37,570                           | - 1,962,166         | -                 | -              | -                   | -                  | - 1,999,736             |       |
| Central Bank of<br>Turkey         | -                                | -                   | -                 | -              | -                   | -                  | - -                     |       |
| Domestic Banks                    | 1                                | -                   | -                 | -              | -                   | -                  | - 1                     |       |
| Foreign Banks                     | 37,569                           | - 1,962,166         | -                 | -              | -                   | -                  | - 1,999,735             |       |
| Special Financial<br>Institutions | -                                | -                   | -                 | -              | -                   | -                  | - -                     |       |
| Other                             | -                                | -                   | -                 | -              | -                   | -                  | - -                     |       |
| <b>Total</b>                      | <b>58,345,699</b>                | <b>- 32,906,659</b> | <b>39,645,752</b> | <b>433,919</b> | <b>76,455</b>       | <b>174,489</b>     | <b>- 131,582,973</b>    |       |

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

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

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

| Saving Deposits  | Under the Guarantee of Insurance (*) |                   | Exceeding the Limit of Insurance (*) |                   |
|--|--------------------------------------|-------------------|--------------------------------------|-------------------|
|  | Current Period                       | Prior Period      | Current Period                       | Prior Period      |
| Saving Deposits  | 23,608,390                           | 15,675,439        | 25,844,671                           | 14,553,028        |
| Foreign Currency Saving Deposits   | 11,689,555                           | 10,609,693        | 34,555,634                           | 27,744,894        |
| Other Deposits in the Form of Saving Deposits                            | 2,723,529                            | 2,368,105         | 4,677,987                            | 4,756,372         |
| Foreign Branches' Deposits under Foreign Authorities' Insurance          | -                                    | -                 | -                                    | -                 |
| Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance | -                                    | -                 | -                                    | -                 |
| <b>Total</b>   | <b>38,021,474</b>                    | <b>28,653,237</b> | <b>65,078,292</b>                    | <b>47,054,294</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

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

|   | Current Period | Prior Period |
|---|----------------|--------------|
| Foreign Branches’ Deposits and Other Accounts   | 1,086,454      | 956,353      |
| Deposits of Controlling Shareholders and Their Close Families   | 3,167,028      | 2,749,556    |
| Deposits of Chairman and Members of the Board of Directors and Their Close Families   | 93,080         | 81,965       |
| Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004. | -              | -            |
| Saving Deposits in Banks Established in Turkey exclusively for Off-shore Banking Activities   | -              | -            |

### 2. Information on derivative financial liabilities:

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

|                      | Current Period   |                | Prior Period     |                |
|----------------------|------------------|----------------|------------------|----------------|
|                      | TL               | FC             | TL               | FC             |
| Forward Transactions | 771,490          | 92,218         | 1,360,622        | 19,529         |
| Swap Transactions    | 3,117,403        | 143,407        | 2,503,569        | 104,698        |
| Futures Transactions | -                | -              | -                | 124            |
| Options              | 297,092          | 231,466        | 131,168          | 39,467         |
| Other                | -                | -              | -                | -              |
| <b>Total</b>         | <b>4,185,985</b> | <b>467,091</b> | <b>3,995,359</b> | <b>163,818</b> |

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

a) Information on banks and other financial institutions:

|  | Current Period   |                   | Prior Period     |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | TL               | FC                | TL               | FC                |
| Funds Borrowed from Central Bank of Turkey | -                | -                 | -                | -                 |
| From Domestic Banks and Institutions       | 2,707,656        | 37,479            | 2,234,687        | 66,852            |
| From Foreign Banks, Institutions and Funds | 196,063          | 15,933,285        | 133,810          | 17,363,827        |
| <b>Total</b>                               | <b>2,903,719</b> | <b>15,970,764</b> | <b>2,368,497</b> | <b>17,430,679</b> |

As of 30 June 2022 the Group has borrowings from its related parties amounting to TL 4,360,881 (31 December 2021: TL 8,606,953).

b) Maturity analysis of borrowings:

|                      | Current Period   |                   | Prior Period     |                   |
|----------------------|------------------|-------------------|------------------|-------------------|
|                      | TL               | FC                | TL               | FC                |
| Short-Term           | 2,794,007        | 5,059,851         | 2,194,000        | 9,153,798         |
| Medium and Long-Term | 109,712          | 10,910,913        | 174,497          | 8,276,881         |
| <b>Total</b>         | <b>2,903,719</b> | <b>15,970,764</b> | <b>2,368,497</b> | <b>17,430,679</b> |

c) Information on debt securities issued:

|                | Current Period   |          | Prior Period     |          |
|----------------|------------------|----------|------------------|----------|
|                | TL               | FC       | TL               | FC       |
| Bank Bonds     | 3,130,263        | -        | 1,194,525        | -        |
| Treasury Bills | -                | -        | -                | -        |
| <b>Total</b>   | <b>3,130,263</b> | <b>-</b> | <b>1,194,525</b> | <b>-</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

Other external funding payables amounting to TL 11,453,719 (31 December 2021: TL 9,419,046) do not exceed 10% of the total balance sheet.

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

With the “IFRS 16 Leases” standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Liabilities from Leasing” as a liability. As of 30 June 2022, the banks have leasing liability amounting to TL 610,146 (31 December 2021: TL 577,660).

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

|                              | Current Period |              | Prior Period   |              |
|------------------------------|----------------|--------------|----------------|--------------|
|                              | TL             | FC           | TL             | FC           |
| Fair Value Hedge             | -              | -            | -              | -            |
| Cash Flow Hedge              | 127,382        | 1,476        | 326,410        | 4,201        |
| Foreign Net Investment Hedge | -              | -            | -              | -            |
| <b>Total</b>                 | <b>127,382</b> | <b>1,476</b> | <b>326,410</b> | <b>4,201</b> |

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

According to cash flow hedges terminated by the Parent Bank, accumulated valuation differences as of 30 June 2022 amounted TL 55,102 (31 December 2021: TL 60,244) is recorded under equity. These accumulated differences are transferred into income statement by considering maturity date of hedged items.

#### 7. Information on provisions:

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

|              | Current Period | Prior Period   |
|--------------|----------------|----------------|
| Stage 1      | 92,038         | 67,930         |
| Stage 2      | 290,992        | 233,196        |
| Stage 3      | 44,023         | 44,434         |
| <b>Total</b> | <b>427,053</b> | <b>345,560</b> |

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

As of 30 June 2022, TL 79,612 (31 December 2021: TL 17,454) unused vacation provision, TL 553,972 (31 December 2021: TL 499,936) employee termination benefit provision, TL 271,986 (31 December 2021: TL 276,914) bonus provision, and TL 2,136 (31 December 2021: None) other expense provision is presented under “Reserve for Employee Benefit” in financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

##### d) Information on other provisions:

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Provision for Non-cash Loans                                  | 427,053        | 345,560        |
| Provision for Legal Cases                                     | 98,623         | 83,179         |
| Provision for Promotions of Credit Cards and Banking Services | 9,738          | 17,562         |
| Other   | 36,166         | 35,830         |
| <b>Total</b>  | <b>571,580</b> | <b>482,131</b> |

#### 8. Explanations on taxes payable:

##### a) Information on current tax liability:

|  | Current Period   | Prior Period   |
|--|------------------|----------------|
| Corporate Tax Payable                    | 842,111          | 13,357         |
| Taxation on Securities                   | 56,702           | 48,920         |
| Property Tax                             | 3,249            | 2,875          |
| Banking Insurance Transaction Tax (BITT) | 128,231          | 87,846         |
| Foreign Exchange Transaction Tax         | 13,384           | 31,498         |
| Value Added Tax Payable                  | 8,081            | 16,774         |
| Other (*)                                | 66,003           | 42,606         |
| <b>Total</b>                             | <b>1,117,761</b> | <b>243,876</b> |

(\*) Others include income taxes deducted from wages amounting to TL 55,169 (31 December 2021: TL 27,243) and stamp taxes payable amounting to TL 3,460 (31 December 2021: TL 2,077).

##### b) Information on premiums:

|  | Current Period | Prior Period  |
|--|----------------|---------------|
| Social Security Premiums-Employee                    | 22,231         | 12,192        |
| Social Security Premiums-Employer                    | 24,751         | 13,305        |
| Bank Social Aid Pension Fund Premium-Employee        | -              | -             |
| Bank Social Aid Pension Fund Premium-Employer        | -              | -             |
| Pension Fund Membership Fees and Provisions-Employee | -              | -             |
| Pension Fund Membership Fees and Provisions-Employer | -              | -             |
| Unemployment Insurance-Employee                      | 1,859          | 1,023         |
| Unemployment Insurance-Employer                      | 3,140          | 1,721         |
| Other  | -              | -             |
| <b>Total</b>   | <b>51,981</b>  | <b>28,241</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

#### 9. Information on Shareholders’ Equity:

- a) Presentation of paid-in capital:

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

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

| Capital System            | Paid Capital | Ceiling |
|---------------------------|--------------|---------|
| Registered Capital System | 2,204,390    | -       |

- b) Information on share capital increases and their sources and other information on increased capital shares in current period: None.
- c) Information on share capital increases from revaluation funds: None.
- d) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- e) Indicators of the Parent Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Parent Bank’s equity due to the uncertainty of these indicators:

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

- f) Information on preferred shares: None.

- g) Information on marketable securities valuation differences:

|  | Current Period |                  | Prior Period    |                  |
|--|----------------|------------------|-----------------|------------------|
|  | TL             | FC               | TL              | FC               |
| From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.) | -              | -                | -               | -                |
| Valuation Difference   | 567,081        | (340,065)        | (22,120)        | (177,639)        |
| Foreign Exchange Difference  | -              | -                | -               | -                |
| <b>Total</b>   | <b>567,081</b> | <b>(340,065)</b> | <b>(22,120)</b> | <b>(177,639)</b> |

10. **Information on minority interest:** As of 30 June 2022, part of the group equity that belongs to minority shares is TL 16,882 (31 December 2021: TL 18,217).

11. **Information on factoring liabilities:** As of 30 June 2022, group has factoring debt of TL 11,083 (31 December 2021: TL 21,277).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Commitments for Credit Card Expenditure Limits                              | 16,474,347        | 12,007,806        |
| Used Guarantee Loan Allocation Commitments                                  | 9,296,781         | 7,173,859         |
| Asset Purchase and Sale Commitments   | 8,854,201         | 11,251,216        |
| Payment Commitments for Cheques   | 2,841,698         | 2,135,381         |
| Commitments for Reserve Deposit Requirements                                | 305,613           | -                 |
| Tax and Fund Liabilities from Export Commitments                            | 63,299            | 51,363            |
| Commitments for Promotions Related with Credit Cards and Banking Activities | 2,817             | 5,797             |
| Other Irrevocable Commitments   | 238,252           | 877,062           |
| <b>Total</b>  | <b>38,077,008</b> | <b>33,502,484</b> |

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

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

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

|                     | Current Period    | Prior Period      |
|---------------------|-------------------|-------------------|
| Letters of credit   | 13,767,318        | 10,343,834        |
| Bank acceptances    | 57,169            | 33,680            |
| Other guarantees    | 6,805,705         | 5,663,908         |
| Other contingencies | 2,483,369         | 1,396,766         |
| <b>Total</b>        | <b>23,113,561</b> | <b>17,438,188</b> |

##### b.2) Guarantees, temporary guarantees, suretyships, and similar transactions:

|                                     | Current Period    | Prior Period      |
|-------------------------------------|-------------------|-------------------|
| Guarantee letters                   | 15,458,617        | 13,828,475        |
| Advance guarantee letters           | 5,477,477         | 3,937,404         |
| Guarantee letters given for customs | 762,452           | 662,089           |
| Temporary guarantee letters         | 753,682           | 616,871           |
| Other guarantee letters             | 2,620,057         | 2,049,250         |
| <b>Total</b>                        | <b>25,072,285</b> | <b>21,094,089</b> |

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

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Non-Cash Loans Given Against Achieving Cash Loans | 2,622,348         | 2,051,917         |
| With Maturity of One Year or Less Than One Year   | 213,400           | 328,711           |
| With Maturity of More Than One Year               | 2,408,948         | 1,723,206         |
| Other Non-Cash Loans                              | 45,563,498        | 36,480,360        |
| <b>Total</b>                                      | <b>48,185,846</b> | <b>38,532,277</b> |

Third stage expected loss provision amounting to TL 251,163 (31 December 2021: TL 240,978) for non-cash loans amounting to TL 44,023 (31 December 2021: TL 44,434), which are not compensated and not cashed in off-balance sheet accounts. In addition, TL 92,038 (31 December 2021: TL 67,930) Phase 1, and TL 290,992 (31 December 2021: TL 233,196) Phase 2 TFRS 9 expected loss provision have been made.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

#### 1. Explanations on Interest Income

a) Information on interest income on loans:

|  | Current Period   |                | Prior Period     |                |
|--|------------------|----------------|------------------|----------------|
|  | TL               | FC             | TL               | FC             |
| <b>Interest Income on Loans (*)</b>                      |                  |                |                  |                |
| Short-Term Loans   | 4,779,281        | 348,440        | 2,325,016        | 109,411        |
| Medium and Long-Term Loans                               | 3,946,595        | 313,853        | 2,636,930        | 121,558        |
| Interest on Loans under Follow-Up                        | 138,164          | 1,869          | 54,463           | -              |
| Premiums Received from Resource Utilization Support Fund | -                | -              | -                | -              |
| <b>Total</b>   | <b>8,864,040</b> | <b>664,162</b> | <b>5,016,409</b> | <b>230,969</b> |

(\*) Includes fees and commissions obtained from cash loans amounting to TL 234,506 (30 June 2021: TL 99,721).

b) Information on interest income on banks:

|                                 | Current Period |              | Prior Period  |                |
|---------------------------------|----------------|--------------|---------------|----------------|
|                                 | TL             | FC           | TL            | FC             |
| The Central Bank of Turkey      | -              | -            | -             | -              |
| Domestic Banks                  | 70,009         | 381          | 91,081        | 179            |
| Foreign Banks                   | 3,153          | 8,822        | 2,738         | (1,360)        |
| Branches and Head Office Abroad | -              | -            | -             | -              |
| <b>Total</b>                    | <b>73,162</b>  | <b>9,203</b> | <b>93,819</b> | <b>(1,181)</b> |

c) Information on interest income on marketable securities portfolio:

|   | Current Period   |                | Prior Period     |                |
|---|------------------|----------------|------------------|----------------|
|   | TL               | FC             | TL               | FC             |
| Financial Assets Valued at Fair Value Through Profit or Loss      | 148,736          | 27,083         | 85,372           | 24,426         |
| Financial Assets at Fair Value Through Other Comprehensive Income | 599,649          | 74,646         | 326,189          | 40,585         |
| Financial Assets at Amortized Cost                                | 2,919,731        | 192,590        | 919,946          | 46,626         |
| <b>Total</b>  | <b>3,668,116</b> | <b>294,319</b> | <b>1,331,507</b> | <b>111,637</b> |

As stated in Note VII of Section Three, the Parent Bank has “CPI” indexed securities, fair value difference of which is reflected in other comprehensive income and measured at amortized cost. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI two months ago. The Parent Bank determines the estimated inflation rate accordingly. The estimated inflation rate used is updated during the year when necessary. In this context, as of 30 June 2022, the valuation of the assets was made according to the annual inflation forecast of 70.00%. In case the CPI forecast increases or decreases by 5%, the profit for the period before tax as of 30 June 2022 will increase or decrease by approximately TL 240.6 million (full TL).

d) Interest income on subsidiaries and associates:

These amounts are eliminated in the consolidated financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

|  | Current Period |                | Prior Period   |                |
|--|----------------|----------------|----------------|----------------|
|  | TL             | FC             | TL             | FC             |
| Banks                                      |                |                |                |                |
| The Central Bank of the Republic of Turkey | -              | -              | -              | -              |
| Domestic Banks                             | 230,405        | 2,766          | 113,536        | 857            |
| Foreign Banks                              | 16,410         | 410,743        | 10,602         | 250,654        |
| Branches and Head Office Abroad            | -              | -              | -              | -              |
| Other Institutions                         | -              | -              | -              | -              |
| <b>Total</b>                               | <b>246,815</b> | <b>413,509</b> | <b>124,138</b> | <b>251,511</b> |

(\*) Includes fees and commission expenses related to cash loans amounting to TL 9,008 (30 June 2021: TL 16,208).

b) Information on interest expense on associates and subsidiaries:

These amounts are eliminated in the consolidated financial statements.

c) Information on interest expenses on securities issued:

|                                | Current Period |          | Prior Period   |          |
|--------------------------------|----------------|----------|----------------|----------|
|                                | TL             | FC       | TL             | FC       |
| Interests on securities issued | 170,020        | -        | 221,291        | -        |
| <b>Total</b>                   | <b>170,020</b> | <b>-</b> | <b>221,291</b> | <b>-</b> |

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

| Account Name              | Time Deposit   |                  |                  |                |              |                  |          | Accumulated Deposits | Total            |
|---------------------------|----------------|------------------|------------------|----------------|--------------|------------------|----------|----------------------|------------------|
|                           | Demand Deposit | Up to 1 Month    | Up to 3 Months   | Up to 6 Months | Up to 1 Year | More than 1 Year |          |                      |                  |
| <b>TL</b>                 |                |                  |                  |                |              |                  |          |                      |                  |
| Bank Deposits             | -              | 107,184          | -                | -              | -            | -                | -        | -                    | 107,184          |
| Saving Deposits           | 3              | 1,222,421        | 1,548,863        | 48,953         | 2,873        | 17,366           | -        | -                    | 2,840,479        |
| Public Sector Deposits    | -              | 3,658            | 30,795           | -              | -            | -                | -        | -                    | 34,453           |
| Commercial Deposits       | -              | 656,861          | 892,618          | 178,517        | 78           | 41,941           | -        | -                    | 1,770,015        |
| Other Deposits            | -              | 15,735           | 134,829          | 15,367         | 4            | 25               | -        | -                    | 165,960          |
| 7 Days Call Accounts      | -              | -                | -                | -              | -            | -                | -        | -                    | -                |
| <b>Total</b>              | <b>3</b>       | <b>2,005,859</b> | <b>2,607,105</b> | <b>242,837</b> | <b>2,955</b> | <b>59,332</b>    | <b>-</b> | <b>-</b>             | <b>4,918,091</b> |
| <b>FC</b>                 |                |                  |                  |                |              |                  |          |                      |                  |
| Foreign Currency Deposits | -              | 12,211           | 193,245          | 1,008          | 17           | 187              | -        | -                    | 206,668          |
| Bank Deposits             | -              | 3                | -                | -              | -            | -                | -        | -                    | 3                |
| 7 Days Call Accounts      | -              | -                | -                | -              | -            | -                | -        | -                    | -                |
| Precious Metal            | -              | -                | 411              | 54             | -            | -                | -        | -                    | 465              |
| <b>Total</b>              | <b>-</b>       | <b>12,214</b>    | <b>193,656</b>   | <b>1,062</b>   | <b>17</b>    | <b>187</b>       | <b>-</b> | <b>-</b>             | <b>207,136</b>   |
| <b>Grand Total</b>        | <b>3</b>       | <b>2,018,073</b> | <b>2,800,761</b> | <b>243,899</b> | <b>2,972</b> | <b>59,519</b>    | <b>-</b> | <b>-</b>             | <b>5,125,227</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

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

| Prior Period:             | Time Deposit   |                  |                  |                |              |                  |   | Accumulated Deposits | Total            |
|---------------------------|----------------|------------------|------------------|----------------|--------------|------------------|---|----------------------|------------------|
|                           | Demand Deposit | Up to 1 Month    | Up to 3 Months   | Up to 6 Months | Up to 1 Year | More than 1 Year |   |                      |                  |
| <b>TL</b>                 |                |                  |                  |                |              |                  |   |                      |                  |
| Bank Deposits             | -              | 273,373          | -                | -              | -            | -                | - | -                    | 273,373          |
| Saving Deposits           | -              | 1,108,544        | 876,029          | 7,671          | 822          | 2,446            | - | -                    | 1,995,512        |
| Public Sector Deposits    | -              | 3,660            | 18,279           | 431            | -            | -                | - | -                    | 22,370           |
| Commercial Deposits       | -              | 331,944          | 471,810          | 16,249         | 791          | 1,179            | - | -                    | 821,973          |
| Other Deposits            | -              | 4,943            | 72,512           | 26,777         | 4            | 15               | - | -                    | 104,251          |
| 7 Days Call Accounts      | -              | -                | -                | -              | -            | -                | - | -                    | -                |
| <b>Total</b>              | -              | <b>1,722,464</b> | <b>1,438,630</b> | <b>51,128</b>  | <b>1,617</b> | <b>3,640</b>     | - | -                    | <b>3,217,479</b> |
| <b>FC</b>                 |                |                  |                  |                |              |                  |   |                      |                  |
| Foreign Currency Deposits | -              | 3,663            | 58,307           | 171            | 41           | 482              | - | -                    | 62,664           |
| Bank Deposits             | -              | 16               | -                | -              | -            | 10               | - | -                    | 26               |
| 7 Days Call Accounts      | -              | -                | -                | -              | -            | -                | - | -                    | -                |
| Precious Metal            | -              | -                | 3                | -              | 12           | 2                | - | -                    | 17               |
| <b>Total</b>              | -              | <b>3,679</b>     | <b>58,310</b>    | <b>171</b>     | <b>53</b>    | <b>494</b>       | - | -                    | <b>62,707</b>    |
| <b>Grand Total</b>        | -              | <b>1,726,143</b> | <b>1,496,940</b> | <b>51,299</b>  | <b>1,670</b> | <b>4,134</b>     | - | -                    | <b>3,280,186</b> |

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

|   | Current Period     | Prior Period      |
|---|--------------------|-------------------|
| <b>Gains</b>  | <b>113,552,228</b> | <b>35,473,234</b> |
| Gains on Capital Market Operations                        | 308,043            | 196,470           |
| Gains on Derivative Financial Instruments <sup>(1)</sup>  | 20,489,597         | 10,296,858        |
| Foreign Exchange Gains                                    | 92,754,588         | 24,979,906        |
| <b>Losses (-)</b>   | <b>113,042,420</b> | <b>36,810,051</b> |
| Losses on Capital Market Operations                       | 325,220            | 121,926           |
| Losses on Derivative Financial Instruments <sup>(1)</sup> | 22,167,165         | 11,601,118        |
| Foreign Exchange Losses                                   | 90,550,035         | 25,087,007        |

<sup>(1)</sup> Includes exchange rate fluctuations of hedging transactions net profit of TL 430,781 (30 June 2021: TL 455,453 profit), derivative financial instruments exchange rate changes in profit accounts amounting to TL 119,323 (30 June 2021: TL 152,667 loss).

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

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

#### 5. Provisions for impairment of banks' loans and other receivables:

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

|  | Current Period | Prior Period     |
|--|----------------|------------------|
| Expected Credit Losses   | 351,164        | (122,033)        |
| 12 Month Expected Credit Losses (Stage 1)                                  | 239,969        | (2,906)          |
| Significant Increase in Credit Risk (Stage 2)                              | 21,383         | (103,111)        |
| Credit-Impaired (Stage 3)  | 89,812         | (16,016)         |
| Impairment Losses on Securities  | -              | -                |
| Financial Assets Measured at Fair Value through Profit or Loss             | -              | -                |
| Financial Assets Measured at Fair Value through Other Comprehensive Income | -              | -                |
| Impairment Losses on Associates, Subsidiaries and Joint Ventures           | -              | -                |
| Associates   | -              | -                |
| Subsidiaries   | -              | -                |
| Joint Controlled Partnerships (Joint Ventures)                             | -              | -                |
| Other <sup>(1)</sup>   | (879)          | 2,754            |
| <b>Total</b>   | <b>350,285</b> | <b>(119,279)</b> |

<sup>(1)</sup> Includes reversal of provisions amounting to TL 3,994 (30 June 2021: TL 4,303).

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## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

|   | Current Period   | Prior Period     |
|---|------------------|------------------|
| Provision for Employee Termination Benefits <sup>(1)</sup>              | 54,134           | 19,786           |
| Bank Social Aid Fund Deficit Provision                                  | -                | -                |
| Impairment Expenses of Tangible Assets                                  | -                | -                |
| Depreciation Expenses of Tangible Assets                                | 155,088          | 130,900          |
| Impairment Expenses of Intangible Assets                                | -                | -                |
| Impairment Expense of Goodwill  | -                | -                |
| Depreciation Expenses of Intangible Assets                              | 46,206           | 41,684           |
| Impairment for Investments Accounted with Equity Method                 | -                | -                |
| Impairment Expenses of Assets to be Disposed                            | 3,186            | (2,430)          |
| Depreciation Expenses of Assets to be Disposed                          | -                | -                |
| Impairment Expenses of Assets Held for Sale and Discontinued Operations | -                | -                |
| Other Operating Expenses  | 876,518          | 624,466          |
| Rent Expenses Related to TFRS16 Exceptions                              | 31,082           | 19,959           |
| Maintenance Expenses  | 27,195           | 15,853           |
| Advertisement Expenses  | 69,738           | 45,288           |
| Other Expenses  | 748,503          | 543,366          |
| Loss on Sales of Assets   | 2,222            | 4,198            |
| Other <sup>(2)</sup>  | 368,054          | 231,019          |
| <b>Total</b>  | <b>1,505,408</b> | <b>1,049,623</b> |

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

<sup>(2)</sup> Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 160,361 (30 June 2021: TL 105,984) and other taxes and fees paid-in the amount of TL 123,859 (30 June 2021: TL 106,371).

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

- As of 30 June 2022, the current tax expense is TL 3,088,858 (30 June 2021: TL 180,139) and deferred tax income is TL 1,643,473 (30 June 2021: TL 14,798 deferred tax income) and there is no current and deferred tax income/expense from discontinued operations (30 June 2021: None).
- Deferred tax income on temporary differences resulted from continued operations is TL 1,643,473 (30 June 2021: TL 14,798 deferred tax income).
- Reconciliation of tax provision:

|                                   | Current Period   | Prior Period     |
|-----------------------------------|------------------|------------------|
| <b>Profit before taxes</b>        | <b>6,259,209</b> | <b>829,625</b>   |
| <b>Additions</b>                  | <b>31,426</b>    | <b>(152,706)</b> |
| Non-allowable expenses            | 29,241           | 18,808           |
| General Provision of Loans        | 2,185            | (124,649)        |
| Other                             | -                | (46,865)         |
| <b>Deductions</b>                 | <b>(506,423)</b> | <b>(15,554)</b>  |
| Dividend income                   | (5,250)          | (2,189)          |
| The Effect of Different Tax Rates | (498,849)        | -                |
| Other                             | (2,324)          | (13,365)         |
| <b>Taxable Profit/(Loss)</b>      | <b>5,784,212</b> | <b>661,365</b>   |
| Corporation tax rate              | %25              | %25              |
| <b>Calculated Tax</b>             | <b>1,446,053</b> | <b>165,341</b>   |
| Prior year tax correction         | (668)            | -                |
| <b>Tax charge</b>                 | <b>1,445,385</b> | <b>165,341</b>   |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

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

- The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (30 June 2021: None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (30 June 2021: None).
- Profit/loss attributable to minority interest:

|                               | Current Period | Prior Period |
|-------------------------------|----------------|--------------|
| Minority interest profit/loss | 5,421          | 3,188        |

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

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| <b><u>Other interest income</u></b>           |                |                |
| Interest received from factoring transactions | 382,607        | 176,208        |
| Other   | 39,324         | 48,135         |
| <b>Total</b>                                  | <b>421,931</b> | <b>224,343</b> |

|  | Current Period   | Prior Period     |
|--|------------------|------------------|
| <b><u>Other fees and commissions received</u></b>            |                  |                  |
| Card fee and commissions                                     | 1,003,838        | 548,507          |
| Insurance commissions  | 157,863          | 123,852          |
| Brokerage and consultancy commissions                        | 118,010          | 80,527           |
| Fund management fees   | 84,254           | 41,927           |
| Transfer commissions   | 80,732           | 34,359           |
| General limit revision commissions                           | 77,453           | 41,029           |
| Settlement expense provision, eft, swift, agency commissions | 35,252           | 18,718           |
| Early closing commissions                                    | 19,267           | 7,540            |
| Consultancy commission                                       | 8,702            | 6,984            |
| Other  | 123,364          | 111,376          |
| <b>Total</b>   | <b>1,708,735</b> | <b>1,014,819</b> |

|  |                |                |
|--|----------------|----------------|
| <b><u>Other fees and commissions given</u></b>               |                |                |
| Credit cards commissions and fees                            | 627,320        | 318,421        |
| Commission and fees paid to correspondent banks              | 81,639         | 35,315         |
| Settlement expense provision, eft, swift, agency commissions | 26,695         | 21,186         |
| Other  | 87,127         | 68,257         |
| <b>Total</b>   | <b>822,781</b> | <b>443,179</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

#### 1. The volume of transactions related to the risk group of the Parent Bank, unfinished loan and deposit transactions at the end of the period, and income and expenses for the period:

Balance sheet items of previous periods are presented as of 31 December 2021 and income/expense items of previous periods are presented as of 30 June 2021.

##### a) Current Period:

| Risk Group Involving The Parent Bank    | Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) |          | Direct and Indirect Shareholders of the Bank |          | Other Real and Legal Persons Included in the Risk Group |          |
|---|--|----------|--|----------|---|----------|
|   | Cash   | Non-cash | Cash   | Non-cash | Cash  | Non-cash |
| Loans                                   |  |          |  |          |   |          |
| Balance at Beginning of period          | -  | -        | 238,949                                      | 389,230  | 1,775,528   | 129,424  |
| Balance at End of Period                | -  | -        | 351,695                                      | 310,382  | 1,122,873   | 20,416   |
| Interest Received and Commission Income | -  | -        | 1,780  | 1,400    | 55,269  | 262      |

Direct and indirect shareholders of the Group balance above includes TL 351,695 and other entities included in the risk group balance above includes TL 125,002 placement in “Banks”.

##### b) Prior Period:

| Risk Group Involving The Parent Bank    | Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) |          | Direct and Indirect Shareholders of the Bank |          | Other Real and Legal Persons Included in the Risk Group |          |
|---|--|----------|--|----------|---|----------|
|   | Cash   | Non-cash | Cash   | Non-cash | Cash  | Non-cash |
| Loans                                   |  |          |  |          |   |          |
| Balance at Beginning of period          | -  | -        | 161,422                                      | 438,193  | 810,094   | 89,477   |
| Balance at End of Period                | -  | -        | 238,949                                      | 389,230  | 1,775,528   | 129,424  |
| Interest Received and Commission Income | -  | -        | 908  | 1,608    | 16,611  | 158      |

Direct and indirect shareholders of the Group balance above includes TL 238,949 and other entities included in the risk group balance above includes TL 812,103 placement in “Banks”.

##### c) c.1) Information on deposits of the risk group of the Parent Bank:

| Risk Group Involving The Parent Bank | Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) |              | Direct and Indirect Shareholders of the Bank |              | Other Real and Legal Persons Included in the Risk Group |              |
|--------------------------------------|--|--------------|--|--------------|---|--------------|
|                                      | Current Period   | Prior Period | Current Period                               | Prior Period | Current Period  | Prior Period |
| Deposits                             |  |              |  |              |   |              |
| Beginning of Period                  | -  | -            | 4,577,873                                    | 5,596,710    | 1,263,224   | 1,281,302    |
| End of Period                        | -  | -            | 5,476,013                                    | 4,577,873    | 2,796,614   | 1,263,224    |
| Interest on Deposits Expense         | -  | -            | 74,305                                       | 227,461      | 63,007  | 36,979       |

##### c.2) Information on forward transactions, option contracts and other similar contracts with the risk group of the Parent Bank:

| Risk Group Involving The Parent Bank                   | Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) |              | Direct and Indirect Shareholders of the Bank |              | Other Real and Legal Persons Included in the Risk Group |              |
|--|--|--------------|--|--------------|---|--------------|
|  | Current Period   | Prior Period | Current Period                               | Prior Period | Current Period  | Prior Period |
| Financial Assets at Fair Value Through Profit and Loss |  |              |  |              |   |              |
| Beginning of Period                                    | -  | -            | 36,494,649                                   | 18,396,561   | 729,855   | 284,453      |
| End of Period  | -  | -            | 44,942,052                                   | 36,494,649   | 773,840   | 729,855      |
| Total Profit/Loss                                      | -  | -            | (1,057,108)                                  | (417,740)    | 31,388  | (4,890)      |
| Hedging Transactions purposes                          |  |              |  |              |   |              |
| Beginning of Period                                    | -  | -            | 9,575,676                                    | 10,139,721   | -   | -            |
| End of Period  | -  | -            | 18,037,391                                   | 9,575,676    | -   | -            |
| Total Profit/Loss                                      | -  | -            | 1,248,869                                    | 353,357      | -   | -            |

##### d) As of 30 June 2022, the total amount of remuneration and fees provided for the senior management of the Group is TL 60,835 (30 June 2021: TL 42,799).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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

Following the downward revision of Turkey's ratings on 8 July 2022, the international rating agency Fitch Ratings has similarly updated the credit ratings of 25 Turkish banks and their subsidiaries, including Türk Ekonomi Bankası A.Ş., with its report dated 26 July 2022.

The current ratings of the bank are as follows:

|  | Note     | Outlook  |
|--|----------|----------|
| Long Term FX Issuer Default Rating         | B-       | Negative |
| Long Term TL Issuer Default Rating         | B        | Negative |
| Short Term FX and TL Issuer Default Rating | B        |          |
| Financial Capacity                         | b-       |          |
| National                                   | AA (tur) | Stable   |
| Shareholder Support Note                   | b-       |          |

## SECTION SIX

### INDEPENDENT AUDITOR'S REVIEW REPORT

#### I. Explanations on the Independent Auditor's Review Report

The consolidated financial statements of the Group have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the auditor's interim review report dated 29 July 2022 is presented preceding the consolidated financial statements.

#### II. Notes and Explanations Prepared by Independent Auditors

None.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### SECTION SEVEN (\*)

#### INTERIM ACTIVITY REPORT

#### I. Interim Period Reports Included Chairman of The Board of Directors and CEO’s of the Parent Bank Assessments for The Interim Activities

#### A. Chairman of Board of Directors and CEO’s of the Parent Bank Assessments for The Interim Activities

##### Chairman of Board of Director’s Message

Dear stakeholders,

The war between Russia and Ukraine and the ongoing epidemic restrictions in China adversely affected the global economy in the second quarter. Energy prices increased rapidly in the second quarter due to Russia's being an important supplier of natural gas and oil and economic sanctions against Russia. In its Global Economic Prospects Report, the World Bank stated that inflation will remain high in the second half of the year and the risk of stagflation has increased. The institution lowered its 2022 global growth forecast from 4.1% to 2.9%.

In the first half of the year, headline inflation reached 9.1% in the USA. The US Federal Reserve (Fed) increased the interest rate by 50 basis points in May and 75 basis points in June, increasing the policy rate to the range of 1.50%-1.75%. Fed Chairman Powell stated that inflation has increased due to food, energy and raw material prices and that interest rate hikes will continue to reduce high inflation. The Fed lowered its growth expectation for the US economy in 2022 from 2.8% to 1.7%, while the year-end policy rate was estimated at 3.4%. After the Fed statements, the US 10-year bond yields rose above 3% at the end of June.

In Europe, headline inflation increased by 8.6% year-on-year in June due to high energy costs. While the European Central Bank (ECB) ended the pandemic emergency asset purchase program, it kept the policy rate unchanged in the first half of the year. ECB President Lagarde stated that the ongoing war poses a downside risk on economic growth and that they may increase interest rates gradually against high inflation.

The Turkish economy grew by 7.3% annually in the first quarter of 2022. While domestic demand contributed 12 percentage points to growth, net exports contributed 3.5 percentage points. In the first quarter, stocks pulled growth down 8.2 percentage points. Industrial production remained strong in the first half of the year, with leading indicators pointing to a slowdown in the rest of the year.

Energy inflation continued to rise in the second quarter due to the increases in fuel, natural gas and electricity prices. At the end of June, consumer inflation rose to 78.6% annually, while domestic producer inflation was 138.3% annually. The Central Bank of the Republic of Turkey (CBRT) kept the policy rate unchanged at 14% in the January-June period.

According to the data of the Ministry of Commerce, while our exports increased by 20% in the January-June period compared to the same period of the previous year, our imports increased by 40.6%. The total foreign trade deficit in the first six months was \$51.4 billion. While high energy imports caused a deterioration in the foreign trade balance, the twelve-month current account balance had a deficit of \$29.4 billion as of May.

Russia-Ukraine war pushes up both energy and food prices, posing downside risk to global growth. In this period, where the fragility of energy importing countries has increased, there are also problems in food supply due to war conditions. In the second half of the year, the course of the war and the tightening steps of the central banks will be followed.

As one of the important players in the Turkish banking sector, TEB aims to continue to contribute to the Turkish economy in the coming periods, as it has done so far, and to create increasing value for all its stakeholders by increasing its growth and efficiency.

Kind Regards,

Dr. Akın AKBAYGİL

(\*) The amounts in Section Seven represent the full TL amount unless otherwise stated.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### A. Chairman of Board of Directors and CEO’s of the Parent Bank Assessments for The Interim Activities (cont’d)

#### CEO’s Message

As of 30 June 2022, TEB showed total assets of TL 263 billion and a net profit of TL 4,814 million. Loans, the most important indicator of the bank’s support for its customers and economic activity, made up 58% of its total assets. Giving the same importance to risk management and to asset quality as it always does, TEB’s total loans to customers in the first half of the year amounted to TL 155.3 billion while its total deposits during the same period stood at TL 185.8 billion. Continuing to support solid growth with a strong capital structure and by ensuring the sustainable continuity of its profitability, TEB’s shareholders’ equity was TL 19.3 billion while at 15.32%, its capital adequacy ratio was above the targeted 12%.

TEB continued to offer both retail and corporate customers a variety of products designed to protect TL savings against exchange rate movements such as “Currency Protected TL Time Deposit Account”, “Foreign Currency Conversion TL Time Deposit Account”, “Gold Conversion TL Time Deposit Account” and “YUVAM Account”. The total volume of TEB’s rate-protected fixed-term TL depots accounts increased by 149% in Q2 2022 and the bank’s overall share of the market for such products grew by 100 basis points. Through savings-account products such as these, TEB protects its customers’ TL savings against currency risk while also encouraging them to keep their savings in TL.

Offering a range of alternative deposit-account products to encourage its customers to save, TEB promotes saving habits among its customers through its “Marifetli” account, whose flexible deposit/withdrawal options make saving easy and which has also increased the bank’s acquisition of new customers as well. The total volume of TEB Marifetli accounts has increased by 3.5% since the beginning of the year.

TEB also continued to support its customers with consumer loans incorporating alternative repayment plans, three-month installment deferments, and suitable maturity options. The percentage of customers having recourse to digital channels that make their access to retail loans more convenient has increased. According to Q2 2022 figures, 80% of all loan applications were received by TEB through digital channels and 84% of loans to customers were disbursed in the same way.

Continuing to improve the digital banking experience, TEB makes it possible for customers to take care of their banking business quickly and without interruption through practical, solution-focused approaches that satisfy their demands and needs. During Q2 2022, the number of TEB customers using any of the bank’s digital banking channels reached 2.37 million and the number of them using only mobile banking channels approached 2 million.

Besides offering bonuses of up to TL 5,500 to pensioners who have the accounts into which their pensions are paid transferred to TEB, the bank also continues to provide such customers with products and services in line with their needs. TEB has even set up a special service line at its call center that makes it possible for pensioners to take care of their business more conveniently. TEB charges no fees on any money transfer or EFT/FAST transactions that pensioners perform through either its call center, its online branch, or its CEPTETEB mobile app. Pensioners also qualify for priority service at TEB branches, are exempt from credit card fees, benefit from higher interest rates and daily cash withdrawals on their Marifetli accounts, and higher ATM withdrawal limits.

Supporting the entrepreneurial ecosystem and impact investment in order to create added value for all of its stakeholders and to have a positive impact on society in keeping with its “Good and Exemplary Bank” attitude, TEB overhauled the TEB Private Banking Angel Investment Platform which it had launched as part of its private banking arm in 2013. Having already been instrumental in the writing of a great number of success stories by bringing entrepreneurs and investors together, TEB Private Banking organized the first gathering on the renovated platform around the theme of “Social entrepreneurs aiming at ecological sustainability”. As the first bank in the country to introduce the concept of “angel investor” to its customers for the purposes of transforming the investment landscape and of offering alternative areas for investment, the aim of this TEB platform is to discover project ideas and initiatives that will make a difference for Turkey. Another of its aims is to encourage “impact investing” whose strength is derived from TEB’s entrepreneurial and investment ecosystem.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

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### A. Chairman of Board of Directors and CEO’s of the Parent Bank Assessments for The Interim Activities (cont’d)

#### CEO’s Message (cont’d)

TEB continued its efforts to strengthen the presence of women who own businesses and are entrepreneurs in the business world for fostering sustainable economic growth with its Women's Banking business line. Providing women business owners with support on both financial and non-financial issues, total volume of TEB’s cash loans to such businesses in Q2 2022 was about 20% higher than it was in previous year.

During Q2 2022 TEB SME Banking continued to stand by the small and medium-sized enterprises that are the engines of the national economy. Offering the most suitable financing solutions addressing the needs of SMEs in support of both production and employment, TEB contributes to Turkey’s real sector through its provision of loans backed by the Credit Guarantee Fund (KGF). As of 30 June 2022, TEB had disbursed TL 2 billion worth of credit under three separate KGF-backed protocols: Export Support Package, Investment Support Package, Business Expenditures Support Package.

In keeping with its vision of being an important stakeholder in innovative and value-adding technology companies through its Startup Banking business line, TEB continues to provide such undertakings with both financial and non-financial support during their growth stages. TEB provides both financial and consultancy support to ventures in many different business lines ranging from agricultural technologies and biobased plastic production to waste-water treatment systems and stand-alone energy generation autoproduction technologies. At TİM-TEB Startup Houses located around the country as part of the long-term collaboration between Türk Ekonomi Bankası and Turkish Exporters Assembly, a Green Up Sustainable Green Growth Program has been launched to support initiatives focusing on end-to-end sustainability. Under this program, support is provided to undertakings in the areas of clean energy and clean technology on such issues as mentoring, meeting with investors, networking, and venturing abroad. TEB intends to continue contributing to the strengthening and expansion of entrepreneurship throughout the country by reaching out to even more entrepreneurs through new programs that are to be carried out at TİM-TEB Startup Houses.

In line with the underlying strategy which it had defined for 2022, TEB Corporate Banking continued its efforts to be the “main” or at least a “preferred” bank for the corporate customers in its portfolio. Continuing to grow its active corporate banking customer base, TEB is further entrenching itself in this business line by increasing the number of cash management and foreign trade finance products used by existing customers.

Global Finance, a highly respected journal in international financial circles, cited TEB as “Best Cash Management Bank In Turkey” in the magazine’s 2022 ranking of the world’s best treasury and cash management financial institutions.

In the 2022 round of its annual competition, the world’s largest contact center and customer loyalty applications organization Contact Center World awarded the TEB Call Center with gold medals in six categories: “Best Customer Services”, “Best Self-Service Technology”, “Best Sales Campaign”, “Best Quality Team”, “Best Innovation In Technology”, and “Best Crisis Management”.

Kind Regards,

Ümit Leblebici

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### B. Share Capital and Shareholding Structure

As of 30 June 2022;

| Name- Title of Shareholders                | TL 2,204,390,000.00 Paid-in Capital |                |
|--|-------------------------------------|----------------|
|  | Share                               | Share          |
| TEB Holding A.Ş.                           | 1,212,414,500.002                   | 55.0000%       |
| BNPP Yatırımlar Holding A.Ş.               | 518,342,498.520                     | 23.5141%       |
| BNP Paribas Fortis Yatırımlar Holding A.Ş. | 467,879,148.835                     | 21.2249%       |
| BNP Paribas SA                             | 5,253,352.000                       | 0.2383%        |
| Kocaeli Ticaret Odası                      | 500,500.643                         | 0.0227%        |
| <b>Grand Total</b>                         | <b>2,204,390.000</b>                | <b>100.00%</b> |

### C. Management and Corporate Governance Practices

#### The Chairman and the Members of Board of Directors

| Name                              | Title   |
|-----------------------------------|---|
| Dr. Akın Akbaygil                 | Chairman of the Board of Directors  |
| François Andre Jesualdo Benaroya  | Deputy Chairman of the Board of Directors                                 |
| Nicolas de Baudinet de Courcelles | Member of the Board of Directors and Chairman of the Audit Committee      |
| Ayşe Aşardağ                      | Member of the Board of Directors and Vice Chairman of the Audit Committee |
| Yavuz Canevi                      | Member of the Board of Directors  |
| Hans Wilfried J. Broucke          | Member of the Board of Directors  |
| Özden Odabaşı                     | Member of the Board of Directors  |
| Sandrine Ferdane                  | Member of the Board of Directors  |
| Ayşe Meral Çimenbiçer             | Member of the Board of Directors, Member of Audit Committee               |
| Metin Toğay                       | Member of the Board of Directors  |
| Didier Albert N. Van Hecke        | Member of the Board of Directors, Member of Audit Committee               |
| Ümit Leblebici                    | Chief Executive Officer and the Executive Member                          |

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

As of 30 June 2022 the Board of Directors have accepted 118 resolutions and Audit Committee 33 resolutions. The Board Members and Committee Members have participated into respective meetings at sufficient levels.

#### Executive Management

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

| Name                   | Title   |
|------------------------|---|
| Ümit Leblebici         | General Manager and Member of the Board of Directors  |
| Gökhan Mendi           | Senior Assistant General Manager, Retail and Private Banking                                    |
| Ali İhsan Arıdaşır     | Assistant General Manager Responsible for SME Loans   |
| Melis Coşan Baban      | Head of Legal Affairs, Secretary of the Board of Directors                                      |
| Ali Gökhan Cengiz      | Assistant General Manager, SME Banking  |
| Mehmet Ali Cer         | Assistant General Manager, Information Technologies   |
| Mustafa Aşkın Dolaştır | Assistant General Manager, Financial Affairs Group  |
| Osman Durmuş           | Assistant General Manager Responsible for Retail and Business Loans                             |
| Orhan Hatipoğlu        | Assistant General Manager, Banking Operations and Support Services                              |
| Bade Sipahioğlu Işık   | Assistant General Manager, Human Resources  |
| Dr. Tuğrul Özbakan     | Assistant General Manager, Treasury & ALM   |
| Akil Özçay             | Assistant General Manager, Financial Markets  |
| Gökhan Özdil           | Assistant General Manager, Corporate Loans  |
| Ömer Abidin Yenidoğan  | Assistant General Manager, Corporate and Corporate Investment Banking Group                     |
| Nimet Elif Kocaayan    | Chief Risk Officer  |
| Hakan Tıraşın          | Head of Internal Audit  |
| Birol Deper            | Head of Compliance Group and Internal Control Group, Consumer Relations<br>Coordination Officer |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### D. Significant Events and Transactions in the Current Period

#### Amendments to Main Contract in 1 January – 30 June 2022:

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

#### Significant Events and Transaction in the Current Period:

Past due receivables amounting to TL 137,617 for which TL 134,690 of provision had been allocated, is sold for TL 27,732 during 2022 and after all sales procedures were completed, these past due receivables have been written off from the portfolio.

#### Summary of Financial Information:

| (million TL)                           | 30 June 2022<br>Consolidated<br>Financial Statements | 31 December 2021<br>Consolidated<br>Financial Statements |
|--|--|--|
| Loans, Net                             | 151,848  | 108,464  |
| Loans (*)                              | 152,972  | 109,183  |
| Non-Performing Loans                   | 2,977  | 3,359  |
| Provision for Expected Loses           | (4,101)  | (4,078)  |
| Total Assets                           | 263,022  | 198,854  |
| Deposits                               | 185,774  | 131,583  |
| Shareholder’s Equity                   | 19,279   | 14,056   |
| Net Profit (Prior Period 30 June 2021) | 4,814  | 664  |

(\*) Includes factoring receivables.

#### Summary of Financial Ratios:

|  | 30 June 2022<br>Consolidated<br>Financial Statements | 31 December 2021<br>Consolidated<br>Financial Statements |
|--|--|--|
| Loans / Total Assets                         | 57.73%   | 54.55%   |
| Deposits / Total Assets                      | 70.63%   | 66.17%   |
| Return on Equity (Prior Period 30 June 2021) | 59.26%   | 11.38%   |
| NPL Ratio                                    | 1.91%  | 2.98%  |
| Capital Adequacy Ratio                       | 15.32%   | 17.77%   |
| Coverage Ratio                               | 66.10%   | 68.23%   |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2022

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

### E. Credit Ratings Assigned by Rating Agencies and Information on Their Contents (\*)

In terms of the ratings given by the institutions rating banks in our country, our Parent Bank continues to be one of the banks with the highest rating. As of 31 December 2021, our ratings are as follows:

#### Moody’s Investor Services:

|                                     |          |
|-------------------------------------|----------|
| Baseline Credit Assessment          | b3       |
| Adjusted Baseline Credit Assessment | b1       |
| Long Term FC Bank Deposits          | B2       |
| Short Term FC Bank Deposits         | NP       |
| Long Term TL Bank Deposits          | B1       |
| Short Term TL Bank Deposits         | NP       |
| Outlook                             | Negative |

#### Fitch Ratings:

|                                     |          |
|-------------------------------------|----------|
| <i>Foreign Currency Commitments</i> |          |
| Long-term                           | B        |
| Short-term                          | B        |
| Outlook                             | Negative |
| <i>Turkish Lira Commitments</i>     |          |
| Long-term                           | B+       |
| Short-term                          | B        |
| Outlook                             | Negative |
| National                            | AA (tur) |
| Outlook                             | Stable   |
| Financial Capacity                  | b+       |
| Viability Rating                    | b        |

(\*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

### F. Donations

The Parent Bank has donated TL 142,948 with 113 items to the several agencies and institutions during the period of 1 January 2022 – 30 June 2022.